

OKANAGAN-KOOTENAY STERILE INSECT RELEASE PROGRAM BOARD

Minutes of a Regular Meeting of the **OKANAGAN-KOOTENAY STERILE INSECT RELEASE (SIR) BOARD** held at
the RDCO Woodhaven Boardroom June 6, 2025

Voting Members:

Director George Bush	Regional District of Okanagan Similkameen
Director Kevin Kraft	Regional District of Central Okanagan
Director Shirley Fowler	Regional District of North Okanagan
Director Tim Lavery	Regional District Columbia Shuswap (virtual)
Grower Walter Makepeace	Grower Representative – South, Organic
Director Rick Webber	Regional District of Central Okanagan
Grower Steve Day	Grower Representative – Central

Non-Voting Members:

Guests/Delegates:

Lindsay King	Industry Specialist Tree Fruit, BC Ministry of Agriculture
Kelly Ross	AAFC Associate Director, Research, Development and Technology (Acting) (Virtual)

Regrets:

Grower Joginder Dhand	Grower Representative – North
Dr. Susanna Acheampong	Entomologist, BC Ministry of Agriculture and Food

Staff:

Michelle Cook	OKSIR General Manager
Evan Esch	OKSIR Entomologist
Kellie Garcia	CCLSP Project Director
Lori White	RDCO Financial Services Manager (virtual)
Andrew Farmer	RDCO Financial Analyst
Tanya Littley	OKSIR Office Manager
Shelby Austen	CCLSP Administration and Communications Manager

1. CALL TO ORDER

Chair Fowler called the meeting of the OKSIR Board to order at 10:01 am.

2. ADOPTION OF AGENDA

2.1 Adoption of Agenda

The agenda for the June 6, 2025, meeting was adopted with no amendments.

Moved By: Grower Makepeace

Seconded by: Director Kraft

"THAT the June 6, 2025, meeting agenda be adopted as presented."

CARRIED

3. MINUTES

3.1 Regular Board Meeting – April 4, 2025 – For Adoption

The minutes of the April 4, 2025, Board Meeting were adopted as presented.

Moved By: Grower Makepeace

Seconded by: Grower Day

“THAT the OKSIR Regular Board Meeting Minutes from April 4, 2025, meeting be adopted as presented.”

CARRIED

3.2 Business Arising from Minutes

No arising business was noted.

4. DELEGATION/PRESENTATION

4.1 Staff Presentation from Kellie Garcia, CCLSP 2024 Annual Review

a) CCLSP Annual Review

Ms. Garcia provided a comprehensive update on the progress and goals of the Cross Commodity Leadership Support Project (CCLSP). She reviewed CCLSP's five strategic goals, noting key developments. The leadership of the Tree Fruit Industry Stabilization Initiative successfully transitioned to industry within the first six months of the project. The CCLSP Advisory Council continues to meet quarterly supporting the goal to have tree fruit and wine grape industry leaders share expertise and identify and act on common challenges. Of the initial \$5M stabilization fund, \$660K is remaining for allocation at upcoming advisory council meetings. Ms. Garcia informed the Board that the key challenges facing the industry include climate change, labour, and legislation.

CCLSP has supported the often-under-resourced Project's partner industry groups by leading outreach and technology initiatives and translating industry ideas into action. Educational efforts have included webinars on mental health, finance, and risk management. A shared industry calendar was developed to prevent scheduling conflicts.

Ms. Garcia reported on two successful agricultural tours aimed at strengthening relationships between growers and government. An SIR moth release device demonstration was provided during the second tour. Two to three additional tours are planned, with funding applications in progress. Summary reports are available online.

Future priorities include allocating remaining funds, sustaining momentum in council and committee activities, ensuring project follow-through, and planning for long-term continuity after CCLSP's scheduled conclusion in December 2026.

A brief discussion took place in which Ms. Garcia addressed board members' questions. Responding to Director Webber, Ms. Garcia clarified that most industry groups lack adequate staffing. She confirmed that the CCLSP is Ministry-funded as part of the stabilization fund. At Director Lavey's request, she explained licensing restrictions for specific apple varieties and CCLSP's role funding a project that aims to make access to these varieties on behalf of interested local growers easier. The Board was informed that Algoma has purchased BC Tree Fruits Cooperative's packing plant in Oliver.

b) CCLSP Agriculture in Action

Ms. Garcia gave a brief update on the current state of agriculture in the Okanagan. Compared to last year's challenges—particularly for cherry growers—this year's outlook is much more positive. Optimism expressed at the April CCLSP Advisory Council meeting led to the suggestion of a press release, which was picked up by 12 media outlets. CCLSP also completed several interviews, resulting in strong media coverage and positive exposure for the collaborative commodity approach.

