

**SUMMARY OF THE MINUTES  
SAN JUAN COUNTY (SJC), WASHINGTON  
COUNTY COUNCIL  
SEPTEMBER 11 AND 12, 2006**

**Monday, September 11, 2006 - Council Hearing Room Morning & Conference Room Afternoon**

**CALL TO ORDER**

Council Chair Lichter called the meeting to order at 9:00 a.m. Council members Ranker and Myhr; County Administrator, Pete Rose; Clerk to the Council, Carolyn Morrison; and Deputy Clerk, Amy Taylor, were present.

**PUBLIC MEETINGS/WORK SESSIONS**

**9:00 a.m.** – The Council held a Staff Meeting and a general work session to discuss County business. No action was taken.

**10:00 a.m.** – A meeting was held with the Snohomish Public Utility District (PUD) Counsel, representatives of the San Juan County Marine Resources Committee; the Port of Friday Harbor; SeaDoc Society; Orcas Power and Light Cooperative; and Tribal members and staff, regarding the Snohomish PUD plans concerning the applications submitted to FERC (federal) to study the feasibility of tidal energy in San Juan County. Also present: Steve Klein, General Manager, Snohomish County PUD; Brian Polagye, University of WA (UW) Pre-Doctoral Research Associate, Energy and Fluids Group, Department of Mechanical Engineering; Jeffrey R. Kallstrom, Senior Counsel, Snohomish County PUD; additional PUD staff; visiting scientists from UW, and interested citizens.

Mr. Klein began by introducing the visiting staff and scientists and Mr. Polagye, who gave a Power Point presentation. Mr. Klein explained that the PUD will not know until the end of the month if their application to FERC will be granted for study permits. He explained the difference between tidal power and wind power, adding that tides are predictable for years to come. The applications have been for in-stream tidal turbans as they are less costly and have less ecological impact. Potential power production was also touched upon including variable predictability. Mr. Polagye presented the various types of mechanisms that have been tested, and the anticipated required maintenance. There are three manufacturers who have been testing equipment and beginning projects in the US. In New York State, a project just started includes a fish monitoring array. There are no commercial turbines in working areas in the world at this time as they are now just coming out of the laboratory test sites. The Puget Sound has seven different channel sites where permits have been filed. In SJC, the Spieden Channel and the San Juan Channel are two areas where applications have been filed. At the conclusion of the presentation, the Council asked if the PUD was working with the Friday Harbor Laboratories on San Juan Island. Upon learning that they were not, Councilman Myhr requested that the PUD begin working with the labs. After Council comments, Chair Lichter asked for comments from the Council's guests. Representatives of each invited agency (including the Tribes), committee, utility, County staff, and interested parties asked questions related to the ecosystem, wildlife, energy generation, impacts to vessels in the channels, and about the local permitting process. Mr. Kallstrom noted that the PUD had not yet researched local permitting requirements as they are currently awaiting a response from FERC as to any additional information they may require. He noted that it could take up to five years of studies concerning the potential impacts to the ecosystems and aquatic life before they could even begin to install test equipment. A tribal representative noted that salmon recovery is a priority in the Puget Sound area and in SJC in particular. Concerns of impeding the vested harvesting rights of the tribes were also brought up. When asked about the cost of generating power from this project, Mr. Polagye explained that it will cost about 10 cents per kilowatt hour versus the 2.7 cents wholesale-price being charged by Bonneville to local jurisdictions. Orcas Power and Light Cooperative (OPALCO) Director Randy Cornelius explained how current power is directed to OPALCO. When the PUD personnel were asked if this project would also provide power for SJC, the response was it would have to be considered, might be on a shared basis, and that there was no definitive answer until there was a project. Mr. Klein noted that this study is part of their energy study portfolio. He noted that if this proposed project does not become feasible, the Snohomish County PUD will consider securing additional energy from wind power in Eastern WA. At the conclusion of the questions and answers, the Council thanked the PUD staff and Mr. Polagye for their thorough presentation.

**1:20 p.m.** – A work session was held regarding the 2007 Budget with Si A. Stephens, Auditor; Pete Rose, County Administrator; and interested citizens. Mr. Stephens handed out spreadsheets and a report entitled "County Council Overview #2." The documents (undated) contained 2007 Budget objectives, financial trends (including the anticipated bow wave estimated at approximately \$738,718), external factors (including increased costs of

goods and services), revenue projections, departmental themes including those from the Auditor and Administrator, suggested work session dates, and some of the new program requests. The Council discussed each category. The need for training on the new Eden Accounting software and related modules was also reviewed. Concerns about the sustainability of "County Current" (General Fund) were expressed due to the impacts of Initiative 747 which limits levy increases to not more than one percent each year without a vote of the citizens. Mr. Rose noted that under the Charter he must provide the Council with a balanced budget by October 18, 2006. The Council discussed various suggestions. Council Chair Lichter was excused at 2:00 p.m. due to another commitment. No decisions were made and no action was taken.

