

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 Coast Capri Hotel, located in Kelowna, BC, on Friday, October 2, 2020

Voting Members:

Director Shirley Fowler, Chair	Regional District of North Okanagan
Grower Amarjit Lalli, Vice Chair	Grower Representative – Zone 2
Director James Baker	Regional District of Central Okanagan
Director George Bush	Regional District of Okanagan Similkameen
Grower Walter Makepeace	Grower Representative – Zone 1, organic
Director Chad Eliason	Regional District Columbia Shuswap
Director Brad Sieben	Regional District of Central Okanagan

Non-Voting Members:

Dr. Susanna Archaempong	BC Ministry of Agriculture
Taras Pojasok	Agriculture and Agri-Food Canada

Guests/Delegates:

Glen Lucas	BC Fruit Growers Association
Adrian Arts	BC Ministry of Agriculture
Allan Nielsen	Neilson Strategies
Dustin Krompetz	M3 Consulting

Regrets:

Grower Dave Dobernigg	Grower Representative – Zone 3
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Staff:

Melissa Tesche	OKSIR General Manager
Carol Teschner	CORD Finance Manager
Evan Esch	OKSIR Entomologist
Paul Thiessen	OKSIR Operations Manager
Shelby Legebokoff	Recording Secretary

1. CALL TO ORDER

The Chair called the meeting of the OKSIR Board to order at 9:07 am.

The OKSIR General Manager first took a moment to introduce Mr. Adrian Arts to the Board. Mr. Arts is the new Tree Fruits and Wine Grapes Specialist with the BC Ministry of Agriculture, and comes equipped with his background as a full time farmer in Summerland. Mr. Arts has also worked in various parts of industry and on numerous projects such as the BC Climate Initiative and working with food security. As a producer himself, Mr. Arts highly benefits from the services provided by SIR. The Chair thanked Mr. Arts for attending.

2. ADOPTION OF AGENDA

2.1 Adoption of Agenda

The Board noted that some mistakes were noticed in the proposed meeting agenda. The agenda was amended accordingly.

Moved by: Director Baker

Seconded by: Director Bush

"THAT the October 2, 2020 meeting agenda be adopted."

CARRIED

3. MINUTES

3.1 Regular Board Meeting – July 17, 2020 – for adoption

The Board noted that some spelling errors were present in the minutes from July 17, 2020. The minutes were amended accordingly.

Moved by: Director Bush

Seconded by: Director Eliason

"THAT the SIR Regular Board Meeting Minutes of July 17, 2020 be adopted."

CARRIED

3.2 Business Arising from Minutes

N/A

4. DELEGATION/PRESENTATION

4.1 Mr. Allan Neilson, Neilson Strategies, re: Update on Apportionment Working Group Process

- a. Summary of Workshop (page 7)
- b. Technical Addendum (to be circulated)

Mr. Allan Neilson gave the update on the apportionment working group process in detail.

Mr. Neilson refreshed the Board on the purpose of the working group and what they set out to accomplish. The foremost topic was to develop a new formula to help share the tax burden upon the four Regional District partners. The current formula demonstrates an unfair distribution of taxing in regards to certain regions, where much less land is being used by orchardists. This can be compared with the usage in other regions, where more land is being used and subsequently more resources are being exerted by SIR to maintain. The key goal of the apportionment working group process was to come to a fair decision that benefits each Regional District accordingly.

Mr. Neilson summarized for the Board some findings that emerged from this process. Some key concerns to be addressed in the new formula were those such as pragmatism, equity, partnership, and broad benefit. All Regional District partners agreed that these qualities, among others, must be encompassed by the new tax-sharing formula to fairly reflect each regions relative benefit to the program.

Mr. Neilson reviewed various alternative tax-sharing formulas for the Board. After explaining these options in detail, Mr. Neilson noted that one best addresses all concerns discussed by the working group. This option would be a fluid approach that changes annually, alongside the number of acreage present in each region. The new approach would divide the burden based primarily on converted assessment amounts (land and improvements; weighted 75%) while also incorporating a measure of each district's planted acreage (weighted 25%). It was noted to the Board that this new formula takes into account all concerns demonstrated by the Regional District partners, as well as, the inter-regional differences in the amount of service provided to each area.

Mr. Neilson then touched on options of expanding service area to the Board. It was noted that due to climate change, areas that were not previously suitable for growing pomme fruits, are being transformed into ideal conditions. This will potentially lead to service area expansion. To resolve the issue of who benefits from SIR in regards to both growers and residential owners, the General Manager mentioned the use of maps and GIS systems to better link the Regional Districts.

In regards to a new proposed tax-sharing formula, the Regional District partners all agreed on the importance of a phase-in provision. Mr. Neilson described this phase-in to the Board, as taking place over four years. It was noted that the introduction of this phase-in provision will be complicated and further discussion is required.

Following his presentation, Mr. Neilson answered questions from the Board.

The Board raised a question in regards to seeking approval from the Provincial government. Mr. Neilson clarified that the Board must first approach each Regional District to gain acceptance and that all Regional districts must be in agreement before requesting approval from the Provincial government. The Board agreed that during this process, the sharing of information and collaboration will be key.

