



District No. 1 Commissioner: Phil Johnson
District No. 2 Commissioner: David W. Sullivan
District No. 3 Commissioner: John Austin

County Administrator: Philip Morley
Clerk of the Board: Lorna Delaney

MINUTES
Week of February 7, 2011

DRAFT

DRAFT

Chairman John Austin called the meeting to order at the appointed time in the presence of Commissioner David Sullivan and Commissioner Phil Johnson.

PUBLIC COMMENT PERIOD: The following comments were made by citizens in attendance at the meeting and reflect their personal opinions:

- Thanks to Mr. Shambley, IT Manager, for making positive changes to the County website;
- Reminder to people to vote because there are issues that need to be addressed
- There are no frogs in Lake Leland anymore due to the timber companies spraying urea on timber lands which goes into the lake and stores that sell "weed and feed" should give out the Material Safety Data Sheet for it when it is sold to educate people on how it should be handled;
- The Courthouse neighborhood is overrun with parked cars every day the Courthouse is open and a suggestion was made that the County support the bus system by having employees use it
- The lawsuit filed against the County regarding the Commissioners Public Comment Period was not about time, matter, and place it was about regulation of content and viewpoint in a public forum.

APPROVAL AND ADOPTION OF CONSENT AGENDA: Commissioner Johnson moved to approve all of the items on the Consent Agenda as presented. Commissioner Sullivan seconded the motion which carried by a unanimous vote.

1. **RESOLUTION NO. 04-11:** Establishing a JeffCom Capital Fund
2. **RESOLUTION NO. 05-11:** Updating Right-of-Way Acquisition Procedures and Appointing Staff Responsible for the Various Elements of the Right-of-Way Acquisition Process, Replacing Jefferson County Resolution No. 84-99
3. **RESOLUTION NO. 06-11:** Creating a County Project Designated as CR1881; Repaint the Queets Bridge, Clearwater Road
4. **AGREEMENTS (2):** Local Agency Agreement and Federal Aid Project Prospectus, Queets Bridge Painting Milepost 0.60 to Milepost 0.76; Project No. CR1881; Funded 100% by Federal Highway Administration Funds; Jefferson County Public Works; Washington State Department of Transportation
5. **AGREEMENT NO. LA-6359,** Supplement No. 3: Local Agency Agreement, Upper Hoh Road Milepost 4.0 Emergency Repair; Additional Amount of \$828,000; Jefferson County Public Works; Washington State Department of Transportation
6. **AGREEMENT NO. LA-6849,** Supplement No. 2: Local Agency Agreement, Upper Hoh Road Milepost 3.5 Emergency Repair, Willoughby Creek Bridge; Additional Amount of \$683,300; Jefferson County Public Works; Washington State Department of Transportation