**RECESS** - At 2:45 p.m., Council Vice-Chair Myhr recessed the meeting until 10:00 a.m., Tuesday, September 12, 2006.

<b>Tuesday, September 12, 2006 - Council Hearing Room</b>
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**CALL TO ORDER**

Council Chair Lichter called the meeting to order at 10:00 a.m. Council members Ranker and Myhr; County Administrator, Pete Rose; and Clerk to the Council, Carolyn Morrison, were present. The flag salute was conducted.

**CITIZEN ACCESS TIME**

No matters were brought before the Council

**ANNOUNCEMENTS/SCHEDULE CHANGES**

1. The posted Council Agenda and Discussion/Other Action Agenda were revised. It was announced that the Presentation by the SJC Fair Coordinator was cancelled.
2. The Council will attend the annual WA State Association of Counties Fall Conference in Spokane September 25 through September 28, 2006

**APPROVAL OF MINUTES**

Moved by Ranker, seconded by Myhr, to approve the minutes of **September 5, 2006**. Motion carried.

**CONSENT AGENDA**

Moved by Myhr, seconded by Ranker, to approve the **Final Consent Agenda of September 12, 2006** as follows:

**A. Resolutions/Ordinances:**

1. **Resolution 48-2006** - Adopt the resolution authorizing SJC Land Bank to sell the western parcel of the Stonebridge Farm Property on Orcas Island as described in Exhibit A to Daren Hayes, a conservation buyer, pursuant to the Public Hearing held on February 14, 2006; accept the Conservation Easement Deed (**06EASE02**); and, authorize and direct the Land Bank Real Estate Officer to proceed with the direct sale of the property in the amount of \$850,000 and to execute all documents on behalf of SJC with the exception of the Statutory Warranty deed.

**B. Contracts/Agreements:**

1. **Agreement No. 06JV18** - Sign the Inter-local Agreement between SJC and Island County for the use of the Island County Detention Center at the rate of \$129.00 per day, and \$64.50 per one-half day per juvenile, with a maximum payable amount of \$9,000 per calendar year, effective upon approval through December 31, 2007, under the terms, conditions, and indemnifications as set forth therein.

**C. Appointments:**

1. Approve the appointment of Charles E. Glasser to the SJC Ferry Advisory Committee as a representative of Orcas Island to fill an unexpired term that will expire December 31, 2006.

**D. Correspondence:**

1. Sign the letter confirming the appointment of Charles E. Glasser to the SJC Ferry Advisory Committee as a representative of Orcas Island.

Motion carried.

**ACTION AND DISCUSSION ITEMS**

ORDINANCES/RESOLUTIONS:

**ORD. NO. 13-2006** – (Refer to PUBLIC HEARINGS/MEETINGS, 3:30 p.m., for details of action taken.)

MISCELLANEOUS ITEMS:

**1. Continued Discussion Regarding Possible Review of Land Division of Acreage Using the Aliquot System** – Present: Paul Dossett, SJC Assessor; Dan Powell, Cartographer; and interested citizens. At the request of the Council, the Assessor again explained the current issues under consideration. Councilman Myhr restated he did not see a reason to change the existing ordinance in place. In summary, the Aliquot system is used for parcel measurement purposes and the GIS system is used for tax purposes. There are approximately 132 parcels of 10, 20 and 40 acres within the County that are affected by the current regulations. After discussing the issue, the following action was taken: **Moved by Myhr, seconded by Lichter, that the County stay with the existing policy on the way these properties are managed (restating that the line had already been drawn in the past); that the Assessor’s maps show the actual size of parcels and noting that the legal description is not the same as “acreage”; and, adding that the Unified Development Code delineates the policy for the current use programs in the Open Space programs and Designated Forest Land classifications which will remain with the Aliquot System. Motion carried with Councilman Ranker abstaining.**

**2. Discussion of the Process to Consider a Proposed Ordinance Enabling the Council to Hear Appeals of the San Juan County Hearing Examiner** – At the request of the Council, Mr. Rose reported that he had spoken to the Prosecuting Attorney concerning expediting this priority item. Mr. Gaylord had conveyed that unless an emergency came up, he should be able to have a draft ordinance to the Council within one to one and a half weeks. Mr. Rose explained the complexity of preparing this ordinance. The Council noted that their second priority was to have amendments to the Animal Control Ordinance (“dog ordinance”). Council Chair Lichter stated that this item will be placed on the October 3, 2006 Discussion/Other Action Agenda. If a draft ordinance is not able to be presented to the Council within a week and a half, then the Council wants to engage a consultant to write this document to avoid any further delays.

