

**SUMMARY OF THE MINUTES
SAN JUAN COUNTY (SJC), WASHINGTON
COUNTY COUNCIL
JANUARY 8 AND 9, 2007**

Monday, January 8, 2007 - Council Conference Room

CALL TO ORDER

After the official swearing in ceremony held in the Courtroom for the newly elected officials, Council Chair Lichter called the special meeting to order at 10:12 a.m. Council members Ranker, Peterson, Rosenfeld, Knapp, and Myhr; County Administrator, Pete Rose; Prosecuting Attorney, Randall Gaylord; Clerk to the Council, Carolyn Morrison; and interested members of the public were present.

PUBLIC MEETINGS/WORK SESSIONS

10:12 a.m. – The Council held a Staff Meeting and a general work session to discuss County business. No action was taken.

RECESS - At 11:55 p.m., Council Chair Lichter recessed the meeting until 10:00 a.m., Tuesday, January 9, 2007.

Tuesday, January 9, 2007 - Council Hearing Room

CALL TO ORDER

Council Chair Lichter called the meeting to order at 10:10 a.m., due to the late arrival of the Inter-island ferry. Council members Ranker, Peterson, Rosenfeld, Knapp, and Myhr; County Administrator, Pete Rose; Prosecuting Attorney, Randall Gaylord; Clerk to the Council, Carolyn Morrison; and interested members of the public were present. The flag salute was conducted.

CITIZEN ACCESS TIME

Sharon Kivisto regarding a request for a media packet for each press representative of all agenda items before the Council in addition to the “public information packet” prepared each week.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted Council Agenda was revised.

It was announced at the beginning of the afternoon session that Councilman Lichter had received notice of the birth of his first grand child – a healthy boy.

APPROVAL OF MINUTES

Moved by Myhr, seconded by Ranker, to approve the minutes of **December 18 and 19, 2006**. Motion carried.

CONSENT AGENDA

Moved by Ranker, seconded by Rosenfeld, to approve the **Final Consent Agenda of December 19, 2007** as follows:

A. Resolutions/Ordinances:

1. **Resolution 1-2007** - Adopt the resolution rejecting the bid received from Cowlitz Clean Sweep for septage lagoon closures on Orcas and Lopez Island because evaluation of the bid found that the bid price of \$311,574.59 exceeds the budgeted amount of \$175,000; and, acknowledges staff will consult with the Department of Ecology to identify more economical management options.

2. **Resolution 2-2007** – Adopt the resolution accepting the attached statutory warranty deed, AFN 2006 1221051, from San Juan Island Park and Recreation District (Island Rec) establishing the center line of Pear Point Road as the boundary line between the upland and shoreline Gravel Pit properties owned by Island Rec and SJC on San Juan Island, pursuant to the Boundary Line Modification recorded as AFN 2006-1221049 in order to comply with the Closing Memorandum Agreement dated July 7, 2006.

B. Contracts/Agreements:

1. **Agreement 07HC01** – Sign the Interagency Agreement between SJC and Northwest Educational Service District 189 to provide parent/infant groups to families with infants and toddlers as described in the “Scope of Work” effective September 1, 2006 through June 30, 2007 for the projected cost of \$14,200, under the terms and conditions as set forth therein.
2. **Agreement 07HC02M** – Sign Amendment No. 13 to 04HC64, 05HC09A, 05HC09B, 05HC09C, 05HC09D, 05HC09E, 06HC11F, 06HC11G, 06HC11H, 06HC11I, 06HC11J, 06HC11K and 06HC11L, the 2005-2006 Consolidated Contract [State No. C13045], between SJC and the WA State Department of Health, revising Exhibit A “Statement of Work” and replacing Exhibit B “Allocation Sheet (12)” with Exhibit B “Allocation Sheet (13)” reflecting an increase of \$15,775, with a revised total maximum consideration not to exceed \$570,680, with all other terms and conditions of the original agreement and previous amendments to remain in effect.
3. **Agreement 07HC03** – Sign the 2007-2011 Consolidated Contract [State No. C14960] between SJC and the WA State Department of Health to provide health services for the period of January 1, 2007 through December 31, 2011, in an amount not to exceed \$233,639, under the terms and conditions as set forth therein.
4. **Agreement 07HC04** - Sign the Interagency Agreement between SJC and the North Sound Mental Health Administration (NSMHA) for provision of safe transition into community services for people who are mentally ill and incarcerated in the County jail, in the amount of \$37,500 for the period of September 1, 2006 through June 30, 2007; under the terms and conditions as set forth therein.

