

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

Monday, December 11, 2006 - Council Conference Room

CALL TO ORDER

Council Chair Lichter called the special meeting to order at 10:15 a.m. Council members Ranker, Peterson, Rosenfeld, Knapp, and Myhr; County Administrator, Pete Rose; Clerk to the Council, Carolyn Morrison; Deputy Clerk, Amy Taylor; and interested members of the public were present.

PUBLIC MEETINGS/WORK SESSIONS

10:00 a.m. – The Council held a Staff Meeting and a general work session to discuss County business. No action was taken.

RECESS - At 12:10 p.m., Council Chair Lichter recessed the meeting until 10:00 a.m., Tuesday, December 12, 2006.

Tuesday, December 12, 2006 - Council Hearing Room

CALL TO ORDER

Council Chair Lichter called the special meeting to order at 10:00 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. The flag salute was conducted.

CITIZEN ACCESS TIME

Bob Querry – Regarding his comments on the proposed letter to the Department of Fish and Wildlife about experimental docks.

Doug Bison – Representing the SJC Fair Board to present a letter to the Council encouraging the reappointment of two Fair Board members.

ANNOUNCEMENTS/SCHEDULE CHANGES

1. The posted Council Agenda and Discussion/Other Action Agenda were revised.
2. Councilman Ranker requested that 2007 Liaison Assignments be on the Agenda for December 19 instead of the first meeting in January as he will not be present on January 9. The Council agreed to the request.

APPROVAL OF MINUTES

Moved by Ranker, seconded by Rosenfeld, to approve the minutes of **December 4 and 5, 2006**. Motion carried.

CONSENT AGENDA

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

A. Resolutions/Ordinances:

1. **Ordinance 19-2006** – Adopt the ordinance amending Chapter 6.08 of the San Juan County Code regarding the regulation of dogs and other animals, pursuant to the public hearing held on December 5, 2006.
2. **Resolution 64-2006** - Adopt the resolution approving the open-open space classification for Bill Associates, Lopez Island, File No. 05OS001, subject to the findings and conditions listed therein; and authorize the Chair of the Council to sign the Open Space Taxation Agreement, pursuant to the public hearing held on March 14, 2006.

B. Contracts/Agreements:

1. **Agreement 06OS02** – Authorize the Chair to sign the Open Space Taxation Agreement between SJC and Bill Associates limiting the use of approximately 55 acres, Lopez Island, as described in Exhibit A “Legal Description”, under the terms and conditions as set forth therein, pursuant to the provisions of Resolution 64-2006.

C. Appointments:

1. Approve the reappointment of Larry Hendel to the SJC Planning Commission as a representative of Lopez Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Planning Commission Hearings during the process of amending the San Juan County Code governing the body.
2. Approve the reappointment of Robert Gamble to the SJC Planning Commission as a representative of Orcas Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Planning Commission Hearings during the process of amending the San Juan County Code governing the body.
3. Approve the reappointment of Brian Ehrmantraut to the SJC Planning Commission as a representative of Orcas Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Planning Commission Hearings during the process of amending the San Juan County Code governing the body.
4. Approve the reappointment of Patricia A. McKay to the SJC Ferry Advisory Committee as a representative of San Juan Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
5. Approve the reappointment of Robert T. deGavre to the SJC Ferry Advisory Committee as a representative of San Juan Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
6. Approve the reappointment of Ed Sutton to the SJC Ferry Advisory Committee as a representative of Orcas Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
7. Approve the reappointment of Charles Glasser to the SJC Ferry Advisory Committee as a representative of Orcas Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
8. Approve the reappointment of Jim Smith to the SJC Ferry Advisory Committee as a representative of Lopez Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
9. Approve the reappointment of John T. Whetten to the SJC Ferry Advisory Committee as a representative of Lopez Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.
10. Approve the reappointment of Alex McLeod to the SJC Ferry Advisory Committee as a representative of Shaw Island for a six-month term which will begin January 1, 2007 and expire June 30, 2007 for the purpose of maintaining a quorum for upcoming Ferry Advisory Committee meetings during the process of amending the San Juan County Code governing the body.