**3. Turtleback Mountain Update** – Councilman Myhr reported that there was a “huge” event on Orcas Island last Saturday to raise funds for “saving” Turtleback Mountain. He estimated that there were about 1,300 persons in attendance. Partners in this effort include the San Juan Preservation Trust, the SJC Land Bank, and the Trust for Public Lands. Mr. Myhr noted that this was an excellent example of the community coming together with common goals. Councilman Lichter also attended the event.

**4. Victoria B.C. Council and Victoria B.C. Sewage Issue Update** – Councilman Lichter reported that he had met with a member of the Victoria B.C. Council to learn more about their issues. He learned that issues have shifted from prior years regarding the discharge of raw sewage into their bay. The city of Victoria has 74,000 people, then 13 municipalities becoming “greater” Victoria with about 150,000 people, and then the “region” with the Federal government at the top. It was previously thought that there were no environmental impacts by disposing of raw sewage. That has changed. The municipal government studied the problem and resolved that it is impacting the environment and is having a negative effect. The Provincial Government gave Victoria a year to implement a sewage treatment plant. Other issues brought to his attention were the number of homeless in Victoria (estimated at 700 persons), the use of drugs without laws to prevent or control use, the amount of panhandlers, and other matters. He related that the Council is attempting to find ways to deal with all these matters.

**PUBLIC HEARINGS/MEETINGS/WORK SESSIONS**

**11:00 a.m.** – County Administrator Council Briefing. Also present: Jon Shannon, Public Works Director.

**1. Courthouse Parking Lot Lighting for a Bid Opening this Afternoon** – Because a question was raised by Councilman Myhr as to the proposed lighting for the Courthouse parking lot, Mr. Rose and Mr. Shannon explained that the bid specifications were published to accommodate the Town of Friday Harbor Historic standards, and Labor and Industries (L&I) regulation standards. The County had been cited by L&I due to employee complaints and this issue had to be resolved as eight extensions had been granted. L&I had stated no less than 3 candles per fixture would be allowed. Mr. Myhr stated he favored low-lighting, close to the ground, similar to what he had seen in Arizona. Mr. Ranker stated that he trusted the expertise of Mr. Rose and Mr. Shannon to address the necessary requirements. Mr. Lichter asked Mr. Shannon's professional opinion as an engineer. After a lengthy explanation, Mr. Lichter also agreed to the published bid specifications. It was noted that the cost of installing lower lighting would exponentially increase the number of fixtures and the cost to achieve the required illumination. By reducing the pole standards to 20-feet in height, it had already raised the cost of the project by approximately \$60,000. Mr. Lichter and Mr. Ranker agreed to leave the specification as approved noting that under the Charter this matter fell to the Administrator and Public Works Director. Mr. Myhr still wanted lower lighting.

**2. Update on the Woodhaven Housing Project, Orcas Island** – Mr. Rose reported that he had been working with Community Development and Planning (CDPD) Director Ron Henrickson regarding an issue brought to the Council during Citizen Access Time at two previous meetings. The area in question is outside of the Eastsound UGA and therefore there is no "quick fix." In order to allow the property to be used as presented by Mr. Brian Logan, the Council would have to allow changes to density for this property. This would have to be considered on the annual docket. Mr. Rose explained that he and Mr. Henrickson had conveyed to Mr. Logan the options available to him and noted that the property in question was under an "option to purchase" as this time.

**3. Guesthouse Application Process Approach** – Mr. Rose stated that he forwarded under separate cover to the Council the proposed system to allow permit applications for guesthouses in SJC (see his "Friday Letter"). An Issue raised is that there is only one phone line. He explained that CDPD has a process to only take a name, a parcel number, etc., and then they will get back to people for additional information. The Council stated that they felt this process will work.

