

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

MAY 3, 2005

1. Call to Order – The meeting was called to order at 9:00 a.m. by Chairperson Jayni L. Kamin.
2. Pledge of Allegiance – The chairperson led the flag salute.
3. Roll Call - Present: Cmmr. Dist. 1 – Lynda Ring Erickson; Cmmr. Dist. 2 – Tim Sheldon; Cmmr. Dist. 3 – Jayni L. Kamin.
4. Approval of Minutes – **Cmmr. Sheldon/Ring Erickson moved and seconded to approve the regular meeting minutes dated April 19, 2005 and special meeting minutes of March 2, 2005. Motion carried unanimously. K-aye; RE-aye; S-aye.**
5. Correspondence and Organizational Business
 - 5.1 Correspondence
 - 5.1.1 Fire Protection District 5 submitted comments regarding a regional water system.
 - 5.1.2 Received the Annual Reports for 2003/2004 from the Washington State Dept. of Natural Resources.
 - 5.1.3 State of Washington Dept. of Fish & Wildlife suggested that Mason County join other jurisdictions with a contribution of \$2,500 to be spent by June 30, 2005 for planning efforts of completion of the Chinook plan and transition into multi-species planning.
 - 5.1.4 Notice that Hoodsport Marina & Café has discontinued sales and service of liquor at the address in Hoodsport.
 - 5.1.5 Letter from Rose Mary Jensen inquiring about the purchase of a parcel owned by Mason County.
 - 5.1.6 Comments on the Hartstene water and sewer rates received from: John & Marie Niwa and Erv Hoglund.
6. Open Forum for Citizen Input
 - 6.1 Jeff Carey, President of Allyn Community Association, expressed appreciation that the County staff is going in the right direction. He was concerned that there are four dates laid out and as a planning organization they don't know the cut off dates for different aspects of the Comp Plan update. 2) He noted that the Allyn Community Association has not been in favor of tying the two (Belfair & Allyn) sewer systems together. The long-term concern is the cost. 3) Their organization will be presenting more information to staff regarding boundaries of the Allyn Urban Growth Area and their concern is capacity and the way the Lakeland Allyn area is developing. They will be presenting proposed changes.

Cmmr. Sheldon noted that the State has awarded Mason County approx. \$16 million for the sewer in Belfair from the Capitol budget. There may be some additional funds to go to the Belfair State Park and to take in the Beards Cove area. He also felt that Belfair should have its own separate treatment facility.

Cmmr. Ring Erickson commented that whatever it takes to get a sewer in doesn't mean that long term they will be tying the systems together. It has some implications for future governments as well as serving the needs. She suggested that Mr. Carey meet with some of the planners and herself to address the planning issues.

Cmmr. Kamin expressed appreciation for Mr. Carey's involvement. It is the Board's goal to allow for as much public participation as they can as they do the Comp Plan update.
 - 6.2 Bob Harris concurred with Mr. Carey's comments. From Belfair there seems to be a lot of concern with borrowing Allyn's sewer. They need to build their own stand alone sewer system. 2) He handed out flyers from the Belfair Area Roundtable for a town meeting and open forum. Hopefully people will participate in a North Mason Community Association. 3) He referred to the article in the Bremerton Sun regarding state funding "North Mason Hits the Jackpot"

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- 6.3 Doug Micheau, Utilities & Waste Management Director, requested that the Board add agenda Item 10.2 regarding an application for a Public Works Trust Fund loan. The application needs to be turned in by the 9th of May. The CEO is required to sign the application.
- 6.4 Ed Johnston 1) Requested that the Engineer take a look at a possible speed limit reduction on Batstone Cutoff between Brockdale Road & Johns Prairie Road (approx. 1/3 mile long). The posted speed limit is 45 mph and is fast for the area. There are residences on the south side of the road on the east end. 2) He asked if Batstone Cutoff Road could be patrolled by the County. There is confusion because the city is on both sides of the road. Cmmr. Ring Erickson stated she would be glad to talk with Sheriff on this to determine who is responsible for patrolling the road. 3) There currently is a requirement of having a document recorded prior to approval of a two-party water well. It sets up a situation where the document is recorded prior to approval of the system. He requested this be looked into. Should the system fail inspection, there is a recorded document on the two-party water well clouding the title of both parcels. Proper way would be to have site inspection done and the well permit process subject to recording. This is a housekeeping matter but would make it easier.

The Board commented this is a reasonable request that they could look at.

Allan Borden, Planner, recommended that a letter be written to the Commissioners to be forwarded to the Health Department. He also noted that this procedure might be written in state law.