DRAFT



7. **AGREEMENT NO. 0663-98276**, Amendment No. 5: Juvenile Accountability Block Grant (JABG); Increasing Revenue Amount \$11,200.00 for a Total of \$51,200.00; Jefferson County Juvenile Services; Washington State Department of Social and Health Services (DSHS)
8. **AGREEMENT NO. 1063-93584**, Amendment No. 1: Early Family Support Services; A Reduction of \$2,428.79 for a Total Compensation of \$36,203.21; Jefferson County Public Health; Washington State Department of Social and Health Services (DSHS)
9. **AGREEMENT NO. 1063-93588**, Amendment No. 1: Early Intervention Program; A Reduction of \$2,456.96 for a Total Compensation of \$36,623.04; Jefferson County Public Health; Washington State Department of Social and Health Services (DSHS)
10. **AGREEMENT NO. C14950**, Amendment No. 27: 2007-2011 Consolidated Contract; An Additional \$234,285.00 for a Total of \$2,769,219.00; Jefferson County Public Health; Washington State Department of Health
11. **AGREEMENT NO. C14950**, Amendment No. 28: 2007-2011 Consolidated Contract; An Additional \$20,978.00 for a Total of \$2,790,197.00; Jefferson County Public Health; Washington State Department of Health
12. **AGREEMENT**: Breast Cervical and Colon Health Program; In the Amount of \$15,385; Jefferson County Public Health; Public Health of Seattle and King County
13. **AGREEMENT NO. 2010JLTSal**: Salmon Creek Riparian Acquisition; Conservation Futures Project; In the Amount of \$63,339.00; Jefferson County Public Health; Jefferson Land Trust
14. **AGREEMENTS (2)**: 2011 Community Services Grant Funding; 1) Jefferson County Fair Association; In the Amount of \$4,500.00; 2) Olympic Community Action Programs; In the Amount of \$126,500.00; Jefferson County Administrator
15. **AGREEMENTS (4)**: 2011 Lodging Tax Advisory Committee (LTAC) Grant Funding; 1) Jefferson County Historical Society; In the Amount \$51,299.00; 2) Jefferson County Historical Society - Gateway Visitor Center; In the Amount of \$55,516.00; 3) North Hood Canal Chamber & Visitor Center; In the Amount of \$44,180.00; and 4) Tourism Coordinating Council (TCC); In the Amount of \$80,840.00; Jefferson County Administrator
16. **AGREEMENT**: Maintenance for Audio Recording System Located in Commissioner's Chambers; In the Amount of \$1,000.00 Plus Tax; Jefferson Audio Video Systems (JAVS), Inc.; Jefferson County Commissioners Office
17. **AGREEMENT, Interlocal**: Use of Property at City Water Reservoir Site for Construction of a Radio Tower and Related Facilities; Jefferson County JeffCom; City of Port Townsend
18. **LICENSE**: Energy Assistance Program; Jefferson County Public Works Solid Waste Division; Olympic Community Action Program (OlyCAP)
19. **BID AWARD**: 2011 Supply of Liquid Asphalt Products; Albina Asphalt
20. **2011 Certification of Road Levy**; Jefferson County Public Works; Washington State County Road Administration Board (CRAB)
21. **Payment of Jefferson County Vouchers/Warrants Dated January 24, 2011** Totaling \$437,307.14 and Dated January 25, 2011 Totaling \$61.00 and Dated January 28, 2011 Totaling \$3,125.00 (Records of all claims submitted for payment along with vouchers approved and signed by the Board of Jefferson County Commissioners are retained by the Jefferson County Auditor and Public Works Department.)
22. **Payment of Jefferson County Payroll Warrants Dated January 20, 2011** Totaling \$91,888.15 and A/P Warrants Done by Payroll Dated January 21, 2011 Totaling \$16,682.49

DRAFT



Approval of Minutes: Commissioner Johnson moved to approve the minutes of the January 24, 2011 meeting as presented. Commissioner Sullivan seconded the motion which carried by a unanimous vote.

COMMISSIONERS BRIEFING SESSION: The Commissioners each provided updates on the following items:

Commissioner Johnson reported that he will be in Olympia this week a couple of times for several meetings including urging support for a bill to allow Counties to implement a tax on gravel extraction; he has previously testified on the State's Capital budget supporting the funding for Courthouse restoration grants; two weeks ago at the WSAC Legislative Steering Committee there was a proposal for legislation to allow Counties to implement, after a vote of the people, a tax for Public Health. This proposal was voted down by the members because of the backlash it could cause;

Chairman Austin stated that he was on vacation last week but the week before he was in Olympia also meeting with our legislators on several items including a bill that would have prohibited an "assessing" substance abuse treatment center from treating clients. The Tourism Coordinating Council will have a teleconference meeting because of the distances that County citizens have to travel if the meeting is held either in the West End or here on the eastside of the County;

Commissioner Sullivan reported on his meetings with the legislators that represent this County about things such as the Mental Health Sales tax. The Coastal Counties caucus discussed the ferry district proposal made by the Governor. This proposal will also be reviewed and coordinated with the various Ferry Advisory Committees and Transportation Committees in the State.

Philip Morley, County Administrator noted that the Economic Development meeting in Quilcene last week was a success with the people of the community pulling together; the improvements that were recently made to the County website required a new web server and more bandwidth which all underscore the value of having a technical manager in this Department.

INTRODUCTION AND INITIAL REVIEW: Washington State Department of Ecology's Shoreline Master Program Approval with Required Changes: Al Scalf Director of the Department of Community Development, presented the State Department of Ecology's approval of the County approved Shoreline Management Master Program with attachments. Michelle McConnell, Associate Planner and the project lead, reviewed the DOE approval (done 1/26/2011) of the Shoreline Master Program update submitted by the County. The approval letter included 3 attachments: A) Findings and Conclusions; B) Required Changes (24); and C) Recommended Changes (14). She presented a list of "inadvertencies" which include the correct citations in the SMP document and the page numbers for those citations.