**4. Legislative Building (formerly referred to as the Carlson Building) Update** – Mr. Rose noted that there was discussion yesterday on different opinions and he wanted to know the Council's direction at this point. He said there needed to be a process to designate a name for the building. Mr. Ranker asked for a discussion on the actual space issue so that adequate space was available for the Council, Council staff, and the Administrator and staff. The Council discussed various scenarios including not having floor to ceiling walls. Mr. Myhr again noted his past experience working in an "open environment." Mr. Lichter stated he was still inclined to have the Council offices located upstairs. He restated his opinion that all offices required walls and doors that can be closed due to the nature of confidential conversations, citizen privacy, and reducing noise levels. Mr. Lichter added that when he was in Victoria B.C., he had been given a tour of the old historic building and the new facility which had been connected to it. The newer facility houses the Council and an Administrator and all offices are private. He likened the older Victoria building to the SJC Courthouse. The Council then asked if the cost of "gutting" the current downstairs in the "Legislative Building" was covered due to the change required in the current HVAC system and concerns about building structure. Mr. Shannon stated that money had been set aside. The Council members expressed concern of the amount of money it will take to renovate the building and stated that this was a consideration. After discussion, it was requested that the space planner, Ann Williamson, provide configurations of both the upstairs and downstairs occupancy for further consideration.

**5. Future Proposed Administration Building** – Mr. Rose stated that the museum and library expressed interest in partnering with the County. Mr. Ranker asked if the Town of Friday Harbor had offered more information. Mr. Rose stated that the Town has money but the Town Council is still discussing the issue to see if there is a possibility of partnering.

**2:00 p.m.** - A meeting was held with the Island's Trust Council planning staff representing the Gulf Islands of British Columbia, Canada. Present: Marie Smith, Islands Trust Council Executive Coordinator & Deputy Secretary; Linda Adams, Islands Trust Council Chair; planning staff members from several Gulf Islands; Ron Henrickson, Community Development and Planning Department (CDPD) Director; CDPD planning staff members Collin Maycock, Lee McEnery, Shireene Hale, Holly Mercier, Lynda Guernsey, and land use consultant Laura Arnold; and interested parties. Prior to this meeting, the visitors had been taken on a tour of San Juan Island to see some of the achievements of the County and the Town of Friday Harbor. This included the Roche Harbor Master-Planned Resort, the San Juan Valley Heritage Plan, the Town sewer treatment plant and other areas of special interest. At 12:30 p.m., the Council had hosted a private luncheon for the visiting guests at the Pepper Mill Restaurant in Friday Harbor to welcome them to SJC. At the beginning of this meeting in the Courthouse, Chair Lichter officially welcomed the visitors, and staff members introduced themselves and stated which of the Gulf Islands they represented. The meeting continued with each planner asking questions as to how planning and

permitting was conducted in SJC. Topics discussed included land conservation tools related to density; open space programs; conservation easements through the Land Bank, Preservation Trust and other conservation groups; the process for zoning amendments; the SJC Planning Commission and Hearing Examiner public hearing process; the use of work session and public meetings to fine tune land use amendments before holding public hearings; the authority of the State of WA over land use issues including SEPA, the Growth Management Act, the Shoreline Management Act, and State agencies such as the Department of Ecology. The Council explained the extensive public process involved in all land use matters in the County. Mr. Myhr explained the appeal process that existed under the former Board of County Commissioners (BOCC) and is now being considered for reinstatement under the Council. Mr. Lichter addressed tourism and asked about the concerns that exist in the Gulf Islands. Ms. Adams explained the impacts they face related to tourism. These included the conversion of residences to vacation rentals which has resulted in no affordable housing for residents. Their Real Estate prices have also skyrocketed. Ms. Adams then explained that there are no appeals on land use decisions in the Gulf Islands. Once the government makes a decision, it stands. The issue of policy making was then addressed. Mr. Myhr explained the system that existed under the BOCC and how it has changed under the Charter. Mr. Ranker explained how each of the other elected officials are in charge of their own departments, and the duties of the County Administrator. Mr. Lichter explained how the County went through an exhaustive process to select a permanent administrator and that the Council was pleased to have chosen Mr. Rose. Mr. Myhr asked if the government of the Gulf Islands supported the promotion of tourism. Ms. Adams explained that the Provincial Government hopes to have tourism doubled by 2015; however, promotion is done by the individual Chambers of Commerce and individual provinces. At the Islands Trust Forum it had been made clear that the Trust Council wants management of tourism and not promotion. The Gulf Islands face the same impacts as SJC related to water, solid waste, and local workers. Their income structure for most residents is similar to SJC in that only 50 percent of the income is related to employment while the rest is from dividends and investments. Mr. Ranker asked about the local agriculture in the Gulf Islands. Ms. Adams stated that they will have more information when the latest census is completed within a year or two. They have approximately 23,000 residents at present in their islands. Other topics discussed included sustainable technology, climate conditions, how business is conducted, overlay districts, preservation of the Puget Sound, and the new Eco-Based System Initiative. At the conclusion of the meeting, Ms. Adams presented the Council with an atlas created by local artisans and noted that the Islands Trust Council was looking forward to the December meeting with the SJC Council in Victoria, BC. The Council thanked everyone for traveling to SJC and for meeting together to discuss planning and other topics.