C. Budget Items:

1. Approve the Cost of Living Adjustment (COLA) of 2.75 percent retroactive to January 1, 2007, for unrepresented employees, consistent to that of Union employees, as detailed in the Human Resources Manager’s Staff Report dated January 9, 2007 as approved by the County Administrator.

D. Personnel:

1. Approve the payment of overtime for four (4) Non-represented Public Works Management Personnel in the amount of thirty-eight hours for the District No. One Superintendent; fifty-one hours for the District No. Two Superintendent; twenty-one hours for the District No. Three Superintendent; and, twenty-eight hours for the Operations Manager; as detailed in the County Administrator’s Staff Report dated January 2, 2007, due to storm related emergencies.

E. Appointments:

1. Approve the appointment of Ed Greub to the SJC Board of Equalization as an At-Large representative for a three-year term which will begin immediately and expire December 31, 2009.
2. Approve the appointment of Edward F. Smith to the SJC Board of Equalization as an At-Large representative for a three-year term which will begin immediately and expire December 31, 2009.

F. Correspondence:

1. Sign the letter to Ed Greub confirming his appointment to the SJC Board of Equalization as an At-Large representative for a three-year term.
2. Sign the letter to Edward F. Smith confirming his appointment to the SJC Board of Equalization as an At-Large representative for a three-year term.
3. Sign the letter to Gene Knapp accepting his resignation from the SJC Land Bank; and, sign the Certificate of Recognition for his service.
4. Sign the letter to Terrie Klinger accepting her resignation from the SJC Marine Resources Committee; and, sign the Certificate of Recognition for her service.
5. Sign the letter to Mike Ahrenius accepting his resignation from the SJC Marine Resources Committee; and, sign the Certificate of Recognition for his service.
6. Sign the letter to Mike Kaill accepting his resignation from the SJC Solid Waste Advisory Committee; and, sign the Certificate of Recognition for his service.
7. Sign the letter to Jon DeVaney, WA State Director of USDA Rural Development, in support for Homes for Islanders and their request of USDA 523 Technical Assistance Grant funds.

Motion carried.

ACTION AND DISCUSSION ITEMS

CORRESPONDENCE:

Fair Board Appointments – For the record, Council Member Rosenfeld stated that he was not opposed to the reappointments of the two Fair Board members made on December 19, 2006 by the Council. His opposition was only to the six-month term agreed to, as he favored a one-year appointment to allow sufficient time to prepare and adopt an ordinance to comply with the SJC Charter government.

1. Moved by Lichter, seconded by Peterson, to sign the letter to Brad Fincher confirming his reappointment to the SJC Fair Board for a six-month term to maintain a quorum until a new enabling ordinance is in place. Motion carried with Rosenfeld opposed.

2. Moved by Lichter, seconded by Ranker, to sign the letter to Terry Evans confirming his reappointment to the SJC Fair Board for a six-month term to maintain a quorum until a new enabling ordinance is in place. Motion carried with Rosenfeld opposed.

MISCELLANEOUS ITEMS:

1. **Election of Council Officers for 2007 – Council Chair:** Councilman Knapp nominated 2006 Vice-Chair Bob Myhr to serve as the Council Chair for 2007. Councilman Peterson seconded the nomination. The motion was carried unanimously. **Vice-Chair:** Councilman Knapp nominated Howard Rosenfeld to serve as the Council Vice Chair for 2007. Councilman Ranker seconded the nomination. The motion was carried unanimously. Councilman Knapp and new Chair Myhr offered their appreciation for outgoing Council Chair Alan Lichter's leadership during 2006. The entire Council echoed these comments.