Commissioner Sullivan stated that SPAADs are an on-going source of confusion especially where they apply and what's changed in these new regulations. He noted that from the information provided in the "frequently asked questions" it appears that SPAADs that are in existence will be honored under the current Code. Also does the March 18, 2010 interpretation of the Code that was developed impact these SPAADs? Michelle McConnell explained that the issue of SPAADs was included in the County's comment letter (dated May 10, 2010) sent to the DOE during the statewide comment period. Since there is nothing about SPAADs in the DOE list of required or recommended changes, it can be inferred that DOE is comfortable with the way the County has explained and voiced its' intent on this issue.



SPADDs that have been issued are vested to the Code that was in place of the time of their vesting. Other proposals that come in, once the new SMP is in place, would be subject to the provisions therein. There are some clarifications provided in this new document so that parcels that are platted with an identified setback in the plat will be honored. The language of the program would indicate that the same is true for SPAADs and existing permits. Commissioner Sullivan asked if this program is approved, and the SMP will take precedence in some areas, when will a property owner with an approved SPAAD be able to work under the new Shoreline Master Program and have the advantages of that rather than being under the Critical Areas Ordinance as they are now?

Al Scalf explained that you are vested to the standards that are in effect the day of the complete application. Stacie Hoskins, Planning Manager and Shoreline Administrator added that a Site Plan Approval Advanced Determination (SPAAD) does not mandate how a property will be developed it outlines an opportunity to develop property in that way. If a property owner decides or sees that they could do something more simply under the new program they could chose not to develop under the SPAAD and apply for a permit under the new regulations. A SPAAD allows the vesting to build under that approval for the duration of the SPAAD approval. Al Scalf added as of March 18, 2010 when the Legislature passed and the Governor signed into law the SMA/GMA connection both apply, so, any applications dated March 18 and forward are subject to both the Shoreline Master Program and the Critical Areas Ordinance. Michelle McConnell added that there are some existing exceptions that are clearly identified in the Shoreline Master Program. The proposed SMP states in 2 places that the County will recognize buffers and setbacks established by existing plats and development agreements. Al Scalf added that the SMP approved by the DOE is still not in effect and will not be until the Board takes action on Ecology's recommended and required changes.

David Alvarez, Chief Civil Deputy Prosecuting Attorney, then reviewed the only decision he could find that relates to public participation and the Shoreline Master Program and it came out of the context of the Whatcom County adoption of their SMP. He explained the possible need for more public participation through a public hearing if the Board suggests any changes to the SMP beyond the Ecology required and recommended changes. The County has 30 days to accept Ecology's recommended changes or propose an alternative. Ecology could accept, reject or resubmit any alternative proposal or Jefferson County can accept Ecology's recommendations as recommended. The question is will another public hearing by the Commissioners be required? The case from Whatcom County basically said that if Ecology recommends a change to the locally approved SMP (LASMP) and the County adopts their recommendation then a hearing is not required. Because everyone agreed in the Whatcom County case that the changes Ecology was suggesting were not substantive, so the issue of what happens if Ecology recommends a substantive change and then the County adopts an alternative proposal, was not addressed. In a dissent, William Rolle wrote that a hearing would be required if the County's changes were substantive. Net pens may be an issue that requires a hearing in his opinion because what Ecology recommends and the County may propose as an alternative are opposite, and substantive.

Philip Morley, County Administrator, asked if the Commissioners proposal is to leave in what was already proposed for Net Pens which has gone through a hearing at the County and at Ecology would it still require another hearing by the Board? What if the Commissioners conditional approve the Ecology recommendation and set new standards that Ecology or the County have not had a hearing. David Alvarez answered that the case law doesn't answer that question so it would be prudent for the Commissioners to hold another hearing. The GMA requirements for public participation are part of the guidelines in Section 201 of WAC 173-26-201 and in that regard the Court case indicates that public



participation needs to be part of this process. Typos and changes in definitions can be done without another public hearing. The Commissioners have to figure out what to do about the Ecology required and recommended changes and then that will determine if a public hearing will be needed on any alternative proposals.

Chairman Austin said that if on the net pen issue the Commissioners decide that they would like the LASMP to still include a ban on net pens and that is sent to Ecology and then Ecology can approve, send back or reject that decision and they send it back to County. David Alvarez stated that he feels another hearing may be required to be held by the Department of Ecology.