The Board highlighted the amount of respect experienced within the working group, while working on such a sensitive subject.

Moved by: Director Eliason

Seconded by: Director Baker

"THAT the Summary of Workshop from Mr. Neilson be received."

CARRIED

4.2 Mr. Dustin Krompetz, M3 Consulting Group, LLC, Partner & Chief of UAS Operations, re: End of Season Update for Washington Commercial Sales

The General Manager introduced Mr. Dustin Krompetz, Partner and Chief of UAS Operations with M3 Consulting Group, to the Board. Mr. Krompetz joined the meeting via Zoom, and gave the Board a detailed update on commercial sales and partnership regarding the new aerial release method taking place in Washington. Mr. Krompetz has received a great amount of praise regarding program benefit from local distributors and shared with the Board that he is very confident in sterile insect technology (SIT) going forward.

Mr. Krompetz and the General Manager announced to the Board that moth release will soon be taking place via drones in the Okanagan and that this technology is currently being utilized in Washington. Though covid-19 and border restrictions provided various shipping difficulties, the equipment has made it across the border, and staff flight training will be taking place soon. The Board highlighted the importance of this collaboration with Mr. Krompetz and M3 Consulting Group.

4.3 Mr. Evan Esch, OKSIR Entomologist, re: 2020 Program Results

The Program Entomologist, Mr. Evan Esch reviewed the 2020 program results in detail.

Mr. Esch gave a detailed overview of the 2020 season. The warmer weather experienced during previous years displayed much better opportunity for moth activity. This was contrasted with the recent cold weather that is worse for growers but displayed a rapid decrease in moth activity. Due to these recent changes, acreage removal is being experienced in each region. Mr. Esch described for the Board the issues this removal may create in regards to the lack of proper wood disposal. Mr. Esch provided the Board with figures and trap data for the last 25 years to demonstrate the significant population decrease since SIR gained control of the service area. This past season alone has revealed a lower wild population in all zones, which is also indicative of program success. Mr. Esch also provided the Board with figures showing the trends in sterile captures over the years. The consistency exhibited by the trends in sterile captures, confidently points to the fact that the wild population is in fact decreasing. Mr. Esch announced to the Board that the success exhibited this year is attributed to the growers who continue to cooperate with SIR. Following his presentation, Mr. Esch answered questions from the Board.

The Board raised a question regarding areas that have shown an increase in damage this year and if/what enforcement is being executed. Mr. Esch informed the Board that enforcement will be completed on a case by case basis; all growers have different practices and SIR must respect the rights of each grower and the challenges they may be facing. The Board agreed on the importance of showing respect to all sides of industry.

The Board raised concerns regarding proper wood disposal and burning restrictions due to air quality and covid-19. Mr. Esch explained to the Board that though SIR is enforcing this issue, it is hard for growers to invest in alternate technology, such as chipping. It was suggested that the program propose at least one week designated to burning per year. The Board agreed that there should be a combination of disposal methods available for growers, and that more discussion must be held in order to take into account provincial air quality restrictions alongside regional bylaws.

Moved by: Director Sieben

Seconded by: Grower Makepeace

"THAT the Summary of 2020 Program Results from Mr. Esch be received."

CARRIED

5. CORRESPONDENCE/ INFORMATION

5.1 Staff Report from Melissa Tesche, General Manager, Sept 28, 2020 re: Program Update

The General Manager reviewed the staff report in detail.

The General Manager informed the Board that the program facility is operating successfully and that supplies will again be ordered in advanced due to restrictions and delays exhibited by covid-19. The General Manager advised the Board that SIR has the possibility of testing the effectiveness of using x-ray technology for sterilization of codling moth. This technology provides efficient sterilization, however, the reliability of the machinery has not previously demonstrated the needs for such a large company. The General Managers noted to the Board that the swap from an irradiator to x-ray technology would be significantly more convenient for future use, and legal restrictions.

The General Manager informed the Board that SIR has secured a new field office location. The new location was previously used as storage for the Kelowna Airport and they have agreed to share that space with SIR. Staff are currently working through a lease agreement.

The General Manager notified the Board that each fall the CFIA hosts an auditor from Taiwan, which is a lucrative market for BC apples with extremely stringent codling moth restrictions. The inspection will be completed this year by the CFIA and virtually communicated to Taiwan. The Board was informed that OKSIR has provided data, as usual, to also deliver a virtual presentation.

The General Manager updated the Board on the status of commercial sales for the 2020 season. Most sales are now completed for the season, and feedback has been successful. Alongside growing research and sales, partnership continues with M3 Consulting Group through the purchase of drones for future release activities. Despite issues arising from covid-19 shipping and border regulations, the drones made it safely across the border. The OKSIR Operations Manager brought one of the two purchased drones to present to the Board. The General Manager informed the Board that staff flight training will begin shortly and that the flight program will be moving forward.

The Board raised a question regarding the number of drones needed for the program, as well as the individual area coverage for each. The General Manager clarified that this will need to be talked about further, once the program is put into operation and staff are familiarized.