2. **Ferry Issues Briefing** – Present: Alex MacLeod, SJC Ferry Advisory Committee (FAC) Chair, and interested citizens. Mr. MacLeod had provided handout for the Council and audience consisting of the agenda for the Tariff Policy Committee (TPC) being held today; the Anacortes Multimodal Ferry Terminal Report; the WA State Ferries (WSF) Financing Study Summary dated January 3, 2007; and the full WSF Financing Study dated December 28, 2006. He recommended that the Council read the entire financial report prepared by the consultants for WSF and not just the Executive Summary as the consultants had done an excellent job in detailing the issues. He added that the State Legislature lacks confidence in the report prepared by WSF (operations) due to unknowns such as personnel costs, fuel costs, and the like. The Capital Plan does not address issues adequately. There are 650 million dollars in unfunded capital needs. He noted that the Council had previously stated to WSF personnel in a prior meeting that the preliminary plan present at that time was not sustainable. The consultant's report confirms this. The main concern is the number of vehicles that use the system, not the walk-on passengers. There are seven "Travel Sheds" making up the entire Puget Sound routes. He stated that it would not be feasible if every "Shed" had to return an 80-percent fare box recovery. Alternatives to this proposed recovery would be to reduce the discounted commuter tickets. Councilman Ranker asked how the Council should argue both sides of this issue. Mr. MacLeod noted that each "Shed" returns a different percentage related to fare box recovery. He strongly recommended that each "Shed" be addressed individually rather than the system as a whole. As an example, he explained that mid-sound routes pay more toward fare box recovery than others. "Smart Cards" are anticipated for all modes of transportation. One card would cover any ferry fare within a "Shed" and could also be used for bus fare, etc. These proposed cards would be valid for one month and could be used as much as desired within a particular "Shed." This is one of the items the TPC is discussing today. He stated that former FAC member and current Transportation Commission Commissioner, Bob Distler, had worked on this as well. However, he added that he and Mr. Distler have two different opinions. The State Legislature is devoting money from gas taxes and other sources to the operating expenses of WSF but capital funding is not provided for.

Mr. MacLeod stated that the conclusions he had drawn from the reports provided are his own and he is not speaking for the FAC. Although the Council may not agree with the consultant's entire report, he stated that it is a valuable document because of the information it contains. The Joint Transportation Committee underscored the clarity and usefulness of this document last week. Senator Mary Margaret Haugen stated that she appreciated the report as it finally made things clear after many years of a lack of clarity. The downside is that the report does not address the fact that the system cannot continue to operate without some State funding. The second issue is that to drive down capital costs by increasing fares is not an answer. He elaborated on the increases in fares since 1993 and the increase in union contract agreements as well as other operating expenses. He urged the Council to ask for a limit on increases to fares at a maximum of two- to two and a half-percent until the other unknown information regarding operation costs is identified.

He noted that the Council had previously asked WSF staff for an Environmental Impact Study (EIS) to be done for SJC. He stated that in his opinion this was a reasonable and logical request given the total dependency the County has on the ferry system for goods and services as well as transportation. He endorsed the recommendation of Bob Distler that all capital expenditures, other than those that are absolutely necessary, are held in abeyance until all issues are resolved to the satisfaction of the legislators. He also emphasized that the "Travel Shed" differences be recognized because the tariff route equity does not get the system where it needs to be except to "kill" SJC users if it is done. He further suggested that the County employ someone to do an analysis of these studies based upon the TPC document and the Governor's budget. This should include a demographic study as well. He concluded his report by saying that he has done research on collaborating with the other FAC's in the Sound and that each committee has a different agenda. However, he added that he will stay in close contact with them and is on the Executive Committee.

Council Chair Myhr thanked Mr. MacLeod for his work and asked if the Council had questions. Councilman Ranker began by again asking the best way to address these issues with the legislature. He also updated the Council on information he had received from the WA State Association of Counties (WSAC) and other agencies. Councilman Lichter asked if a four- to five-percent increase would be a safe prediction of the increases in fares. Mr. MacLeod stated that no one could answer that until the TPC concluded it's meeting this afternoon. Their recommendation will go directly to the Transportation Commission next week. His personal belief is that it will be at two and a half percent. Councilman Rosenfeld asked if the one-half cent per mile cost per car on a highway versus the \$11.00 cost per car on the ferry was a valid analysis. Mr. MacLeod stated he felt the analysis used to reach these figures was more valid for a mass transit system. They recover about 30 percent of the cost and the rest is heavily subsidized. This will be an issue in the Puget Sound basin. Mr. Ranker noted that whether an EIS is done or a study on local economic drivers, the question is what is the relationship to the local economy and ferry fares are critical. He noted that some "Sheds" have done an analysis but others (King County) are not interested. He offered that the County has a consultant working on the Economic Element of the Comprehensive Plan and perhaps part of the work could be used to create a study as discussed. After the discussion, the Council again thanked Mr. MacLeod for his report and noted that the topic will be discussed again later in the afternoon during the Council's work session.

