

**Minutes**  
**BOARD OF COMMISSIONERS – GRAYS HARBOR COUNTY**  
**REGULAR MEETING**

**August 27, 2012**

The Commissioners met in regular session in the Commissioners' Meeting Room, Administration Building, Montesano, Washington, on Monday, August 27, 2012, at 2:00 p.m. Commissioners Terry Willis, Mike Wilson and Herb Welch. Donna McCallum, Clerk of the Board, was also present.

**CALL TO ORDER AND FLAG SALUTE**

**BIDS:**

None

**HEARINGS:**

**1. Resolution declining tender of assets and liabilities by the Grays Harbor County Public Development Authority and consenting to tender of assets to the Port of Grays Harbor (Also being heard at 6:00 p.m.):** There was a public hearing on August 27, 2012 to consider a Resolution declining tender of assets and liabilities by the Grays Harbor County Public Development Authority and consenting to tender of assets to the Port of Grays Harbor. Notice of this hearing was published in *The Montesano Vidette* August 16, 2012.

Chairman Terry Willis stated the resolution being considered is due to the passage of PDA Resolution 2012-08 on June 19, 2012, outlining a request for the county to consent to transfer assets to the Port and due to the passage of a resolution by the Port stating their intention to consider the proposal. She explained the county performed due diligence and thoroughly examined the proposal for the optimum benefit of all citizens. During research the County learned: the PDA owns assets totaling about 62 million dollars including property consisting of 1700 acres, the assets must be managed by a public entity, and the process requires the county to consider opting out. The original PDA model was modeled by the Port. Commissioner Willis stated there would be further testimony heard tonight at 6:00 p.m. and the decision would not be made until after the hearing is closed.

Commissioner Willis asked if there was any public comment.

Tom Casey, PUD Commission, stated he is a PDA Board Member and opposes the action until there is an arrangement for further review. He would like there to be discussion first on why the transfer is necessary and does not see the PDA and Port having the same interests. He stated the PDA has developed a business park with its own legacy, which is not the same as the Port. The PDA has a telecom service and attracts private users and leases. Although the PDA may work well under the competency of the Port, he would like to engage in discussion first on why it should be dissolved. He described the PDA as unique and flexible and would like to see a

master plan before a decision is made.

There were no further comments and the hearing was recessed until 6:00 p.m. for the evening comment period for this hearing.

**ACTION:** No action was taken until the 6:00 p.m. portion of the meeting.

**2. Emergency Budget Appropriation, General Fund Non-Departmental - \$30,000:**

There was a public hearing on August 27, 2012 to consider an emergency budget appropriation in the General Fund Non-Departmental in the amount of \$30,000. Notice of this hearing was published in *The Montesano Vidette* August 16, 2012. Chairman Terry Willis called for a staff report. Brenda Sherman, Budget Director, reported the Non-Departmental Fund needs additional funding in the amount of \$30,000 to authorize additional funds to be transferred to the Capital Facilities Fund for the repair of water damage to the Courthouse roof.

Commissioner Willis asked if there was any public comment. There was no public comment and the hearing was closed.

**ACTION:** A motion was made, seconded and passed to approve Resolution No. 2012-076 authorizing an emergency appropriation in the budget of the Grays Harbor County Non-Departmental in the amount of \$30,000.

**3. Supplemental Budget Appropriation – Special Projects Fund, \$54,005:** There was a public hearing on August 27, 2012 to consider a Supplemental Budget appropriation in the Special Projects Fund in the amount of \$54,005. Notice of this hearing was published in *The Montesano Vidette* August 16 and 23, 2012. Commissioner Willis asked for a staff report. Brenda Sherman, Budget Director, reported this amendment will authorize the budget for the Firewise Communities Program which utilizes Title III funding.

Commissioner Willis asked if there was any public comment. There was no public comment and the hearing was closed.

**ACTION:** A motion was made, seconded and passed to approve Resolution No. 2012-077 authorizing a supplemental appropriation in the budget of the Grays Harbor County Miscellaneous Funds Special Projects in the amount of \$54,005.

**4. Supplemental Budget Appropriation – Facilities Capital Fund 30,000:** There was a public hearing on August 27, 2012 to consider a Supplemental Budget appropriation in Facilities Capital Fund for \$30,000. Notice of this hearing was published in *The Montesano Vidette* August 9 and 16, 2012. Commissioner Willis asked for a staff report. Brenda Sherman, Budget Director, reported this resolution authorizes a transfer in from the General Fund to be used to pay for repairs to the Courthouse roof.

Commissioner Willis asked if there was any public comment. There was no public comment and the hearing was closed.

**ACTION:** A motion was made, seconded and passed to approve Resolution No. 2012-078 authorizing a supplemental appropriation in the budget of the Grays Harbor County Miscellaneous Funds Facilities Capital Fund in the amount of \$30,000.

