

OKANAGAN-KOOTENAY STERILE INSECT RELEASE PROGRAM BOARD

Minutes of a Regular Meeting of the **OKANAGAN-KOOTENAY STERILE INSECT RELEASE (SIR) PROGRAM BOARD** held in the Woodhaven Room of the Regional District of Central Okanagan, Kelowna, BC, on Friday, May 11, 2018

Voting Members:

Director Shirley Fowler, Chair
Director James Baker
Director Brad Sieben
Director Chad Eliason
Director George Bush
Grower Dave Dobernigg
Grower Walter Makepeace

Regional District of North Okanagan
Regional District of Central Okanagan
Regional District of Central Okanagan
Columbia Shuswap Regional District
Regional District of Okanagan Similkameen
Grower Representative – Zone 3
Grower Representative – Zone 1

Non-Voting Members:

Dr. Kenna Mackenzie

Agriculture & Agri-Food Canada

Guests/Delegates:

Glen Lucas
Markus Schrott

Fruit Growers Association
BDO Canada, LLP

Regrets:

Grower Amarjit Lalli, Vice Chair
Dr. Susanna Acheampong

Grower Representative Zone 2
BC Ministry of Agriculture and Land

Staff:

Melissa Tesche
Cara Nelson (remotely)
Carol Teschner
Loren Scott

OKSIR Acting General Manager
OKSIR General Manager
CORD Finance Manager
Recording Secretary

1. CALL TO ORDER

The Chair called the meeting of the OKSIR Board to order at 9:03 am.

2. ADOPTION OF AGENDA

2.1 Adoption of Agenda

Moved by: Director Eliason

Seconded by: Director Baker

"THAT the May 11, 2018 meeting agenda be adopted."

CARRIED

3. MINUTES

3.1 Regular Board Meeting – March 16, 2018 – for adoption

Moved by: Director Baker

Seconded by: Grower Makepeace

"THAT the SIR Regular Board Meeting Minutes of March 16, 2018 be adopted."

CARRIED

3.2 Business Arising from Minutes

N/A

Dr. Mackenzie and Director Sieben arrived at 9:05am.

4. DELEGATION/PRESENTATION

- 4.1 Markus Schrott, BBA, CA, CPA, Partner BDO LLP**
- a. Audited letter dated May 11, 2018 BDO LLP**
 - b. Presentation of 2017 Audited Financial Statements**

Markus Schrott, Partner BDO LLP, presented the audited letter and the 2017 audited financial statements to the Board in detail.

Moved by: Director Eliason

Seconded by: Director Baker

“THAT the OKSIR Board approves the 2017 Audited Financial Statements.”

CARRIED

Grower Dobernigg arrived at 9:15am.

5. CORRESPONDENCE/ INFORMATION

- 5.1 Staff Report from Melissa Tesche, Acting General Manager, May 7, 2018, re: Program Update**

The Acting General Manager reviewed the Program Update in detail.

With the facility at maximum moth production required to service the Program's orchard acreage, the Acting General Manager clarified for the Board the difference in use between extra moths and excess moths.

The Board raised the question of whether the service level would change in the future; they were then informed that codling moth damage will continue to be assessed after each season to determine if an adjustment to the service level is needed. Future changes to release methods and the possibility of automating release rates, may also change the weekly amount of sterile moths distributed to local orchards.

Moved by: Director Baker

Seconded by: Grower Dobernigg

“THAT the OKSIR Board receives the Staff Report from Melissa Tesche, Acting General Manager, dated May 7, 2018, re: Program Update.”

CARRIED

- 5.2 Staff Report from Cara Nelson, General Manager/Director of Business Development, May 2, 2018, re: Business Development Activities Update**

The General Manager reviewed the Business Development Activities Update in detail.

It was noted that the majority of the Program's alternate sales revenue currently comes from the sale of eggs sheets to a biocontrol manufacturer in Quebec. Concern was raised that currently the majority of alternate revenue was only from one source.

Moved by: Director Sieben

Seconded by: Grower Dobernigg

“THAT the OKSIR Board receives the staff report from Cara Nelson, General Manager/Director of Business Development, dated May 2, 2018, re: Business Development Activities Update.”