3. Council Updates – (A) Growth Management Hearings Board (GMHB) Hearing Regarding Accessory Dwelling Unit Appeals. Mr. Knapp reported that the hearing was held last Thursday at the Fire Hall on Orcas Island. Approximately a half dozen appellants appeared to argue the merits of their appeal(s). The primary issue was that the process was not "fair" due to a closed-door agreement with the Friends of the San Juans. Another issue was the availability of water. He noted that there is a difference with each purveyor. The Friends of the San Juans and the County presented good arguments that the process was done in accordance with all laws. The GMHB had questions and this resulted in a "great dialog" between the parties for about an hour and a half. Additionally, the GMHB stated that they could not hear some of the issues that were brought up. **(B) Oil Spill Advisory Council (OSAC) –** Mr. Ranker presented to the Council and audience copies of a letter written to the Governor. He reported that the Governor was not going to include any of the recommendations made by the Council in her budget except for the removal of derelict vessels. The tugboat in Neah Bay is not in her budget and with the refineries in Bellingham and Anacortes, coupled with the tanker traffic in an around the waters of SJC, concerns were expressed that there needs to be adequate preparedness in this area. He noted that after receiving the letter, there may have been some headway made as of this morning. Mr. Rosenfeld asked how much weight the Puget Sound Partnership has on these issues. Mr. Ranker stated that they might have some influence as they did take the recommendation of the OSAC. He added that Senator Harriet Spanel had created this legislation originally and feels she will champion the recommendations of the Council. He suggested a letter from the Council to the legislators regarding this issue. **(C) Deer Harbor Hamlet Meeting –** Mr. Rose recapped the meeting held last Saturday noting that the moratorium on building had recently been extended. The meeting lasted for most of the day and got off to a good start. A sub-committee from the Planning Commission made up of Larry Hendel, Karin Agosta, and Brian Ehrmantraut attended as well. Unfortunately, the Planning Commission was not able to meet in December due to the storm conditions. The Deer Harbor Planning Committee also attended and attorney Tony Vivenzio was hired to be the facilitator of the meeting. Colin Maycock, Community Development and Planning Department Senior Planner was the staff person and Councilman Lichter also attended. There were 27 people present including two from Waldron Island. Several points of progress were made on maps and other areas. A sub-committee was designated to work with Mr. Maycock on an improved vision statement and to work with Mr. Vivenzio on schools in the area. On these few issues, the community was closer rather than divided. The next meeting is scheduled for the 27th of January in Eastsound. Mr. Lichter added that Mr. Rose had done an excellent job of presenting the details of the meeting. He stated that thanks to the process that was set up, there is a new spirit in the community and he feels that the plan will go forward and be

adopted. He had several calls on Sunday from participants stating their pleasure with the process and he thanked the volunteers from the Planning Commission for giving up extra time on a weekend. Mr. Ranker stated he too had had positive responses in telephone calls made to him. Mr. Myhr asked Mr. Lichter what he envisioned as the timing for this new process. Mr. Lichter felt that the work could be concluded in April. It was then agreed to break early for lunch and return at 1:15 p.m.

PUBLIC MEETINGS/WORK SESSIONS

1:15 p.m. - A work session was held with the County Administrator to address the agenda items as listed. Also present were available Department Heads, Elected Officials, and members of the public.