Moved By: Grower Makepeace

Seconded by: Director Bush

"THAT the staff presentation from the CCLSP Project Director be received."

CARRIED

4.2 Staff Presentation from Evan Esch, Program Entomologist, Codling Moth Mid-Season Update

A brief update was provided by Mr. Esch on codling moth (CM) activity. Emergence of the overwintering codling moth population had begun across the program area. Controlling the overwintering generation is critical to slowing moth population growth and preventing severe infestations later in the season. Communication with growers in hot spots is a priority at this time, with recommendations for targeted sprays made where needed. Some infested fruit has already been observed, and spray calibration is being discussed with affected growers.

Overall, fewer wild codling moths had been captured to date in 2025, compared to 2024 (as well as fewer codling moths per trap). This suggests that the program helped reduce the wild population in the 2024 growing season.

Mr. Esch informed the Board that the cooler temperatures this year have kept codling moth development in line with historical averages. It is unlikely that the central and northern parts of the valley will see a third generation this season. The southern part of the valley may see a partial third generation, which is typical for most years.

A discussion took place in which Mr. Esch responded to Board members' questions regarding 25,000 apple bins from Washington State that have entered the region. These bins are not likely to be as badly infested as those which caused a recent problem in Cawston. However, the program has placed additional traps at bin locations to monitor for CM emergence from these bin stacks.

Moved By: Director Webber

Seconded by: Grower

"THAT the staff presentation from the Program Entomologist be received."

CARRIED

4.3 Mario Piroddi, CPA, CA, CISA, Partner, BDO Canada LLP, Presentation of the 2024 Audit Results**a) 2024 Final Draft SIR Financial Statements**

A financial update was provided, beginning with a reminder that financial reporting is a key responsibility of management and sets the tone for organizational accountability.

Mr. Piroddi presented key information to the Board. The financials have improved significantly compared to the previous year. Sales and grants funded projects exceeded expectations, while expenses came in under budget, particularly in general overhead.

Wages and benefits increased from \$2.2M to \$2.8M for several reasons. Hosting three full time CCLSP staff contributes a large amount to that increase. Hiring was also more successful in 2024, so some vacant positions were able to be filled after retirements and departures had left them empty in 2023. The Board also approved a bump up increase for staff wages in 2024.

Mr. Piroddi spoke to SIR's surplus and funding allocations. He stated that SIR has built a \$4M accumulated surplus over time. The funds are allocated across capital (equipment less depreciation) and current fund (cash position).

Meeting participants addressed the Board's questions and concerns. The Board was reminded that hosting CCLSP brings in 5% to 8% in revenues as administrative fees on each project. Director Webber inquired about the large R&D line item to which Ms. White explained it includes costs also tied to CCLSP. When asked about the savings that occurred in general overhead, Ms. Cook clarified that operations-related expenses can be very high when equipment fails, so budgeting conservatively in the category is important. In 2024 the facility experienced very few issues with equipment compared to average.

b) 2024 Final Report

Mr. Piroddi summarized the audit for the Board. There were no major issues identified. The auditors focused on high-risk areas, especially revenue recognition and no adjustments were proposed. The audit found no concerns with manager override controls. The audit noted a deficiency in that one \$25K invoice was processed without proper approval during a period of team transition and it required reporting.

Director Lavery suggested a discussion should take place at the next meeting about adding a formal equipment replacement reserve ahead of the next budget presentation to explore appropriate reserve levels and taxpayer impacts. Ms. Cook supported the idea for the fall meeting ahead of the November budget presentation.

Moved By: Director Lavery

Seconded by: Grower Makepeace

"THAT the OKSIR Board accept the 2024 Final Report and accept and approve the 2024 Audited Financial Statements as presented."

CARRIED

5. CORRESPONDENCE/INFORMATION

5.1 Staff Report from Michelle Cook, General Manager, dated May 30, 2025, re: Program Update

A short memo and accompanying slides were presented by Ms. Cook, providing a 2025 operational snapshot. The facility is currently producing 13 million moths per week, with 9 million being used in our local program and 4 million being sold into the US. Ms. Cook confirmed that moth orders are up from last year, and that the facility still has some additional production capacity for future years if there is demand. No tariffs have been charged for moth sales so far this year, even with the swinging announcements of on-again off-again tariffs.

A discussion took place regarding staffing and succession planning. With Mr. Arthur's planned retirement in January 2028, there is a need to hire a Facility Manager In-Training soon. Ms. Cook informed the Board that this creates some risk, particularly due to the need for scientific decision-making related to the colony, which ideally requires entomology expertise.

