

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

July 13, 2010

1. Call to Order – The Chairperson called the regular meeting to order at 9:02 a.m.
2. Pledge of Allegiance – Nancy Moran led the flag salute.
3. Roll Call – Present: Commissioner District 1 - Lynda Ring Erickson; Commissioner District 2 – Tim Sheldon; Commissioner District 3 – Ross Gallagher.
4. Correspondence and Organizational Business
 - 4.1 Correspondence
 - 4.1.1 A revised application for appointment to the Lodging Tax Advisory Committee was received from Ned Kjeldgaard.
 - 4.1.2 Jim Sevier is seeking appointment to the Planning Advisory Commission.
 - 4.1.3 The Office of the Governor announced that Commissioner Gallagher has been appointed to serve on the Emergency Management Council.
 - 4.1.4 The Washington State Liquor Control Board sent notice of a new liquor license application for The Lucky Dog Casino, notice of application in lieu of current privilege for Lupita's Tienda Mexicana and notice of a special occasion liquor license application for South Puget Sound Enhancement Group.
 - 4.1.5 Gary Schreiber, Cynthia Schreiber, Richard Walker, Pamela Walker and Arlene Hutchins expressed concerns regarding the proposed Adage project.
 - 4.2 Charlie Butros, Public Works, announced that Mason County employee, Alison Chamberlin, passed away over the weekend.
 - 4.3 Cmmr. Gallagher announced his appointment to the Emergency Management Council.
 - 4.4 News Release – West Nile Virus. Vicki Kirkpatrick, Pubic Health, read a news release regarding the importance of mosquito control.
5. Open Forum for Citizen Input –
 - 5.1 Hannelore Stewart, Mason-Thurston Community Land Trust, asked the Commissioners for guidance in terms of a housing needs assessment. In the Mason County Comprehensive Plan there are several points that need to be corrected to make affordability a priority. Her group is willing to give the time to making a housing needs assessment a priority. She invited the County officials to participate in the group's long range planning session in the fall. She stated that there are currently over 120 people on waiting lists for affordable housing and without a needs assessment they cannot pursue further development of affordable housing. She requested that this item be added to the Commissioners' agenda in the near future. She is aware that funds aren't available for an extensive assessment but the issue needs to be addressed.
 - 5.2 Connelly Watson stated he has talked to a lot of people about the Adage project and the public wants to have a vote. He wants to know why the public can't have a vote.

Cmmr. Sheldon replied that the entire state voted on Initiative 937, which requires utilities to have a certain percentage of the power in their portfolio as renewable power. The Board does not vote on issues of businesses coming to town. The Board doesn't vote on these issues because zoning code is in place and there are State and Federal laws that the Board must abide by. To vote on a particular business coming into the county could be discriminatory. There is a process the Board is following which will allow for a public

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 13, 2010 - PAGE 2

comment period. The issues about Adage have primarily revolved around air quality. The ORCAA group permits air quality and there will be public hearings on that permit.

Cmmr. Gallagher added that this is a permit and it has to be treated as a permit. He used the example of a car wash as a possible permitting example. It would need to be treated the same.

- 5.3 Tom Davis commented that the biomass issue is monumental and should not be thrown into the same category as Walmart or a carwash. He read a letter that he sent to the Mason County Board of Realtors. He is currently putting his properties for sale because of the biomass issue. He is concerned about his liability relative to health hazards associated with the incineration of biomass materials on an industrial scale. He also read his proposed special disclosure addenda, which he believes should be included in every sale transaction if the subject property is located within a 10 mile radius of the proposed biomass facility.

Cmmr. Sheldon thought that this type of speculation enhances controversy and Mr. Davis' statements are designed to inflame the issue. There are no grounds for this type of speculation in a disclosure statement.

- 5.4 Leah Balmer thought the biomass issue is about the right to vote and have the voices of community heard. She thinks the issue has gone beyond pollution and the waste of fossil fuel in transporting the biomass. If there is a vote on the cemetery there should be a vote on this issue as well. She doesn't think the Board is speaking for her and her vote will reflect that. She doesn't see how an international business can care about anyone in the community besides their bottom line. Some people only have the land they were given by their forefathers and now that can be taken away by politicians. The 70 million dollars that will be kicked back to this company could fit solar panels on all of the buildings in the county, which would be clean power.

6. Adoption of Agenda - **Cmmr. Sheldon/Ring Erickson moved and seconded to adopt the agenda as published. Motion carried unanimously. RE-aye; S-aye; G-aye.**
7. Approval of Minutes – None.
8. Approval of Consent Agenda:
- 8.1 Approval for the County Engineer, Robert A. Thuring, to sign the annual agreement with PUD 3 for Public Works to park maintenance equipment at PUD 3's Dayton Facility.
 - 8.2 Approval to appoint Ned Kjeldgaard to the Mason County Lodging Tax Advisory Committee (LTAC).
 - 8.3 Approval to appoint Michael Siptroth to the Mason County Parks and Trails Advisory Board.
 - 8.4 Approval of the Veterans Assistance Fund applications for: George Harmon – Housing \$450.00 and Douglas Drinkall – Utilities \$600.00 for a total of \$1,050.00 as recommended by the Veterans Assistance Fund Screening Committee.