D. Correspondence:

1. Sign the letter to Larry Hendel confirming his appointment to the SJC Planning Commission as a representative of Lopez Island for a six-month term.
2. Sign the letter to Robert Gamble confirming his appointment to the SJC Planning Commission as a representative of Orcas Island for a six-month term.
3. Sign the letter to Brian Ehrmantraut confirming his appointment to the SJC Planning Commission as a representative of Orcas Island for a six-month term.
4. Sign the letter to Patricia A. McKay confirming her appointment to the SJC Ferry Advisory Committee as a representative of San Juan Island for a six-month term.
5. Sign the letter to Robert T. deGavre confirming his appointment to the SJC Ferry Advisory Committee as a representative of San Juan Island for a six-month term.

6. Sign the letter to Ed Sutton confirming his appointment to the SJC Ferry Advisory Committee as a representative of Orcas Island for a six-month term.
7. Sign the letter to Ed Sutton confirming his appointment to the SJC Ferry Advisory Committee as a representative of Orcas Island for a six-month term.
8. Sign the letter to Charles Glasser confirming his appointment to the SJC Ferry Advisory Committee as a representative of Orcas Island for a six-month term.
9. Sign the letter to Jim Smith confirming his appointment to the SJC Ferry Advisory Committee as a representative of Lopez Island for a six-month term.
10. Sign the letter to John T. Whetten confirming his appointment to the SJC Ferry Advisory Committee as a representative of Lopez Island for a six-month term.
11. Sign the letter to Alex McLeod confirming his appointment to the SJC Ferry Advisory Committee as a representative of Shaw Island for a six-month term.

E. Miscellaneous:

1. Sign the Proclamation re-dedicating the County Courthouse for its one-hundredth year anniversary.

Motion carried.

ACTION AND DISCUSSION ITEMS

ORDINANCES/RESOLUTIONS:

ORD. NO. 20-2006 – (Refer to PUBLIC HEARINGS/MEETINGS, 2:30 p.m., for details of action taken.)

APPOINTMENTS:

1. Administrator Pro-Tempore – Moved by Myhr, seconded by Rosenfeld, to accept the recommendation of the County Administrator and to appoint Ron Henrickson, Community Development and Planning Director, as the Administrator Pro-Tempore for SJC, as outlined in the report from Mr. Rose received on December 12, 2006. Motion carried. (Refer to County Administrator Council Briefing, 1:30 p.m., for additional details.)

CORRESPONDENCE:

Letter Regarding Experimental Docks – Present: Kit Rawson, Chair of the Marine Resources Committee (MRC); Jim Slocomb, Vice-Chair of the MRC; Randall Gaylord, Prosecuting Attorney; and interested citizens. The Council discussed a written commentary prepared by Councilman Peterson addressing his concerns about the letter which was pulled from the Consent Agenda the prior week. Councilman Ranker presented a new, revised version of the letter for consideration. Council Chair Lichter allowed comments from the audience. Mr. Gaylord discussed the validity of references quoted in the letter which were addressed by Mr. Ranker. At the conclusion of the comments, the Council agreed to minor additional changes to the second draft and the following action was then taken:

1. Moved by Ranker, seconded by Rosenfeld, to sign the letter to Bob Everitt, North Puget Sound Regional Director, WA State Department of Fish and Wildlife, regarding the Experimental Moorage/Float Program as modified. After further discussion, Councilman Rosenfeld moved a “friendly amendment” to change another sentence as suggested by Mr. Gaylord to: “At the request of the Council...” at the beginning of the third paragraph, which was seconded by Councilman Myhr. The question was called on the original motion and friendly amendment which was carried with Councilman Peterson opposed.