Michelle McConnell stated that there is a time line identified in the statute and she asked the Department of Ecology how they count the 30 days. The Project Officer explained that they don't feel the WAC is explicit about how to count 30 days (calendar days or business days.) In RCW 1.12.040 regarding computation of time (which clarifies that calendars days be used with the first day and the last day included unless the last day is a holiday, Saturday or a Sunday) would be starting on January 27 as day 1 which would mean the County's response would be required on February 28. He did advise that because there is no automatic trigger for the County not sending a response the County can ask Ecology for additional time. The goal is to land on agreement for all changes. There is also a statutory deadline for adoption of the SMP by December 1, 2011.

Commissioner Sullivan noted that Ecology says there was considerable public support for the net pen ban but they concluded there wasn't enough science in the record to support the ban. If the only way to add to the record would be to open it up somehow, possibly with a public process. Ecology says that from a legal standpoint there is no authority for an outright ban through an SMP, so why go through that process if there is no authority to do it. Michelle McConnell added that the crux of the issue of banning net pens is that it is a "water dependent" use rather than the shoreline jurisdiction.

Al Scalf reported that staff recommends that they will bring a recommendation back to the Board in two weeks (Tuesday, February 22, 2011) with a staff recommendation on the required and recommended changes and the possible need for another public hearing. With that date the County will need to ask for an extension from the Department of Ecology.

David Alvarez added that another part of the Whatcom County case that went to the trial court and then on to the State Court of Appeals on a separate issue that involves RCW 82.02.030 regarding a "taking." The Court of Appeals has determined that an SMP is a State regulation and because it is, it is not subject to RCW 82.02.020 it is not a illegal action by the local government. The State Supreme Court has accepted review of the case.

Commissioner Sullivan pointed out that the Reasonable Economic Use Variance (REUV) was stricken by Ecology in a couple of places in the SMP because they felt it might confuse people. He asked when the REUV can be used? Michelle McConnell answered that the intent of the language the County had included and Ecology has asked be stricken, was to clarify that the Critical Areas Ordinance (CAO) is incorporated by reference in the SMP and a REUV is a provision of the CAO and the language was just trying to clarify that in other circumstances when the REUV would apply, if you are in shoreline it would be processed as a shoreline variance. Commissioner Sullivan suggested that in terms of



understanding what relates when, he would like to see a chart that people can look at and see what they have to do in specific situations and what applies to them and when it applies. Michelle McConnell noted that the Watershed Stewardship Resource Center will have resource documents and support staffing to help people walk through the specific for their property.

Al Scalf concluded the discussion by noting that staff will come back before the Board in 2 weeks with a recommendation on the required and recommended changes and on the issue of public hearing.

PLANNING COMMISSION RECOMMENDATIONS for MLA10-349, Unified Development Code (UDC) Amendment Proposal; Expansion of Nonconforming Public Purpose Facilities and Changing Impervious Surface Requirements for these Facilities: Joel Peterson, Associate Planner-Lead with the Department of Community Development, reviewed the information provided in the Board's packet. This recommendation is for the land use application that is a countywide proposal to amend the Unified Development Code in 2 places regarding expanding non-conforming public purpose facilities. Ray Serebrin, Jefferson County Public Library, was present to represent the applicant. The Planning Commission did a countywide review. The staff recommendation is to approve the Planning Commission recommendation and to direct DCD staff to draft ordinance to reflect the Planning Commission recommendation.

He then continued his review by noting that the Planning Commission proposal is to change both the building cap limitations and the impervious surface limitations for non-conforming public purpose facilities in the rural residential 1 to 5 zoning district. This analysis required review of what public purpose facility are (includes Public Works shops, cemeteries, schools, libraries, community centers), a then look at how the planning for siting, development, and future expansion of these facilities will be accomplished. The issue of non-conformity was also reviewed as well as the history of the public purpose facility designation in Jefferson County. The development regulations build around the Comprehensive Plan and the values in the Comprehensive Plan have embodied what the rural character will be in Jefferson County and the GMA provides latitude in how the County plans for the future.

There are 4 places in Title 18 of the Jefferson County Code: 1) JCC 18.15 land use categories (or classes) and the regulations that controls what is allowed in those categories; 2) JCC 18.20 the performance and use standards define how development will be done in the categories, 3) JCC 18.30 density, dimension and open space standards define the amount of impervious surface allowed, and 4) JCC 18 project, permit application framework. For a permit application on a non-conforming structure the conditional use permit process was reviewed which includes a public hearing in front of the Hearing Examiner.