Cmmr. Ring Erickson/Sheldon moved and seconded to approve Consent items 8.1 through 8.4. Motion carried unanimously. RE-aye; S-aye; G-aye.

9. 9:30 a.m. Public Hearings and Items Set for a Certain Time.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 13, 2010 - PAGE 3

- 9.1 Public hearing to consider the petition to establish Mason County Cemetery District 2. If the Commissioners find in favor of the formation of the cemetery district, it will be submitted to a public vote at the November 2, 2010 election and provide for the election of three cemetery district commissioners.

Dave Pifke, Shelton Cemetery Association, spoke in favor of a resolution to establish a cemetery district. The district would include the school districts of Pioneer, Grapeview, Shelton and Southside. They have a petition that was signed by over 2,000 registered voters in these school districts. The purpose of this is to establish a board of 3 elected officials so the public could have direct input on the operations and maintenance of the cemetery. At this time the cemetery is run by volunteers. Volunteers are great but they do not have the expertise or management skills required to maintain the cemetery. There is over 150 years of history at the Shelton Memorial Park and it is in danger of being lost because of financial issues. The public doesn't support the idea of being buried and there are transient issues. Cremations are up in the area and there are less burials going on in the country. Putting this on the ballot would give the people a chance to create a cemetery district and elect 3 officials to run the district on a full time basis. Of the five groups that originally owned the cemetery, one is no longer in existence in Mason County. It will take a long time and dedicated people to bring the cemetery back to what it was years ago. Creating the cemetery district and getting dedicated managers in would be in the benefit of the community as a whole.

Questions for Staff

Cmmr. Ring Erickson asked if there would be any objection to having five commissioners instead of three.

Mr. Pifke replied that he would have no objection, but the RCW states that there will be three.

Cmmr. Ring Erickson asked what the taxing capacity of the district would be.

Mr. Pifke answered that it would be on the lower end of the scale. They are looking at 3 to 5 cents per thousand.

Cmmr. Ring Erickson clarified that she would like to know what the top end of the taxing capacity could be.

Dixie Smith, Assessor, answered that the top end would be 11 and ¼ cents.

Cmmr. Gallagher asked what the annual overhead budget is.

Mr. Pifke explained that it varies. Presently it is between \$175,000 and \$200,000. They have been operating in the red the last four years due to a decline in the stock market. Staff has been cut from 5 people to 2.5 full time people. When people visit those who are interred there they want it to look great, but that is beyond their capability at this time.

Andrew Graham asked how long the endowment would last without added sources of revue.

Mr. Pifske explained that the endowment only kicks in when the cemetery is full. It would take 100 years to fill the cemetery so they can only use the interest on the endowment.

There was no Public Testimony.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 13, 2010 - PAGE 4

Cmmr. Ring Erickson noted that the difference between this hearing and approving a permit is that this is actually creating a government and a taxing authority. She had some concerns regarding the construction of the resolution. She suggested amending the third paragraph to read: the Mason County Commissioners have found that the creation of the Mason County Cemetery District 2 will be considered by the voters. She would also like to add a paragraph after that informing everyone that the limit for taxation is 11.25 per thousand dollars of assessed valuation if approved.

Cmmr. Sheldon agreed with Commissioner Ring Erickson alterations and added that this public vote and a public vote on a business seeking a permit are clearly different. This is a requirement under State law and if it passes by the people there will be a property tax assessment and an election of cemetery commissioners to handle the business.

Cmmr. Ring Erickson/Sheldon moved and seconded to approve the resolution, as amended, calling for an election for the establishment of Mason County Cemetery District 2 and to submit to a public vote at the November 2, 2010 election and provide for the election of three cemetery district commissioners. Motion carried unanimously. RE-aye; S-aye; G-aye. Resolution No. 54-10 (Exhibit A)

- 9.2 Public hearing to consider the Utility Franchise amendment between the City of Shelton and Mason County that would include the water transmission main and appurtenance within the right-of-way of Johns Prairie Road.

Rick Hirschberg, Public Works, explained that the City of Shelton has applied to the County for an amendment to their utility franchise agreement. In June of 2007 the Commission granted a utility franchise to the City for water lines, sanitary sewer and storm sewer for those portions of the city that included County roads. They have recently applied for an amendment to that franchise agreement that would allow them to install a water line along John's Prairie Road. He pointed out where the line would be installed on a map. There would be no open cuts to the road. The water line connection would go underneath the road. There would also be the installation of fire hydrants on a 300-foot interval along the length of the road. The Board would need to formally amend the franchise agreement if they want to go along with this project. If that were the Board's decision, then Public Works would follow up with a utility permit, which is the actual construction permit that would allow the construction of the water line.