Letter of Support for the San Juan Community Theater Grant Application – Councilman Peterson stated that his wife was a member of the Theater Board and that he would abstain from voting if requested. There were no objections to his participation in signing the proposed letter. The following action was taken:

2. Moved by Peterson, seconded by Ranker, to sign the letter to the Honorable Harriet Spanel, the Honorable Dave Quall, and the Honorable Jeff Morris in support of a request for the State Legislature to fully fund the grants submitted by the “Building for the Arts” program. Motion carried.

MISCELLANEOUS ITEMS:

1. Remodel Update Regarding the Legislative & Administrative Building and Recommendations – Present: Dave Zeretzke, Administrative Services Director, and interested citizens. Reading from the Staff Report dated December 9, 2006, Mr. Zeretzke recapped the history of the purchase of the building and the decision of the Council to move into the first floor of the building with the Architect's "3-E design drawings" as a model, for the benefit of the newly appointed Council members. He noted that the "Space Advisory Committee" had met on Wednesday, December 6, with Ann Williamson, of Tonkin Hoyne and Lokan, for their recommendations and cost estimates on the planned remodel. The new Council members asked questions, which were answered; and each stated he had no problems with the proposed design. After his presentation, Mr. Zeretzke requested authority for a new contract with the architecture firm to proceed with the required plans for the remodel and signing authority to rest with the County Administrator. The following action was taken: **Moved by Ranker, seconded by Knapp, to authorize a new, updated contract between SJC and Tonkin Hoyne and Lokan for the work as specified in the Staff Report dated December 9, 2006 from Mr. Zeretzke on the "Legislative" Building; and, to authorize the County Administrator to sign the contract when prepared. Motion carried**

2. Report on the Islands Trust Council/San Juan County Council Joint Meeting – Councilmen Lichter and Rosenfeld reported that the conference held in Victoria went well. The Gulf Islands have many of the same issues as SJC including impacts on infrastructure, ferry issues, transient rentals, low income, cost of living issues, etc. The main topic of mutual discussion was revisions to the Transborder Agreement between the two government agencies. These will be reviewed in the future when a draft is sent by the Islands Trust Council to Mr. Lichter for presentation to the full County Council. The next meeting will take place in June of 2007.

3. WA State Association of Counties (WSAC) Training Conference Update – Council members Knapp and Myhr attended this event held in Olympia for new Commissioners, Council members, and other Elected Officials. Mr. Knapp reported it was an excellent and worthwhile training program. Mr. Myhr noted that having been in office for a year, it was very useful to him as he has been involved in many issues and understood clearly the training. He noted he also learned about budgetary bow waves. There was a meeting with Scott Merriman who presented explanations on budgetary considerations for education, small businesses, and support for the Puget Sound which will be on the Governor's list for next year.

4. Legislative Steering Committee (LSC) Update – Councilman Ranker stated that at a meeting tomorrow in Seattle the Governor will respond to the Oil Spill Council and Puget Sound Partnership. She will present details of the budget for these two initiatives. The LSC finalized their recommendations which were narrowed down from 36 original considerations. These are: sales tax streamlining; county authority in adopting Comprehensive Plans; more flexibility in Real Estate Excise Taxes (REET) for infrastructure planning; reauthorization and expansion of alternative Public Works contracting methods; support of additional dedicated funding for Health Services; support of District Court; and by a Council action, being able to support 15 percent for transportation purposes. Mr. Ranker added that he and the SJC Assessor, Paul Dossett, had tried to gain support for a tax break exemption for alternative energy and that he had drafted legislation with Representative Jeff Morris which was taken to WSAC. They will re-discuss this at the next LSC meeting. The issue is how much of a burden it may be.

5. Resignation of the Auditor as the Administrator Pro Tempore – Si Stephens, Auditor, tendered his formal resignation as the County Administrator Pro Tempore and thanked the Council for the privilege of serving in this capacity for the County. The Council thanked him for his service.