The Planning Commission recommendation is to approve MLA10-349 and to include a review of the portions of the Comprehensive Plan that deal with non-conforming public purpose facilities in the next Comprehensive Plan update. The DCD staff recommendation concurs with the Planning Commission recommendation which means that the Planning Agency recommends to the Board that non-conforming public purpose facilities have an exemption in JCC 18.22.60 for expansion limitations and the impervious surface limitation would not apply to such a facility.



Al Scalf, DCD Director, added that the Planning Commission discussed uses for the public and the private sector; they were also concerned about if public purpose facilities should be zoned countywide rather than making them non-conforming uses. The DCD staff will docket this issue to be addressed in the 7 year update of the Comprehensive Plan.

Stacie Hoskins, Planning Manager, clarified that not all public purpose facilities in the County are non-conforming uses. The question is why is the library on rural residential land? It won't be once the UGA is up and running with the sewer, but the idea is that we wouldn't want to change the use table because we wouldn't want to site a new public purpose library in a rural residential zone, but we do want to make sure that our existing one can thrive. Rural character is addressed in the conditional use permit and an expansion needs to be consistent with the rural character.

Commissioner Sullivan asked if this recommendation would be consistent with the development regulations that are in the Tri Area UGA currently and when the UGA is finalized this regulation will still be in effect. Stacie Hoskins answered that is correct. Al Scalf added that the UGA regulations facilitate the expansion of the Library. Commissioner Sullivan stated that since the County is GMA compliant which opens funding opportunities, it is important that the County remain GMA compliant.

Commissioner Sullivan moved to accept the recommendations of the planning agency, to approve the text changes to the Jefferson County Code as proposed in the application and to direct staff to prepare an ordinance reflecting the approved Code changes. Commissioner Johnson seconded the motion.

Philip Morley reviewed Note 19 and suggested a change to the line in the density, dimension and open space table that addresses the area of impervious surface coverage restrictions do not apply to public purposed facilities. Al Scalf noted that any public purpose facility application would require a stormwater permit. The wording of Note 19 would not negate the stormwater requirements because impervious surface is a component of the County Stormwater Plan. Philip Morley suggested that the Commissioners amend their motion to give direction to staff to follow the intent of the Planning Commission recommendation, but wordsmith for clarity. Commissioner Sullivan accepted that suggestion as part of his motion. Commissioner Johnson accepted the amendment and seconded the amended motion. The Chair called for a vote on the motion. The motion carried by a unanimous vote.

The meeting was recessed at 10:45 a.m. and reconvened at 1:30 p.m. with all three Commissioners present.

COUNTY ADMINISTRATOR BRIEFING: The County Administrator briefed the Board on the following items:

- Limited Tax General Obligation Bond Proposal for Port Hadlock Tri-Area Waste Water System, final design and land acquisition and the JeffCom E911 Tower Project
- Calendar Coordination
- Continued Planning for 2011
- Legislative Update



- Miscellaneous Items
- Future Agenda Items

LETTER OF SUPPORT: Oil Spill Cleanup Training: Commissioner Johnson moved to have the Chair sign a letter of support concerning oil spill cleanup training at the Makah Reservation. Commissioner Sullivan seconded the motion which carried by a unanimous vote.

LETTER re: Invitation to Join the Exploratory Regional Parks and Recreation Committee: Commissioner Johnson moved and Commissioner Sullivan seconded the motion to approve a letter of invitation to each School District Superintendent in the County to seek their participation on the Exploratory Regional Parks and Recreation Committee. The motion carried by a unanimous vote.

Proposal for Changes to the Commissioner Meeting Format: Philip Morley recommended that he, the Chair, and the Clerk of the Board meet with David Alvarez, Chief Civil Deputy Prosecuting Attorney to make sure that the proposed changes to see if these are reasonable rules regarding time, place and manner and if the proposed structure of the meeting looks reasonable and defensible. After review with legal counsel a final draft would be brought back to the Board for discussion during the morning session of the Commissioners meeting. The Board agreed to have the Chair review this proposal with legal council.