**PUBLIC COMMENT**

Commissioner Willis called for public comment on county-related items. She announced comments and statements would be accepted and limited to three minutes. Questions should be submitted in writing.

There were no comments.

**CONSENT AGENDA:** Approval was requested for the following items:

**Minutes:**

Regular and Morning Meetings –August 20, 2012

**Commissioners:**

Appoint Rollin Irwin to the Pacific Mountain Workforce Board of Directors for term ending December 31, 2014

**Management Services:**

Set Hearing Date – *September 10, 2012* – Supplemental Budget, District Court, \$9,000

Set Hearing Date – *September 10, 2012* – Supplemental Budget, Aberdeen Landfill Post-Closure Fund, \$93,605

Set Hearing Date – *September 10, 2012* – Supplemental Budget Reduction, Tourism, \$63,793

Set Hearing Date – *September 10, 2012* – Supplemental Budget Reduction, ORV Park Fund, \$3,147

Set Hearing Date – *September 10, 2012* – Supplemental Budget Reduction, Election Reserve Fund, \$10,022

Set Hearing Date – *September 10, 2012* – Supplemental Budget Reduction, Special Projects, \$99,915

**Public Services:**

Surplus – 2007 Ford Crown Victoria, Vehicle #35

**Correspondence:**

Road Use Request – Wishkah Valley Fun Run and Walk, September 22, 2012 on the Wishkah Road

Road Use Request – Puget Sound Cruisers, September 3, 2012 at Vance Creek Park and on Wenzel Slough, South Bank and Wakefield Roads

**ACTION:** A motion was made, seconded and passed to approve the Consent Agenda as listed above.

**PROCLAMATION:**

**1. September as Life Insurance Awareness Month:** A motion was made, seconded and passed to proclaim September as Life Insurance Awareness Month. The Clerk of the Board read the proclamation aloud.

**COMMISSIONERS:**

None

**DEPARTMENTS**

**Fair, Events and Tourism:**

**1. Request Approval, Authorization for the Fair, Events and Tourism Manager to sign a Tourism Advertising Agreement for the 2013 Grays Harbor Visitor Guide published by Visitor's Choice in the amount of \$4,560:** A motion was made, seconded and passed to authorize the Fair, Events and Tourism Manager to sign a Tourism Advertising Agreement for the 2013 Grays Harbor Visitor Guide published by Visitor's Choice in the amount of \$4,560.

**2. Request Approval, Authorization for the Fair, Events and Tourism Manager to sign a Fairground Advertising Agreement for the 2013 Grays Harbor Visitor Guide published by Visitor's Choice in the amount of \$3,000:** A motion was made, seconded and passed to authorize the Fair, Events and Tourism Manager to sign a Fairground Advertising Agreement for the 2013 Grays Harbor Visitor Guide published by Visitor's Choice in the amount of \$3,000.

**Management Services:**

**1. Request Approval, Resolution – Restricting Receipt and Fund Uses for the Election Reserve Fund:** A motion was made, seconded and passed to approve **Resolution No. 2012-079 restricting revenue and fund uses for the Grays Harbor County Election Reserve Fund #116.** This resolution will formally commit revenues received from district overhead charges and voter registration fees to be used for the payment of costs associated with conducting elections and election equipment purchases.

**2. Request Approval, Resolution – Establishing the Limited Tax General Obligation Refunding Bonds 2012 Fund in the Miscellaneous Fund:** A motion was made, seconded and passed to approve **Resolution No. 2012-080 establishing the Limited Tax General Obligation Refunding Bonds 2012 Fund in the Miscellaneous Funds.** This fund is being created for the purpose of paying principal and interest on the 2012 Limited Tax General Obligation Refunding Bonds.

**Public Health and Social Services:**

**1. Request Approval, Contract amendment with Behavioral Health Resources for outpatient mental health services October 1, 2011 through September 30, 2012:** A motion

was made, seconded and passed to approve a contract amendment with Behavioral Health Resources. This contract provides publicly funded outpatient mental health treatment services including counseling, psychiatry and residential supports. The contract is fee for service with a maximum of \$3,186,035. The contract period is October 1, 2011 through September 30, 2012.

**2. Request Approval, Chemical Dependency Contract with Providence St. Peter for Involuntary Commitment Services, Inpatient and Detoxification Services for the period of July 2012- June 2013:** A motion was made, seconded and passed to approve the 2012-13 Chemical Dependency contract with Providence St Peter. The purpose of the contract is to provide Involuntary Commitment Services, Inpatient and Detoxifications Services to the citizens of Grays Harbor County. The contract runs from July 1, 2012 through June 30, 2013. The contract utilizes fee-for services basis for a maximum of \$10,000 for involuntary treatment (ITA) services and a bed day rate for detoxification and inpatient treatment under CJTA funding for the Prosecutor's Diversion program.