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

11:00 a.m. – (Commenced at 11:12 a.m., due to time constraints.) A meeting was held with Alex MacLeod, Chair, members Charles E. Glasser and Ed Sutton; of the SJC Ferry Advisory Committee (FAC) for presentation of a Committee Status Report. In summary, Mr. MacLeod introduced his fellow members and gave background information on the SJC FAC for the benefit of the new Council members as well as the history of the work the FAC has been involved in over the years. These included ferry routes, allocation of space, seasonal scheduling, ferry fares, and the electronic ticket system for SJC. He also presented background information on the effect of the initiative which reduced the Motor Vehicle Excise Tax that was a major funding source for WA State Ferries (WSF). With the burden of funding shifted to users, since 1999 fares have increased about 110 percent, but overall about 78 percent for the system. Ridership is down from prior years but has been flat for this year. Issues of concern are ferry financing, the implications of the long-range plan for SJC, and the international route vessel assignment. After explaining the ferry capacity of vessels in use he stated that the FAC feels it is preferable to keep the Chelan on this route and to have the Elwha kept for the SJC routes. He noted that the FAC will return next month with data on this issue and contacts for Council review. The Transportation Commission will meet on December 27 regarding WSF financing. There is a meeting on Thursday, December 14, 2006 to finalize recommendations to the legislature which the FAC feels will place a burden on users to finance systems which will have extraordinary impacts on fares in SJC. He estimated that this may result in a 100 percent increase for SJC routes if the 80-percent fare box recovery goal is targeted. There is talk of eliminating all frequent user discounts. This legislative session will be critical and the special study commission findings and recommendations are

unknown at this time. He requested that the County keep this matter high on their agenda because of the impacts on the people who live here as well as the County as a whole. The WSF Long Range Strategic Plan is another issue of concern as the FAC feels it is not realistic. The study group noted that the plan is unfunded; however, it is well in excess of a billion dollars. The Council had previously asked for an Economic Impact Study which is not done, and the third issue is that the plan lacked any capital improvements for terminals in the San Juan Islands.

There are plans to move Customs inspections from Anacortes to Sidney, B.C.; however, no date has yet been set for the implementation of this change. He noted that the City of Port Townsend had successfully raised issues and support about their concerns and had met face-to-face with Mike Anderson, CEO of WSF. He suggested that SJC request the same face-to-face meeting with Mr. Anderson. The Council thanked Mr. MacLeod and the other members present for the clear and concise report and for their continued volunteer work on the FAC. The Council asked specific questions on the information presented which the FAC answered. Mr. Lichter noted he had spoken to a member of the Transportation Commission who told him that there was a perception that SJC must get the message across that we are not all rich people. He stated that SJC must get the message across that we are not all rich people. He offered to give as much help to the FAC as the Council can and that this issue is a priority for the County. Mr. Ranker suggested that there will be more information coming in the next few weeks and that with a six-member Council, a subcommittee could be formed to “let the legislators know our concerns.” Councilman Peterson agreed with this suggestion. Councilman Rosenfeld suggested that whatever action may be taken includes other entities such as the Town of Friday Harbor, the Chambers of Commerce, and the like. The Council thanked the FAC for the report.

1:30 p.m. – County Administrator Council Briefing. Also present: Si A. Stephens, SJC Auditor; Matt Zybas, Utility Manager; Ed Hale, Solid Waste Manager; Jon Shannon, Public Works Director; and interested Citizens. The order of the posted agenda items was changed at the request of Mr. Rose

1. Review of Proposed Emergency Appropriations for a Public Hearing on December 19, 2006 – Mr. Rose and Mr. Stephens reviewed all expenditures listed on the draft document for the benefit of the Council members. It was determined that these appropriations will be in ordinance format rather than the traditional resolution format.

2. Background Informational Report Regarding the Proposed Storm Water Utility Fees – Mr. Zybas briefed the new Council Members on the background of the enacting ordinance of 2005 and all the public meetings and work sessions that had been held to discuss the next step of providing for fees, in preparation for the hearing later today. The Council asked questions, which were answered by Mr. Zybas and Mr. Shannon. The actual cost of performing the scope of work is estimated to be greater in some areas than others. The Council thanked staff for the review.