NOTICE OF ADJOURNMENT: Commissioner Sullivan moved and Chairman Austin seconded the motion to adjourn the meeting at 3:39 p.m until the next regularly scheduled meeting or properly noticed special meeting. The Chair called for a vote on the motion. The motion carried.

MEETING ADJOURNED

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

SEAL:

John Austin, Chair

ATTEST:

Phil Johnson, Member

Lorna Delaney, CMC
Clerk of the Board

David Sullivan, Member



District No. 1 Commissioner: Phil Johnson
District No. 2 Commissioner: David W. Sullivan
District No. 3 Commissioner: John Austin

County Administrator: Philip Morley
Clerk of the Board: Lorna Delaney

MINUTES
Week of February 14, 2011

Chairman John Austin called the meeting to order at the appointed time in the presence of Commissioner David Sullivan and Commissioner Phil Johnson. A moment of silence was observed for 2 employees who passed away last week: Art Bliss, Public Works and Jodi Cossell, Assessor's Office.

PUBLIC COMMENT PERIOD: The following comments were made by citizens in attendance at the meeting and reflect their personal opinions:

- Jodi Cossell was generational to the community and a request was made that a counselor be appointed to provide some assistance for employees, especially in the Assessor's Office. The emotional and economic impact to the family will be tremendous. What about life insurance for employees? A suggestion was made the flag be lowered to half staff sometime this week.
- With regard to the complaint against Philip Morley about Proposition No.1, when he made a presentation to the Grange about it he gave factual and unbiased information. The actual inflation rate is 7-10% not the 1-2% the government reports and a quarter of the high paying jobs in the County are government jobs. Two more stores went out of business along Water Street and within 5 years we will be paying \$8/gallon for gas.

APPROVAL AND ADOPTION OF CONSENT AGENDA: Commissioner Sullivan moved to approve all of the items on the Consent Agenda as presented. Commissioner Johnson seconded the motion which carried by a unanimous vote.

1. **HEARING NOTICE:** Amending the 2011 - 2016 Six Year Transportation Improvement Program; Hearing Scheduled for February 28, 2011 at 10:00 a.m. in the Commissioners Chambers
2. **AGREEMENT:** 2011 Lodging Tax Advisory Committee (LTAC) Grant Funding; In the Amount of \$22,714.00; Forks Chamber of Commerce
3. **AGREEMENT:** Develop and/or Update Farm Conservation Plans; In the Amount of \$133,000.00; Jefferson County Public Health; Jefferson County Conservation District
4. **AGREEMENT:** Near Shore Restoration Design, Permitting and Related Services for Maynard Beach, Discovery Bay and Eastern Jefferson County; In the Amount of \$109,133.00; Washington State University Extension; North Olympic Salmon Coalition
5. **AGREEMENT:** Development Review Services; In the Amount of \$50.00 per hour Plus Travel; Jefferson County Department of Community Development; City of Poulsbo
6. **AGREEMENT, Interlocal:** Peninsula Regional Support Network; Revenue Amount Not Specified; Jefferson County Administrator; Kitsap County; Clallam County; Jamestown S'Klallam Tribe
7. **UTILITY EASEMENT NO. A142500PRC1:** Construction and Maintenance of the Dosewallips State Park Sewer Facility; Jefferson County Public Works; Washington State Parks and Recreation Commission
8. **Payment of Jefferson County Payroll Warrants Dated February 4, 2011 Totaling \$797,577.11 and AP Warrants Done by Payroll Dated February 7, 2011 Totaling \$631,871.52**



COMMISSIONERS BRIEFING SESSION: The Commissioners each provided updates on the following items:

Commissioner Johnson reported that he testified at the Ways and Means Committee hearing on the Gravel Extraction Tax bill in Olympia last week; the State has determined that 50% of the sand and gravel extraction tax would go to transportation fund and the other 50% would go to the General Fund. The WSAC Legislative Steering Committee meeting is this week in Olympia and the Coastal Caucus meeting is right after it so he will not be at the County Board of Health meeting.

Commissioner Austin noted that he was in Olympia last Friday and met with several representatives about public health and mental health legislation; the bill that would have negatively impacted our local substance abuse treatment center has been changed to only apply to larger counties. The Board of Goddard College will be here on Friday to look at the plans for Fort Worden. As the State is trying to balance its' budget there are large numbers of people attending the Legislature asking for funding for specific programs.