**3:30 p.m.** - A public hearing was held to consider an Ordinance authorizing the issuance and sale of Limited Tax General Obligation Bonds of the County in the aggregate principal amount of up to \$15,780,000 to provide for acquisition of property for conservation purposes, building acquisition and other capital improvements to County facilities; providing the date, and form of the bonds; providing for the disposition of the bond proceeds; providing for the annual levy of taxes to pay the principal of and interest on the bonds; and authorizing the sale of the bonds and the preparation and approval of a preliminary official statement. Present: Pete Rose, SJC Administrator; Kathy Turnbull, SJC Treasurer; Lincoln Bormann, Land Bank Director; and Susan Musselman, Financial Advisor. After introductions, Mr. Rose explained that majority of the bonding is for the acquisition of the "Turtleback" property, the "Carlson Building" and other Land Bank acquisitions. He further explained that the one percent Real Estate Excise Tax (REET) will cover approximately 13.4 million and the remainder is to come from conservation futures tax. He noted that 2014 is the last year that this REET is currently approved and this is the last opportunity to bond for REET funds. After detailing the anticipated use of these funds, the Council asked questions. Councilman Ranker asked for the impacts to Land Bank budget related to this purchase. Mr. Bormann explained that the Land Bank will have approximately 1.4 million in debt service to year 2014 and that will be a constant. Last year, approximately 1.4 million was taken in. After discussing the plans for the bond funds, and partnership with the Preservation Trust, the hearing was recessed at 3:44 p.m., for six minutes to hold a required bid opening. Upon resuming at 3:51 p.m., Ms. Turnbull introduced Ms. Musselman who explained that interest rates were favorable and it was a good time to sell long term bonds. Chair Lichter then opened public testimony. None was submitted and it was closed. Deliberations were held and the following action was taken:

Moved by Myhr, seconded by Ranker, to adopt **Ordinance 13-2006**, an ordinance authorizing the issuance and sale of Limited Tax General Obligation Bonds of the County in the aggregate principal amount of up to \$15,780,000 to provide for acquisition of property for conservation purposes, building acquisition and other capital improvements to County facilities; providing the date, and form of the bonds; providing for the disposition of the bond proceeds; providing for the annual levy of taxes to pay the principal of and interest on the bonds; and authorizing the sale of the bonds and the preparation and approval of a preliminary official statement. Motion carried.

**3:45 p.m.** - A bid opening was held for A SJC Rural County 2-Lane Roadway Pilot Program, San Juan Island Guardrail Installation for Project Number 01061G - Beaverton Valley Road Guardrail MP 2.0-3.0; Project Number 01062G - Roche Harbor Road Guardrail MP 0.97-1.12; and Project Number 01063G - Beaverton Valley Road Guardrail MP 1.31-1.81. Bid specifications were published as required by law. Three bids were submitted. Each bid was signed, contained a bid bond and other documentation. The following is a summary of the bids received:

<b>FIRM NAME</b>	<b>ITEM</b>	<b>TOTAL PRICE</b>
1. Peterson Brothers, Inc., Sumner, WA	Items 1-14	\$131,643.25
2. Coral Construction Co., Sherwood, OR	Items 1-14	\$126,621.00
3. Pan-Artic Contractors, Inc., Orting, WA	Items 1-14	\$120,702.49

**Moved by Myhr, seconded by Ranker, to forward the bids to the County Engineer at the Public Works Department for analysis and recommendation; and, to authorize the County Administrator to accept the bid recommendation and to enter into a contract. Motion carried.**

**3:55 p.m.** - A bid opening was held for the SJC Courthouse parking lot lighting, Project No. CEC101. Bid specifications were published as required by law. The Council Chair called for bids from the floor as required. No bids were submitted to the Council office or from the floor. Announcing the last call, Council Chair Lichter then stated that the call for bids was closed. The Council requested that the County Administrator work with the Public Works Director to determine why no bids had been submitted and report back to the Council with his findings.

**ADJOURNMENT** - At 4:00 p.m., Chair Lichter adjourned the meeting. There will be no meetings scheduled for September 18 and 19 or September 25 and 26. A special meeting was scheduled for Monday, October 2, 2006, and the next regular meeting was scheduled for Tuesday, October 3, 2006.

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**These minutes were approved and signed on October 3, 2006. A correction was approved and signed on October 24, 2006 on the Council Consent Agenda to add a missing event. The original document is retained in the Council permanent proceedings file dated September 11 and 12, 2006. Attest: Carolyn K. Morrison, Clerk.**