Allan Neilson left the meeting at 10:41am.

Moved by: Director Sieben

Seconded by: Grower Makepeace

"THAT the staff report from the General Manager be received."

CARRIED

6. UNFINISHED BUSINESS

N/A

7. NEW BUSINESS

5.2 Memo from Melissa Tesche, General Manager, September 28, 2020 re: Apportionment Recommendations

The General Manager provided the apportionment recommendations in detail. The Board was reminded that this is a difficult topic and that these options were determined cooperatively and respectfully by the working group.

Moved by: Director Eliason

Seconded by: Grower Makepeace

"THAT the OKSIR send a letter of appreciation to the Regional Districts for their active participation in the Governance Review process thus far, commending the collaborative spirit with which they have approached these challenging issues."

CARRIED

The General Manager described to the Board the legitimate changes that will occur during this process. The Board was reminded that all partners must be in agreement to move forward.

Moved by: Grower Lalli

Seconded by: Director Eliason

"THAT the OKSIR Board endorse the recommendations of the apportionment working group and move to a value tax apportionment system that still reflects the broad benefits of the OKSIR program to the Okanagan and Similkameen valleys as a whole, but also incorporates a reflection of the inter-regional differences in amount of service provided."

CARRIED

The General Manager requested that the Board effectively endorse option 2, discussed previously by Mr. Neilson. The General Manager informed the Board that this recommendation speaks to the specifics of the formula and concerns of each Regional District partner.

The Board raised a question regarding communication between each Regional District. The General Manager clarified that the program is clear on the numbers and will communicate the formula and numbers clearly to both the Regional District partners as well as, the taxpayers prior.

Moved by: Director Eliason

Seconded by: Grower Lalli

"THAT the OKSIR Board request a resolution of support from the Regional District partners to phase in, over four years, a new hybrid formula for allocation of the SIR Program's annual value tax burden, such that each Regional District's burden is based on their proportion of the previous year's converted assessment base (land and improvements) for the service area as a whole, weighted at 75%, and their proportion of the previous year's total taxable acreage for the service area as a whole, weighted at 25%."

CARRIED

The General Manager informed the Board that the current tax formula does not match legislation and that change is needed. The current model is based on values from the year 2006. The General Manager informed the Board that if

all Regional Districts are in agreement, this formula can be improved and a phase in period can commence. If this agreement can be achieved, the program can seek official approval from the Provincial government.

Moved by: Grower Makepeace

Seconded by: Director Baker

“THAT the OKSIR Board request a resolution of support from the Regional District partners to pursue an Order in Council to formally recognize the new apportionment method.”

CARRIED

The General Manager informed the Board that once land becomes agriculturally viable, it can be introduced to the program, but cannot opt out. The Board discussed the importance of having a permanent service area. An area cannot pull out of the program once enrolled, due to its potential effect on surrounding areas.

Moved by: Grower Lalli

Seconded by: Grower Makepeace

“THAT, on the recommendation of the working group and in recognition of increased agricultural viability of areas that were previously not thought suitable for pome fruits, the OKSIR Board develop and propose a mechanism for regular review and, when required, expansion of the SIR’s Program’s service area.”

CARRIED

7.2 Interim Financial Statements

The RDCO Financial Manager presented the OKSIR Program Interim Financial Statements in detail.

Ms. Teschner noted that the high dollar amounts for both diet ingredients and operational supplies are due to the purchasing of materials in advance for the upcoming year. This is to ensure enough materials are available on hand in case of shipping issues related to covid-19 or a facility shutdown. Mating disruption supplies were also purchased in advance, as a back-up technique, provided facility shut down occurs. Ms. Teschner informed the Board that sales are on track and that more are expected.

The Board raised a question regarding the specific amount of sales for both egg sheets and moths. Ms. Teschner clarified these numbers for the Board, along with what company is purchasing which product. The General Manager added that these numbers, alongside pricing, vary annually. Ms. Teschner informed the Board that she will put together a detailed report containing this information for the next meeting.

Moved by: Director Sieben

Seconded by: Grower Makepeace

“THAT the OKSIR Board accepts the interim financial statements 2020.”

CARRIED

7.3 Bylaw 36 - 2020 OKSIR Board Revenue Anticipation Borrowing Bylaw – Three readings and adoption

Chair Fowler introduced Bylaw 36, Revenue Anticipation Borrowing Bylaw, to the Board for reading and adoption.

The General Manager asked the Board to approve this bylaw, as well as, a new one each year displaying a proper representative borrowing budget. The General Manager reminded the Board that the borrowing will always be in regards to the previous year’s budget.

Moved by: Director Baker

Seconded by: Grower Lalli

“THAT the OKSIR Board accepts the borrowing outlined in Bylaw 36, 2020 OKSIR Board Revenue Anticipation Borrowing Bylaw No. 36, 2020.”

CARRIED

8. ADJOURN TO IN-CAMERA

N/A

9. OTHER BUSINESS

N/A


10. ADJOURNMENT

Moved by: Grower Makepeace

"THAT the SIR Board meeting be adjourned at 11:38am."

Seconded by: Grower Lalli

CARRIED



Chair