Commissioner Sullivan reported that there are several bills that will impact funding for mental health services and he was in Olympia discussing that with our legislators. State grants may be negatively impacted as the legislature balances the State budget There are many changes happening at the State and Federal levels which will impact local programs and services. He will be attending a "Community Conversation" in Quilcene this weekend.

Philip Morley noted that tomorrow at 11 am. there will be a special meeting of the Board of Commissioners to consider authorization of a \$2.1 million bond issue for the Port Hadlock sewer and a JeffCom tower installation.

Request for Board Confirmation; Recommended Selection for Public Defense

Services: County Administrator Philip Morley reviewed the staff recommendation to select Jefferson Associated Counsel (JAC) as the County's provider of Public Defense Services. A Request for Proposals (RFP) was issued in December and a pre bid conference was held in January. The RFP was issued with clarifications and corrections. Four firms submitted proposals in response to the RFP and were all interviewed. The RFP included a rating sheet for reviewing the proposals. The rating sheet included recognition of the State Bar Standards for Indigent Defense services that set the caseload for attorneys dependent on the type of case and whether the case was in the District or Superior Court. Firms were also asked to provide a proposal for each of three scenarios: 1) provide services for all 3 courts; 2) provide services for just District Court; and 3) provide services for Superior and Juvenile Court.

A panel including Court Administrators for Superior and District Court, the GAL Coordinator for Juvenile Court, the HR Manager and the County Administrator conducted interviews of all four respondents. JAC scored the highest of the four. The possibility of splitting the work between two respondents was also reviewed with consideration for potential cost savings in the area of conflict case expenses. In view of the difference in the scoring and the qualifications, it didn't make sense to divide the contract. The recommendation is to stay with one. firm.

Commissioner Sullivan asked how the conflict cases would be handled with one firm selected? The Courts will handle the assignment of Counsel to conflict cases as they do now, Philip Morley advised, but noted that he is considering the possibility of a contract with several attorneys to handle the conflict cases. There is no way to know if that will save money.

DRAFT



Commissioner Sullivan moved to confirm the selection of Jefferson Associated Counsel and direct staff to negotiate a contract with JAC and if a contract cannot be negotiated staff will negotiate with the next mted and qualified firm. Commissioner Johnson seconded the motion. Commissioner Sullivan stated that he hasn't heard of any problems with the quality of defense that people have received from JAC. Philip Morley added that the contract that is being negotiated includes improvements to these services such as an attorney for initial appearances in District Court. Another particular strength of JAC is that they have an "in-house" investigator. Commissioner Austin commended the County Administrator for the process that was developed for this RFP. The Chair called for a vote on the motion. The motion carried by a unanimous vote.

County Administrator Briefing Session: County Administrator Philip Morley reviewed the following items:

Letter: Urging the President to Restore and Clarify the Clean Water Act Protections:

Commissioner Johnson moved to approve the letter to the Chair of the Council on Environmental Quality urging the Clean Water Act protections be restored and clarified. Commissioner Sullivan seconded the motion which carried by a unanimous vote.

Condolence Letters to Families of Two County Employees: Commissioner Johnson moved to approve letters of condolence to the families of Arthur Bliss and Jodi Cossell. Commissioner Sullivan seconded the motion which carried by a unanimous vote.

- Calendar Coordination
- Continued Planning for 2011
- Legislative Update
- Miscellaneous Items
- Future Agenda Items

NOTICE OF ADJOURNMENT: Commissioner Johnson moved and Commissioner Sullivan seconded the motion to adjourn the meeting at 4:04 p.m. until the next regularly scheduled meeting or properly noticed special meeting. The motion carried by a unanimous vote.

MEETING ADJOURNED

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

SEAL:

John Austin, Chair

ATTEST:

Phil Johnson, Member

Lorna Delaney, CMC
Clerk of the Board

David Sullivan, Member



District No. 1 Commissioner: Phil Johnson
District No. 2 Commissioner: David W. Sullivan
District No. 3 Commissioner: John Austin

County Administrator: Philip Morley
Clerk of the Board: Lorna Delaney

MINUTES
Special Meeting
February 15, 2011

DRAFT

Chairman John Austin called the meeting to order at the appointed time in the presence of Commissioner David Sullivan and Commissioner Phil Johnson.