1. Council Priorities for 2007 - Mr. Rose had displayed blow-ups in the Hearing Room of a report to the Council dated January 9, 2007 containing the multitude of issues he had identified for consideration of the Council. After a preliminary dissertation of the subjects, alternatives, and focus techniques to approaching the selection of Council priorities for 2007, he suggested that another session should be scheduled to refine the work undertaken today. Additionally he suggested that the Council consider a "retreat" for further focus after the initial prioritization. There were 70 to 90 items in categories and sub-categories listed. He noted that this was approximately five years of work. For the benefit of the newer Council members, Mr. Ranker asked to explain that the Council had been continuing to add items to be accomplished but realized there had to be an orderly list to allow staff time to complete assignments. Chair Myhr asked the Council how they wished to proceed. During the lengthy discussion, Council Members suggested several approaches and asked several questions. Time was spent identifying critical issues and noting that the County is not in compliance with the Growth Management Act regulations at the present time. After raising additional issues that the Council Members asked to be added to the list, Mr. Knapp noted that the list they had been given was daunting. He suggested that these could be set as fifteen main topics and suggested prioritizing these or else there was a risk of not being able to do any of the items. It was also pointed out that many of the topics listed are being worked on by staff and will not be before the Council for a while. Mr. Ranker suggested pulling out the time sensitive issues first. Councilman Lichter suggested a different approach by taking the items listed and breaking them down into three categories – near term, mid term (three years), and long-range issues (such as sustainability and health). Mr. Myhr expressed concern that the Council will continue to look only at the near term issues because they are always present. Mr. Ranker suggested taking one item each week from the three categories. Mr. Knapp suggested first separating out the legislative from the administrative items. Mr. Lichter offered a slightly different view. He suggested the Council must be responsible for developing basic policies and used the Fair as an example -- Set out how the Fair should operate within the County and adopt these policies. Then the Administrator and department will take over using those policies. He stressed the importance of making certain that this happens. Mr. Peterson suggested that the Council Members form sub-committees to help "plow through" the items. Mr. Rosenfeld encouraged input from the officials present. Mr. Peterson also suggested that the Council review the list to be certain that they agreed with Mr. Rose's list. Mr. Myhr began to list items that were not on the list that he had brought forward over a year ago such as a report on the economic drivers for the County, disposal of derelict automobiles on outer islands, County-wide trail system, and others. Because of the size of the list of items for consideration, the Council suggested that the first logical step would be to have the Administrator and other officials come back with the critical time-frame issues and then adjustments could be made as to where the resources go within the organization. The Council agreed to allow comments from the audience. Several employees offered suggestions, as did members of the public. Mr. Rose suggested that achievement will be reached if the items were prioritized, understood, and then assigned to staff to achieve them. Mr. Ranker asked for a checklist of the items related to non-compliance. After a lengthy discussion, Mr. Myhr stated that he did not want to delete anything from the list at this time; however, he did want the Council and staff to add or identify items with Charter issues as one of the first topics to prioritize. He asked that each Council member and the officials list their thoughts on the near-term, mid-term and long-range items and attempt to schedule the second work session as soon as possible. The Administrator and Council Clerk explained that it will take time to gather these lists and that the next two weeks were already fully scheduled. It was suggested that these items be placed on the County Website for the public to be able to offer their comments as well. The next work session will be set as soon as possible.

2. Identification of Legislative Priority Strategies – Mr. Rose handed out a list for review of the Council. Previously the Council had identified five top priorities. Mr. Rose asked for confirmation from the Council so that these top matters can be discussed at the WA State Association of Counties Legislative Rally at the end of January. It was agreed that ferry issues should be the first priority. The Council discussed the list, agreeing that Salmon Recovery, streamlined sales taxation (for internet sales at the point of delivery), mental and public health issues, Lopez Hill, and Capron funding were the highest priorities. Additionally the Council discussed Mr. Rose's participation at the upcoming rally. After a lengthy discussion, the Council moved on to the next topic.

3. Ferry Issues Strategies – The Council recapped the report presented earlier by Alex MacLeod and then invited comments from the audience regarding ferry issues and strategies for the rally. Ralph Hahn of the SJC Economic Development Council (EDC) offered up to \$3,000 toward the cost of a consultant to provide an economic study. Town of Friday Harbor Councilwoman Liz Ilg noted that the Town of Friday Harbor Master Plan (Intermodel Plan) will be presented on the 18th and public comment is being requested. Citizens also offered comments. The Council Clerk noted that WSF representatives will present the plan to the SJC Council on January 23. Mr. Ranker noted that the Port of Friday Harbor Commission has also discussed an economic study and asked that the Council request the EDC to identify who might prepare this report and bring back a proposal for review next week. He stated that he will attend meetings in Olympia next week. Mr. Ranker then excused himself to catch a ferry in order to attend an early meeting scheduled for the next day. Mr. Lichter reported that he had attended a meeting last week regarding the improvements to the Anacortes terminal. Although the original plan has been cut back to an estimated \$40,000,000 there will not be any service upgrades for SJC. The third slip has been postponed for three to five years due to issues with the Tribes.

4. Other Council Issues - Mr. Knapp asked that the Council consider forming a sub-committee for completion of the Charter issues. Mr. Rose noted that he and Randall Gaylord, Prosecuting Attorney, will be presenting information on this next week. The Council thanked Mr. Rose and the others present for the preliminary list of items.

ADJOURNMENT – At 3:50 p.m., Council Chair Myhr adjourned the meeting. The next regular meeting was scheduled for Tuesday, January 16, 2007.

These minutes were approved and signed on January 16, 2007. The original document is retained in the Council’s permanent proceedings file dated January 8 and 9, 2007. Attest: Carolyn K. Morrison, Clerk.