

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 October 3, 2025

Voting Members:

Director George Bush
Grower Steve Day
Director Shirley Fowler
Director Kevin Kraft
Director Tim Lavery
Grower Walter Makepeace
Director Rick Webber

Regional District of Okanagan Similkameen
Grower Representative – Central
Regional District of North Okanagan
Regional District of Central Okanagan
Regional District Columbia Shuswap (virtual)
Grower Representative – South, Organic
Regional District of Central Okanagan

Non-Voting Members:

Guests/Delegates:

Adrian Arts
Lindsay King

Executive Director, BCFGA (virtual)
Industry Specialist Tree Fruit, BC Ministry of
Agriculture

Regrets:

Dr. Susanna Acheampong
Grower Joginder Dhand
Evan Esch
Andrea Kalischuk

Entomologist, BC Ministry of Agriculture and Food
Grower Representative – North
OKSIR Entomologist
AAFC Associate Director, Research, Development &
Technology

Staff:

Michelle Cook
Andrew Farmer
Kellie Garcia
Tanya Littley
Cody Troutman

OKSIR General Manager
RDCO Financial Services Supervisor
CCLSP Project Director
OKSIR Office Manager
RDCO Financial Services Manager

1. CALL TO ORDER

Chair Fowler called the meeting of the OKSIR Board to order at 10:05 am.

2. ADOPTION OF AGENDA

2.1 Adoption of Agenda

The agenda for the October 3, 2025, meeting was adopted with no amendments.

Moved By: Director Bush

"THAT the October 3, 2025, meeting agenda be adopted as presented."

Seconded by: Director Webber

CARRIED

3. MINTUES

3.1 Regular Board Meeting – June 6, 2025 – For Adoption

The minutes of the June 6, 2025, board meeting were adopted as presented

Moved By: Grower Makepeace

"THAT the OKSIR Regular Board Meeting Minutes from June 6, 2025, be adopted as presented."

Seconded by: Grower Day

CARRIED

3.2 Business Arising from Minutes

There was no business arising from the minutes.

4. DELEGATION/PRESENTATION

4.1 Update on the Apple Industry from Adrian Arts, BCFGA Executive Director, dated September 26, 2025, re: Apple Industry Update 2025

Mr. Arts joined the meeting remotely and provided a detailed report on the current state of the apple industry.

An update was provided on the closure of the BC Tree Fruits Cooperative and its acquisition by Algoma Orchards and Wildstone Capital. Apples are being sold under the BCFT logo again in 2025. The change also offers new prospects for BC growers, with Algoma obtaining exclusive marketing rights to the *Snowflake* apple, a licensed variety developed by Summerland Varieties Corporation (SVC). Algoma has invested heavily in promoting the variety in Ontario with the hope to expand their marketing efforts into BC.

Mr. Arts informed the Board of the launch of the *Sun Punch* apple variety, developed through Agriculture and Agri-Food Canada in Summerland. He noted that Mr. Sean Beirnes of SVC is actively establishing partnerships both internationally and within Canada—particularly in Ontario and British Columbia—to advance the marketing and sales of the *Sun Punch* apple.

Mr. Arts discussed the outcome of the Apple Marketing Commission (AMC) vote. The defeat was 60% opposed and there was a voter turnout of only 34%. In the absence of an AMC, the BCFGA is engaging with Minister Popham and several local packers to explore collaborative marketing initiatives. In response to Director Lavery question about the AMC vote results, Mr. Arts attributed the low voter turnout to vote timing and growers' reluctance toward additional government oversight.

Mr. Arts spoke strongly in support of the SIR Program, emphasizing the significant financial burden that would fall on growers and the negative environmental impacts that would result if the program were shut down. He urged continued commitment and increased financial support from both regional districts and growers to ensure the program's long-term sustainability.

Responding to Grower Day's question about current Provincial support for SIR, Ms. Cook confirmed there is no direct provincial funding for SIR Program operations. However \$400,000 has been secured through the Provincial Stabilization Fund for 2025 and 2026. Additional provincial funding remains unlikely given the current Provincial deficit.

Moved By: Director Bush

"THAT the update from Adrian Arts, BCFGA Executive Director be received."

Seconded by: Director Kraft

CARRIED

4.2 Presentation from Andrew Farmer, RDCO Finance, dated October 3, 2025, re: Strategic Reserve Planning and Financial Outlook

Mr. Farmer presented a strategic financial overview, reporting that current operating expenses exceed taxation revenue by approximately \$1.5 million. He advised that a major capital expenditure of \$1 million is anticipated in 2028 for cobalt source replacement and that existing reserves of \$1.5 million are insufficient to meet future operational needs. For the program's long-term financial stability, Mr. Farmer recommended increasing reserves to between \$1.4 and \$2.8 million—equivalent to three to six months of operating expenses, in addition to funding for the cobalt replacement. Mr. Farmer presented two options for increasing program revenue: increasing moth sales and increasing tax revenue. Given ongoing uncertainty with M3 sales due to potential market saturation and exchange rate fluctuations, he recommends incremental tax increases to rebuild reserves and ensure the program's financial sustainability.

Director Lavery, with the consensus of the Board, requested that staff schedule an asset management workshop to review equipment replacement timelines and incorporate the findings into the next five-year financial forecast.

Moved By: Grower Makepeace

Seconded by Grower Day

"THAT the staff presentation from RDCO Finance be received."

CARRIED

4.3 Staff Presentation from Michelle Cook, General Manager, dated September 26, 2025, re: Proposed 2026 Tax Increases Memo

The Board received a presentation from Ms. Cook regarding the proposed 2026 tax increases for the program.