CARRIED

The Board was advised that additional funding for the business development initiative would be helpful to offset the initial shipping costs which require using freight forwarders and customs brokers. Currently, there is reluctance from less expensive courier companies to ship beneficial insects. Only freight forwarders handle OKSIR sterile moths at present. The current focus is to get the product into the implementation trials for the collaborators to experience the benefits of SIT for codling moth control. It was noted there is also work being done by other agencies to advance the cooperation of courier companies on international shipments of beneficial insects. This work will help secure additional revenue markets.

The Board was reminded that OKSIR is the only Program that uses SIT technology for codling moth control. Once international collaborators experience the results of the Program in their regions through trials, they will request a larger supply, and at that time, Program operations will need to be prepared for production and feasible shipping options.

Moved by: Grower Makepeace

Seconded by: Director Eliason.

"THAT the OKSIR Board approve proceeding with meetings with local MPs and federal government ministry officials, as coordinated with government relations support of the Canadian Nuclear Association."

CARRIED

The Board was advised that further discussions will be held on the details of a pilot trial with Argentina. It is necessary to understand if the objective is to create a market to supply Argentina or if the trial is an opportunity to collect more data.

Moved by: Director Baker

Seconded by: Grower Dobernigg

"That the OKSIR Board approve pursuing the supply on sterile insects in 2018 with collaborators for a pilot trial in Argentina using SIT, similar to the current collaborations with USA and New Zealand."

CARRIED

6. UNFINISHED BUSINESS

N/A

Grower Dobernigg left briefly at 10:31am and returned at 10:33am

7. NEW BUSINESS

7.1 Staff Report from Melissa Tesche, Acting General Manager, dated May 7, 2018, re: CAO Committee Meeting

The Chief Administrative Officers(CAOs) of the four participating Regional Districts met with staff on April 13th to discuss the prospect of OKSIR increasing revenue streams through the sale of excess product—specifically regarding the ability of the program to enter into multi-year supply contracts. A draft copy of the minutes was circulated to the Board. The Acting General Manager noted that the minutes have not yet been approved by all CAOS, but that it was appropriate to provide a copy of the minutes to discuss the meeting.

It was noted that while each of the CAOs expressed support for the initiative, the RDNO CAO also relayed some governance concerns. The other CAOs agreed that the governance issues should be explored. OKSIR staff anticipate receiving further clarification from RDNO on their concerns.

Moved by: Director Eliason

Seconded by: Director Bush

"THAT the OKSIR Board receives the Staff Report from Melissa Tesche, Acting General Manager, dated May 7, 2018, re: CAO Committee Meeting."

CARRIED

The Board considered the recommended resolution put forward by the four Regional District CAO's.

Moved by: Director Eliason

Seconded by: Director Baker

"THAT the OKSIR Board work with the Ministry of Municipal Affairs to clarify and, where necessary, update the OKSIR legislative framework to address issues related to Program scope and structure, for the purpose of ensuring the longevity and stability of the Program."

CARRIED

7.2 Interim Financial Statements to March 31, 2018

The RDCO Financial Manager presented the OKSIR Program Interim Financial Statements to March 31, 2018 in detail.

Moved by: Director Baker

Seconded by: Director Bush

"THAT the OKSIR Board accepts the Interim Financial Statements to March 31, 2018 as presented."

CARRIED

8. ADJOURN TO IN-CAMERA

The Board adjourned to an in-camera meeting at 10:45am.

Moved by: Director Baker

Seconded by: Director Bush

"THAT pursuant to Section 90 of the Community Charter the SIR Board adjourns and convenes to an 'In-Camera' session to discuss legal and personnel issues."

CARRIED

9. OTHER BUSINESS

N/A

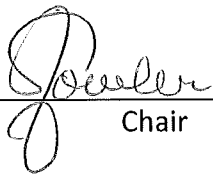
10. ADJOURNMENT

Moved by: Director Baker

Seconded by: Director Sieben

"THAT the SIR Board meeting be adjourned at 12:10pm."

CARRIED



Chair



Corporate Officer