Proposed Resolution re: Authorization of the Issuance of a Bond for E911 and the Tri Area UGA Wastewater Projects: County Administrator, Philip Morley, introduced Treasurer Judi Morris; James Nelson, Underwriter representing Martin Nelson & Company, and Marc Greenough and Lindsay Fisher, Bond Counsel representing Foster Pepper, PLLC. The purpose of this special meeting is for the Board to consider and take action a resolution to authorize the issuance of a bond.

Judi Morris thanked Jim Nelson for his help over the past year on this issue and helping prepare for the rating call with Standard and Poors. Jim Nelson then reported that the County received a Standard and Poors underlying rating grade of AA- which is the fourth highest rating grade in the multi-tiered grading system. In this interest rate/bond market, the focus that has changed the last few years is to look at the stand alone underlying rating grade instead of going with the traditional stamp of approval with the bond insurance company. The bonds in the market currently that have high underlying rating grades like Jefferson County can achieve a low borrowing cost. The market is a little "skiddish" right now and the real focus is on high quality bonds. These are 20 year bonds and the County's net borrowing cost with fees would be 4.34%. These bond will provide the County funding in the amount of \$880,000 for a portion of the 911 Dispatch Center and also \$2.2 million for sewer design and land acquisition. Payment dates for these bonds will be June 1 and December 1 with the last principal payment date of December 1, 2030. The bonds become "callable" and payable in the 10th year or December 1, 2020. After the 10th year the County can call in the bonds early if funding becomes available and there is no pre-payment penalty. Before the 10th year there is no pre-payment penalty and if you had additional funds to put into paying the bonds you would keep it in a separate fund and pay it in the 10th year.

Mr. Nelson then explained the rating system and how it impacts the net borrowing costs for the County. The key factors that impact the rating are: the strong financial policies of the County including the reserve policy; the County's financial performance (sales tax collections, ending fund balance); the growth in the County's assessed valuation; the low debt level of the County; and the experienced management of the County and operating in a very efficient manner. He thanked and commended Judi Morris, Philip Morley, Anne Sears and Al Scalf who participated in the rating conference call. He then reviewed information about the bond market in general, the debt service schedule for these bonds, and the yields on the bonds at the AA- rating. He then explained that the bond resolution includes a contract to purchase the bonds by Martin, Nelson and Company.



Commissioner Johnson asked why there is no prepayment allowed for the first 10 years? Mr. Nelson explained that it is standard in the industry that investors/bond holders expect to have the first 10 years with no prepayment option. If you were to add a prepayment option it would increase the interest rate. It would increase the net borrowing costs which would not make it cost effective for the County.

Marc Greenough, Foster Pepper, explained that the bond resolution that authorizes the issuance of the bonds and authorizes the execution of the contract with Martin Nelson & Company which is a contract with bond holders that the County promises to repay them. The terms of these bonds are included in the bond resolution and are a general obligation of the County which means that the County promises to pay from whatever money is legally available to bondholders. It doesn't provide any extra resource to the County to retire the bonds, like a voter approved tax levy. The resolution does specify the uses for the bond proceeds if the County decides all of the bond proceeds couldn't be used for that purpose then the Board would need to change the use by resolution. He then explained the uses for the bond proceeds and what IRS regulations apply. Once the resolution which includes the purchase and sale agreement is approved and signed, Marc Greenough explained, the bond transactions will close in a couple of weeks with the money being expected to move on March 1.

Commissioner Sullivan moved to approve **RESOLUTION NO. 07-11** relating to contracting indebtedness; providing for the issuance of \$3,150,000 par value of Limited Tax General Obligation Bonds, 2011, of the County for general County purposes to provide funds with which to pay (i) a portion of the costs of constructing certain capital improvements for an emergency communications 911 Dispatch Center, (ii) a portion of the costs of designing and purchasing land for a new wastewater treatment plant, and (iii) the costs of issuance and sale of bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; establishing a bond redemption fund; and approving the sale and providing for the delivery of bonds to Martin Nelson & Company, Inc. of Seattle, Washington. Commissioner Johnson seconded the motion which carried by a unanimous vote.

NOTICE OF ADJOURNMENT: Commissioner Sullivan moved and Commissioner Johnson seconded the motion to adjourn the meeting at 11:49 a.m. until the next regularly scheduled meeting or properly noticed special meeting. The motion carried by a unanimous vote.

MEETING ADJOURNED

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

SEAL:

John Austin, Chair

ATTEST:

Phil Johnson, Member

Lorna Delaney, CMC
Clerk of the Board

David Sullivan, Member