Ms. Cook began by reviewing the program's governance framework under the Municipal Enabling and Validating Act, Section 283, emphasizing that the Board has independent authority to set its own budget and financial direction without requiring regional district approval.

She then presented two recommendations:

1. A 20% increase to the value tax, raising the total requisition by \$400,000 to \$2.4 million for 2026; and
2. A 20% increase to the parcel (grower) tax, raising the rate from \$169.19 to \$203.03 per acre.

These changes would result in an average \$2 annual increase per household and an additional \$33 per acre for growers. Ms. Cook outlined that both increases were necessary to ensure the program's short-term and long-term financial sustainability and reduce reliance on reserves for operational funding.

The presentation provided background on the financial challenges faced by SIR, including the loss of Biotepp's contract for egg sheet sales and uncertain projected sales growth in the U.S. market. Reports commissioned over the past five years were cited, all of which affirmed the economic importance of SIR to the BC apple industry, with growers saving substantially compared to managing codling moth control independently.

Ms. Cook stressed that the proposed increases would stabilize the organization, help rebuild reserves and strengthen leverage in discussions with the provincial government for future funding support.

Board members engaged in an extended discussion on balancing financial stability with affordability for growers. Concerns were raised about the impact of a 20% increase on growers, the sustainability of sales to the U.S. market and potential new markets. Future capital needs were brought up and the feasibility of borrowing or obtaining provincial support.

Several members favored implementing the increase gradually over several years instead of applying the full 20% in 2026, suggesting options such as three consecutive 10% increases or differing the rate increases between the value and parcel taxes.

Ultimately, the Board agreed that increases must remain consistent between value and parcel tax rates. Members agreed a staged approach would make the increase more palatable and would allow flexibility in responding to changing economic conditions.

After reviewing financial projections provided by staff during the meeting, the Board considered the impacts of various compounding tax increase scenarios. It was noted that a phased approach would reduce the immediate reserve contribution but maintain viability without depleting existing reserves.

The discussion concluded with acknowledgement of the need for continued focus on fiscal sustainability, maintaining service levels, and exploring new revenue sources while advocating for renewed provincial support.

The initial recommendations were *“THAT OKSIR increase the total amount requisitioned from the value tax by \$400,261.60, for a total requisition of \$2,401,570, in 2026”* and *“That OKSIR increase the parcel tax rate for 2026 from \$169.19 per acre to \$203.03 per acre.”* Ultimately, the Board voted on an amended recommendation of an increase of 10% to both the value and parcel taxes for 2026.

The vote passed unanimously.

Moved By: Grower Makepeace

Seconded by: Director Bush

“THAT OKSIR increase the total amount requisitioned from the value tax by \$200,130.80, for a total requisition of \$2,201,439, in 2026 and that OKSIR increase the parcel tax rate for 2026 from \$169.19 per acre to \$186.11 per acre.” **CARRIED**

5. CORRESPONDENCE/INFORMATION

5.1 Staff Report from Michelle Cook, General Manager, dated September 26, 2025, re: Program Update

Ms. Cook presented a brief program update touching on the recent failure of the primary and back-up condenser units at the facility requiring \$70,000 in unforeseen capital expenses.

Changes to staff in RDCO Financial Services were announced with the promotion of Mr. Cody Troutman to Manager upon Ms. Lori White’s retirement and promotion of Mr. Andrew Farmer to Supervisor.

A public-facing brochure was developed and presented to the Board. It’s intended to help local governments promote awareness of the SIR program.

Moved By: Director Kraft

Seconded By: Director Webber

“THAT the staff report from the General Manager be received.”

CARRIED

5.2 Letter from Inner Harbour Consulting to BC Apple Producers, Results of the Apple Marketing Commission Vote

A letter from Inner Harbour Consulting regarding the Apple Marketing Commission was received. It detailed the final vote with 60% against and 40% for the creation of an AMC based on a total voter turn-out of 34%.

5.3 Thank you letter from Israel Plant Protection and Inspection Agency to SIR

A letter was received from the Isreal Plant Protection and Inspection Agency thanking SIR for providing training during a recent scientific visit funded by the International Atomic Energy Association.

6. UNFINISHED BUSINESS

There was no unfinished business to address.

7. NEW BUSINESS

7.1 Proposed 2026 Meeting Schedule

The Board reviewed the proposed meeting schedule and was advised that the annual November meeting is not planned for 2026 due to the upcoming municipal elections

The final meeting was rescheduled from October 9th to October 2nd.

Moved By: Director Kraft

Seconded by: Director Bush

"THAT the 2026 meeting schedule of the Okanagan-Kootenay Sterile Insect Release Board be approved as amended."

CARRIED

7.2 Stabilization Funding Received

Ms. Cook announced that SIR received \$200,000 in Provincial Stabilization Funding for both 2025 and 2026 through support from the Cross Commodity Leadership Support Project Advisory Council.

Moved By: Grower Makepeace

Seconded by: Director Lavery

"THAT the Stabilization Funding Memo from the General Manager be received."

CARRIED

7.3 Interim Financials to August 31, 2025

Andrew Farmer presented interim financials showing a projected break-even for 2025, pending final expenses and receipt of outstanding revenue.

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 at 1:44 pm.

Moved By: Director Lavery

Seconded by: Grower Makepeace

"That the Board adjourn the meeting to in-camera in accordance with Section 90(1)(c) of the Community Charter, to discuss matters related to labour relations or other employee relations."

CARRIED

9. OTHER BUSINESS

No other business was indicated by the Board.

10. ADJOURNMENT


The regular board meeting was adjourned prior to the Board moving to the in-camera meeting.

Moved By: Director Lavery

"THAT the SIR Board meeting be adjourned at 1:44 pm"

Seconded by: Grower Makepeace

CARRIED



Chair



Corporate Officer