Questions for Staff

Cmmr. Sheldon asked if the current franchise agreement is for 50 years.

Mr. Hirschberg clarified that it is for 10 years and is subject to renewal.

An audience member asked if there are any County costs involved in the franchise amendment.

Mr. Hirschberg explained that in the process there would be an amendment fee to cover the costs. There will be publishing costs and cost that go with the utility permit to pay for the County's inspection service.

An audience member asked if this project has anything to do with the Adage project.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 13, 2010 - PAGE 5

Mr. Hirschberg replied that it potentially could. It would be supplying water to the end of John's Prairie Road and there are a number of potential uses for it. The County's part in the process is simply to have the water line installed to a standard that meets the requirements of the road department.

An audience member asked if there would be an inspection by the Health Department.

Steven Goins, City of Shelton, explained that a private engineer has been hired to design the line and the State Health Department will also review the design.

An audience member asked if the availability of water and water rights are involved in this.

Mr. Hirschberg responded that those issues are not involved in the County's part of the process. The County has the authority under State law to require certain conditions when someone wants to put a utility in the public right of way. That is the part of the process that is being discussed at this hearing. The franchise agreement gives the owner the right to locate their line in the right of way and the utility permit stipulates the conditions under which it is installed.

Public Testimony

Steve Goins, City of Shelton, stated that they are anticipating a favorable consideration of this request. It is a good opportunity to provide economic development in the John's Prairie corridor. It will help create jobs and improve safety in the area. It will provide fire flow to an area where there have been fires in the past. It could improve the quantity of water flowing into John's Creek, which has been an ongoing issue. It will also give the landowners in the area some options. The City is prepared to assume the operation and maintenance of the line when it is installed. He thinks it is a great thing for the community to bring important infrastructure together and improve the quality of life.

Cmmr. Ring Erickson commented that it is her understanding that the primary water right for the City comes from the Goldsborough Creek Basin and this line will sit in the John's Prairie area where there are concerns about reducing and restricting the number of exempt wells. This will provide water from an adequate source to an area that doesn't have available area to drill.

Mr. Goins replied that the City wells are mostly located in the Shelton Creek watershed area. The wells are very deep and draw from a difference aquifer than the aquifer that flows into John's Creek Basin. They do not currently utilize Shelton Creek but they would like to reestablish that use in the future. Currently there is plenty of water available to Shelton for serving this line.

Cmmr. Gallagher asked if there is a timeline for the project.

Mr. Goins responded that it is anticipated to be constructed before the end of the year.

Cmmr. Sheldon asked if this water line extension was part of the water and sewer plan that began in 1994.

Mr. Goins stated that it is his understanding that this was part of that endeavor.

Cmmr. Sheldon noted that this project has been long sought by the community since. He stated that the County and Mason Transit have a great interest in this extension, as well as the businesses that are growing out on Port property. Having adequate fire flow and domestic water out there is important. He understands that the Squaxin Tribe is also very supportive of this to help with the issues of John's Creek.

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS
July 13, 2010 - PAGE 6

Cmmr. Ring Erickson added that a major draw back of this industrial area has been water adequacy. The Mason Transit Authority purchased a building there with the idea that some rental space would be available to offset costs. That has never been able to happen because there isn't adequate fire flow. She would also support capping the exempt well at MTA to reduce the over extraction in John's Creek. She would also be interested in looking at a hook up at MCRA to reduce that extraction.

Cmmr. Gallagher commented that this project will help Mason Transit with fire flow. This is UGA and there needs to be a waterline in it. Belfair was out of compliance because there wasn't sewer in the UGA and now that project has moved forward. This water line is needed to fulfill the needs of the UGA.

Cmmr. Sheldon/Cmmr. Ring Erickson moved and seconded to approve and execute the Utility Franchise Amendment between the City of Shelton and Mason County that would include permission of the water main and appurtenance within the right-of-way of John's Prairie Road. Motion carried unanimously. RE-aye; S-aye; G-aye.

10. Other Business (Department Heads and Elected Officials) –

10.1 Charlie Butros, Public Works, announced that the start and end dates of the closure of Beeville Loop Road would need to be modified. The correct dates will be brought forward at the next meeting.

11. Board's Reports and Calendar - The Commissioners reported on meetings attended the past week and announced their upcoming weekly meetings.

12. Adjournment – The meeting adjourned at 10:15 a.m.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

Ross Gallagher, Chair

ATTEST:

Lynda Ring Erickson, Commissioner

Shannon Goudy, Clerk of the Board

Tim Sheldon, Commissioner