3. Background Informational Report Regarding the Proposed Solid Waste Fees Amendments – Mr. Zybas briefed the Council Members on the fact that revenue must meet expenses for the Solid Waste division as it is set up as an enterprise fund. He explained that they do receive some grant funding. A nine-percent increase in fees is necessary to make up for the expected shortfall. He detailed all items involved. Additionally, he noted that fees had not been raised for some time. The Council asked questions, which were answered. The hearing is scheduled for December 19, 2006.

4. Council Tour of Facilities – Mr. Rose stated that County staff would like to arrange a tour for all six Councilmen so that all who would wish to visit the County facilities might do so. He explained that plans can be made for a combination of ferry travel and Public Works boats to tour each island. The Council preferred to plan this type of trip with all six members and their Clerk and suggested combining the tours with meetings that could be scheduled on other islands. Mr. Rose and the Council Clerk will work out a tentative schedule for scheduling this type of facilities tour.

5. Appointment of Administrator Pro Tempore – Mr. Rose presented his recommendation as outlined and detailed in his written report, received December 12, 2006, for the appointment of Ron Henrickson, Community Development and Planning Director. He noted that Mr. Henrickson has been a County Administrator in a prior position and is qualified to take on this role. He explained that any payment for this position would be out-of-class pay after two days of temporarily serving as a replacement. The Council agreed with the recommendation and took action as listed under APPOINTMENTS.

2:30 p.m. – (Commenced at 2:50 p.m., due to time constraints.) A public hearing was held to consider an ordinance adopting storm water utility fees. Present: Matt Zybas, Utility Manager; Jon Shannon, Public Works Director; John Van Lund, County Engineer; Randy Gaylord, Prosecuting Attorney; available Storm Water Utility Advisory Committee members; and interested members of the public. Mr. Zybas presented the draft ordinance, identified minor changes, and answered questions of the Council. Public testimony was opened, submitted, and

closed. The Council asked questions pertaining to the testimony submitted. Mr. Zybas addressed the issues. Deliberations were held and the following action was taken:

Moved by Ranker, seconded by Rosenfeld, to adopt **Ordinance 20-2006**, an ordinance amending Section 13 of the SJC Code regarding the County Storm Water Utility, with the deletion as proposed by Councilman Knapp on Page 5 of 6. Motion carried.

3:15 p.m. – (Commenced at 3:45 p.m., due to time constraints.) A meeting was held for presentation of the third quarter financial review by the Auditor and the Administrator. Present: Si Stephens, SJC Auditor, and interested citizens. Mr. Stephens began with a farewell to the Council as this was his last meeting. He made a Power Point presentation with printed handouts for the Council and audience. During the presentation, Mr. Stephens stressed his recommendation, and the need, to reduce the number of funds in the accounting system to a minimum. He answered the questions of Council as they arose. He noted that there is currently 2.4 million dollars in reserves as of this November, and that he expects there will be approximately 2.2 million in reserves after all 2006 bills are paid in January of 2007. He also explained to the Council that it has been a policy of the former Commissioners and the former three-member Council to maintain a two-month reserve in case of emergencies. He stated that the amount he anticipates at year end will be close to this two-month reserve goal. Councilman Myhr excused himself at 4:03 p.m., to catch the ferry to Lopez. Mr. Stephens then continued with an explanation of expenditures. After the presentation, Mr. Stephens bid farewell to the Council and the Council thanked him for his expertise and service to the County.

ADJOURNMENT - At 4:12 P.M. Chair Lichter adjourned the meeting. A special meeting was scheduled for Monday, December 18, 2006, and the next regular meeting was scheduled for Tuesday, December 19, 2006. There are no other meetings scheduled for 2006. The next meeting of the Council is a special meeting scheduled for January 8 and a regular meeting for January 9, 2007.

These minutes were approved and signed on December 19, 2006. The original document is retained in the Council's permanent proceedings file dated December 11 and 12, 2006. Attest: Carolyn K. Morrison, Clerk.