7. Adoption of Agenda – **Cmmr. Ring Erickson/Sheldon moved and seconded to adopt the agenda with the addition of Item 10.2 Permission to Apply for Public Works Trust Fund loan to refinance existing loan for North Bay Case Inlet and authorizing the chairperson to execute the loan application. Motion carried unanimously. K-aye; RE-aye; S-aye.**

8. Approval of Consent Agenda

- 8.1 Approval of Warrants
Claims Clearing Fund 88431-88718 \$492,585.34
- 8.2 Approval of Veterans Assistance Fund application for Dale Carrell – utilities \$223.35
- 8.3 Approval of resolution dispensing with the bid process for the purchase of the Walker Park caretaker residence due to special market conditions. **Resolution No. 39-05 (Exhibit A)**
- 8.4 Approval of Supplemental Agreement No. 1 to Inter-agency Agreement with Oregon Corrections Enterprises in support of GIS work performed by Mason County.
- 8.5 Approval of City of Shelton – Interlocal Agreement for reimbursable work by Mason County Public Works – Maintenance Division (Road Dept.) for chip sealing services.
- 8.6 Approval of the resolution to adopt the Washington State Department of Retirement Systems Deferred Savings Program for Mason County employees. **Resolution No. 40-05 (Exhibit B)**
- 8.7 Approval to authorize the Equipment Rental & Revolving Fund Manager to call for bids for one new 2006 full sized all-wheel drive van and interior furnishings for the Coroner. Bid opening date is June 3, 2005 at 9:00 a.m.
- 8.8 Approval to sign the resolution in support of improving water resource management throughout the Kitsap Peninsula and Islands as requested by the Kitsap County Commissioners. **Resolution No. 41-05 (Exhibit C)**

Cmmr. Sheldon/Ring Erickson moved and seconded to approve the consent agenda items 8.1 – 8.8 as read. Motion carried unanimously. K-aye; RE-aye; S-aye.

9. Public Hearings and Items Set for a Certain Time

- 9.1 Public hearing to take public comment on the proposed rates for Hartstene Pointe Water and Sewer service.

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Doug Micheau, Utilities & Waste Management Director, reported the Hartstene Pointe Water and Sewer system is a small system with approximately 400 customers. It has been around since the 1970's. Quadrant Corporation had the system built as part of the development. There has been quite a bit of Emails and a handful of phone calls on the current proposed rates. There seems to be some consistent themes emerging in a lot of the comments.

He pointed out that utility funds are enterprise funds by state law. They recover their costs through generation of their own funds. They can be supplemented from a general funding source, but most often they are to balance their books between the revenues they raise and the costs they incur. Annually a state auditor looks at the funds and the accounting to make sure there are no funds being expended on items not directly related to the provision of the services or function for which the fund was set up. There seems to be confusion about operating costs and how the fund is currently structured with regard to how much it costs to maintain the system based on how many customers are using it at any particular time. In looking at the operating budget for this last year they found out the variable portion of costs (those costs that would change for # of people hooked into the system and flows would have to be treated at the wastewater plan or are consuming water) is very small change. The single biggest cost that changes in the variable costs for the operation of the system is the electricity cost for pumping.

They have been doing just enough to get by for over a decade in the way the system is being maintained. There are some very good standards for the industry in terms of water and sewer as to what they ought to be doing annually. A lot of these things have not been done in the past because there was not enough funding for the staff to do those. Part of the proposed rate increase is to get the system operating in the way it should be done to ensure the integrity and health of the system.

Capital Funding Options – The best way to fund capital if you are operating a utility is generally through revenue bonds. In order to get revenue bonds is to have a good financial history and good platform to work from (reserves/operating costs coverage). It determines the rating for bonding. Hartstene Pointe system would not fare well today. They are currently using low interest loans backed by the state. In particular, they applied for funding through the state revolving fund loan last November and they hope to obtain a loan within the next couple of months. It is a 1.5% loan over 20 years. It is the best deal they can get on the market.

They have heard consistently that people would like to see meters on the water system. The other comment is they need opportunity to have a voice. Mr. Micheau proposed a public meeting at Hartstene Pointe.

He circulated information sheets on the system, which was sent to the customers.

John Pettit explained he owns a small cabin at Hartstene Pointe which he uses on a part-time basis (4 – 10 days a month). He read a prepared statement offering comments and raising questions regarding the proposed rates. He asked for additional notice before taking action to allow residents preparation and participation.

Cmmr. Ring Erickson noted that in the discussions with the Commissioners the Utilities & Waste Director answered most of the questions raised. Any money raised in the enterprise fund will be spent on the specific enterprise fund.

Don Melnick commended the Utilities & Waste Management Director to place the Hartstene Pointe system on a more business like basis. He suggested the hearing be continued until Memorial Day weekend. There are a large number of owners who received the notice on Saturday and are out of the area.

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Cmmr. Ring Erickson responded they will try to come out and meet with the people in the near future.

Earlene Shaw stated she owns property at Hartstene Pointe. She was looking for a more equitable way of charging for the use of the utilities because of the diversity. There are full time owners of large homes with two or three bathrooms and there are many who have a small cabin that use it three weeks a year. She stated she did not have the solution other than by metering or the expense involved.