Genetic renewal is required for the colony this year, and the field program is supporting this with increase banding to catch larvae in and out of our region. Mr. Arthur and Ms. Cook visited M3 in Phoenix and reviewed their research into x-ray sterilization technology. She updated the Board that while promising for the future, the current consensus is that nuclear sterilization remains the necessary choice due to x-ray's lack of scalability for mass production at this time.

SIR staff have received two international invitations. Mr. Esch has been invited by the IAEA to attend a research coordination meeting in South Africa this September, with expenses funded by the IAEA. Ms. Cook has been invited by the CTIFL to be a guest speaker, with expenses covered, to speak with apple growers in France this December. The Board supported both invitations and wished the staff good luck.

Moved By: Director Bush**Seconded by: Grower Day***"THAT the staff report from the General Manager be received."***CARRIED****5.2 Letter from Inner Harbour Consulting to BC Apple Producers, May 28, 2025**

Ms. Cook announced that a vote related to the Apple Marketing Commission will take place this month per the letter received from Inner Harbour Consulting.

In response to a question from Director Webber, Ms. Cook clarified that the BC Ministry of Agriculture's data is the primary source of data for the vote and SIR could be asked to support data verification, but only if necessary.

5.3 CCLSP in the News

- a) Kelowna Capital News, Crops, hope, optimism bloom in B.C. fruit industry, fertilized by collaboration.
- b) b) Orchard & Vine, Cultivating Common Ground, Summer 2025.

Ms. Garcia addressed CCLSP's recent media coverage in her earlier presentation to the Board. Both articles were provided to the Board in the agenda package.

6. UNFINISHED BUSINESS

No unfinished business was noted.

7. NEW BUSINESS**7.1 Memo from Tanya Littley, Office Manager, dated July 9, re: 2025 OKSIR Parcel Tax – Taxable Acreage - Taxable \$ Values – Final**

Ms. Cook reported a decrease of 190 acres across the program region this spring.

SIR staff have also begun reporting that new acres have been seen going in as well. There is a large new 50+ acres planting in the RDNO, 30 acres planted in Osoyoos, and smaller plantings across other regions. These new plantings do not get taxed until January 2026.

In response to Ms. King's question, Ms. Cook confirmed that taxation begins at planting, but sterile insect release service occurs in the third year after planting. Ms. Cook added that stumps are taxed by SIR. Chair Fowler inquired whether the new acres were replacements or entirely new orchards to which Mr. Esch shared that the 50+ acres in RDNO is confirmed as a new orchard. When Chair Fowler asked about pear acreage, Mr. Esch provided that approximately 350 acres of pears are currently planted in the region.

Moved By: Director Webber**Seconded by: Director Kraft***"THAT the 2025 Parcel Tax Memo be received."***CARRIED****7.2 Interim Financials to April 30, 2025**

Mr. Farmer provided an update on finances to the end of April 2025. As 95% of revenue is received between May and September, current figures show a temporary deficit that is expected to correct as the year progresses. Year-to-date expenses appear high due to upfront purchasing of diet ingredients by Mr. Arthur, which aligns with the annual plan. Utility and waste management costs also increase during the production season.

Ms. Cook spoke to the loss of the egg sheet sales to Biotepp, which generated \$200,000 in revenue last year in 2024. A replacement has not yet been found. The program saw favorable returns last year due to the USD

exchange rate, but this year's rate is somewhat lower. A \$250K transfer from reserves is planned yearly for the next four years to cover the cobalt replacement cost for the irradiator.

Moved By: Director Kraft

Seconded by: Director Bush

"THAT the interim financial statements be received."

CARRIED

8. ADJOURN TO IN-CAMERA

The Board adjourned to in-camera at the conclusion of the regular board meeting.

9. OTHER BUSINESS

9.1 Friday July 25, 2025 SIR Board meeting cancelled.

Next meeting scheduled for Friday October 3, 2025.

Moved By: Director Kraft

Seconded by: Director Webber

"THAT the OKSIR Board approve the cancellation on the July 25, 2025 Board Meeting."

CARRIED

9.2 Retirement Letter for Mr. Taras Pojasok

Chair Fowler requested that the Board send a letter to Mr. Projasok in recognition and thanks for his years of service on the OKSIR Board.

Moved By: Director Bush

Seconded by: Grower Makepeace

"THAT the OKSIR Board approve the sending of a retirement letter to Mr. Pojasok."

CARRIED

10. ADJOURNMENT

Moved By: Director Webber

Seconded by: Director Kraft

"THAT the SIR Board meeting be adjourned at 11:37 am"

CARRIED


Chair
Corporate Officer