Cmmr. Ring Erickson stated that Mr. Micheau mentioned that as an option. They are not sure the cost of the meters would offset the benefit.

Cmmr. Sheldon interject that sometimes if Washington State Dept. of Health is contributing in a loan or grant capacity they will require meters to be installed. Most systems are moving towards meters. They have been negotiating about the outfall extension for about five years. Now they are looking at a price tag much lower then the original \$5 million dollars with a simple fix for a complex problem.

Cmmr. Ring Erickson/Sheldon moved and seconded to continue the public hearing to Tuesday, June 7, 2005; 9:30 a.m. to allow Mr. Micheau and Cmmr. Ring Erickson to meet with homeowners. Motion carried unanimously. K-aye; RE-aye; S-aye.

- 9.2 Public Hearing continued from April 26, 2005 to consider Ordinance No. 20-05 which extends the effective period of Ordinance No. 104-03 (sign ordinance for the unincorporated areas of Mason County) to September 17, 2005; and amends Ordinance No. 104-03 so that it does not apply to the Allyn and Belfair Urban Growth Areas.

Allan Borden, Planner, was present on behalf of the Planning Manager. The hearing was continued to allow further review of the proposal regarding real estate signs from realtors which was submitted on April 26, 2005.

The recommended changes deal with real estate signs in public right-of-way of both state and county. It would not change the policy of the State in managing their signs on state highways. It would change a county policy in Public Works that would allow signs in the county right-of-way. It won't change the authority to remove signs as necessary.

Cmmr. Kamin stated they left the hearing to work out a few concerns with the realtors. The Association of Realtors representative has met with Public Works to work out the issues. The Board is okay with the suggested changes. This is an interim ordinance and will not be final until September 17, 2005.

Terri Jeffreys, Mason County Association of Realtors, stated they have worked with the staff. They are comfortable with the proposal and the time period between now and September 17, 2005 will help determine if it will work. They urged the board to adopt the ordinance.

Charlie Butros, Public Works Director, stated they been working with the Mason County Association of Realtors in refining the language for real estate signs. Mrs. Jeffreys understands Public Works perspective and concerns related to road safety and potential impact on work efficiencies and safety. He recommended the Board accept this ordinance on an interim basis.

The Chairperson closed the public comment.

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Cmmr. Ring Erickson/Sheldon moved and seconded to amend Interim Ordinance No. 20-05 to include the proposed amendment to Section 1.05.024 and to modify and approve the proposed findings of fact which include a finding on the necessity to allow and to provide reasonable guidance for the placement of real estate "for sale" signs. Motion carried unanimously. K-aye; RE-aye; S-aye. Ordinance No. 42-05 (Exhibit D)

10. Other Business (Department Heads and Elected Officials)

- 10.1 Approval of the bid award to Brumfield Construction, Inc. at their bid price of \$103,761.84 for CRP 1730, Schafer Park Road culvert replacement as recommended by Public Works. Bid opening was Friday, April 29, 2005.

Charlie Butros, Public Works Director, presented the recommendation for award of bid.

Cmmr. Sheldon/Ring Erickson moved and seconded to award to Brumfield Construction, Inc. at their bid price of \$103,761.84. Motion carried unanimously. K-aye; RE-aye; S-aye.

- 10.2 Permission to apply for Public Works Trust Fund Loan to refinance existing loan for North Bay Case Inlet and authorizing the Chairperson to execute the loan application.

Doug Micheau, Director of Utilities & Waste Management, explained that he is looking for the Board's approval to apply for a Public Works Trust Fund loan to refinance the Rural Development Loan at North Bay Case Inlet. Currently they have a loan for approximately \$5.9 million dollars at 4 ¾% interest over 40 years. If they are successful in applying for the loan they would seek 10% match to the loan out of cash reserves with a 1.5% interest rate. It is estimated that could save approximately \$40,000 per year and \$5 million over the life of the Public Works Trust Fund loan. The application is due next week.

Cmmr. Ring Erickson/Sheldon moved and seconded to allow the Director of Utilities and Waste Management to apply for the Public Works Trust Fund Loan to refinance an existing loan for the construction of the North Bay Case Inlet Sewer System and allow the Chairperson to execute the loan agreement. Motion carried unanimously. K-aye; RE-aye; S-aye.

11. Administration – Charlie Butros, Public Works Director, announced that there will be reflective signs posted on all roads entering the County which state "Celebrate Mason County – Established 1854." This is part of the historical celebration.
12. Board's Reports and Calendar – The Board gave reports on meetings they attended since the last Commissioners' meeting. Also, outlined their meeting schedule for the next week.
13. Adjournment - The meeting adjourned at 10:31 a.m.

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BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Jayni L. Kamin, Chairperson

ATTEST:

Lynda Ring Erickson, Commissioner

Rebecca S. Rogers, Clerk of the Board

Tim Sheldon, Commissioner