**3. Request Approval, Contract Amendment 4 to the 2012-2014 Consolidated Contract with the WA State Dept. of Health – Community Transformation Grant Project:** A motion was made, seconded and passed to approve Amendment No. 4 of the 2012-2014 Consolidated Contract with the Washington State Department of Health. This amendment adds funds and amends the statement of work for the Community Transformation Grant project, the SNAP-Ed nutrition education program, Public Health Emergency Preparedness and Response activities, and the Immunization project. It increases overall consideration of the Consolidated Contract by \$264,682.

### **Public Services:**

**1. Request Approval, Current Use Open Space Case 2012-0651 Vetter.** The Staff Report for Current Use Open Space Case 2012-0651 included a recommendation of conditional approval from the Planning Commission. The applicant is requesting 6-acres be classified current use open space for the public benefit of preserving streams, stream corridors, wetlands and natural shorelines in a channel migration zone of the East Satsop River. The tax shift for the proposal is approximately \$140. The Planning Commission conducted a hearing for the case on Tuesday August 7, 2012. No comments were received either in writing or during the hearing process.

This request is for the Board's consideration of approval of Current Use Open Space Case 2012-0651, as recommended by the Planning Commission.

In the staff report the following conclusions were presented:

- Approval of Case 2012-0651 would result in a negative tax shift providing a tax benefit to the property owner of approximately \$140 when compared to the Market Value. *RCW Section 84.34.037 (2)(a)*
- The intense flooding of the area and lack of prime agricultural soil limits large commercial as well as small scale farming at the location as envisioned in the Comprehensive Plan goals and A-2 Zoning District. Although it is highly unlikely the area would be developed in the future, conserving the area as open space will ensure that a critical portion of flood channel

(above floodway) remains free of encroachments which will be a public benefit for all downstream landowners.

- Approval of Case 2012-0651 will preserve both the open water Riverine wetland which hosts salmon habitat and the open channel shoreline characteristics of the East Satsop River. *RCW 84.34.037 (2)(b) (1) (b)(ii)*,

**Action:** A motion was made, seconded and passed to approve the Planning Commissions' recommendation to approve the current use open space case 2012-0651 as conditioned in the staff report.

*\*\*Commissioner Willis stated she has personal business dealings with the applicant for the next agenda item, recused herself and stepped out of the meeting room.*

**2. Request Approval, Current Use Open Space Case 2012-0605 McGraw:** The Staff Report for Current Use Open Space Case 2012-0605 included a recommendation of conditional approval from the Planning Commission. The applicant is requesting 20.76-acres be classified current use open space for the public benefit of preserving streams, stream corridors, wetlands and natural shorelines in a channel migration zone of the Satsop River. The tax shift for the proposal is approximately \$500. The Planning Commission conducted a hearing for the case on Tuesday August 7, 2012. No comments were received either in writing or during the hearing process.

This request is for the Board's consideration of approval of Current Use Open Space Case 2012-0605, as recommended by the Planning Commission.

In the staff report the following conclusions were presented:

- Approval of Case 2012-0605 would result in a negative tax shift providing a tax benefit to the property owner of approximately \$500 when compared to the Market Value. *RCW Section 84.34.037 (2)(a)*
- The presence of a high velocity floodway and lack of prime agricultural soil limits large commercial as well as small scale farming within the subject area as envisioned in the Comprehensive Plan goals and A-2 Zoning District. Although it is highly unlikely the area would be developed in the future, conserving the area as open space will ensure that portion of floodway channel remains free of encroachments that could disrupt the natural distribution of nutrient laden sediment to adjacent prime farmland.
- Approval of Case 2012-0605 will preserve Palustrine and Riverine wetland systems, Type 'S' and Type 'F' stream channels associated with priority salmon habitat and shoreline characteristics of the Satsop River. *RCW 84.34.037 (2)(b) (1) (b)(ii)*

**Action:** A motion was made, seconded and passed to approve the Planning Commissions' recommendation to approve the Current Use Open Space application, case 2012-0605, as conditioned in the staff report.

*Commissioner Willis rejoined the meeting after the previous action.*

## **ANNOUNCEMENTS**

The Clerk of the Board announced most County buildings will be closed on Monday, September 3, 2012 for the Labor Day holiday. The next Regular Meeting for the Board of Commissioner will be September 10, 2012.

## **CORRESPONDENCE**

None

The meeting was recessed at 2:36 p.m. until 6:00 p.m. in order to hear further public comment on Hearing No. 1.

Commissioner Willis reopened the meeting at 6:00 p.m. All Commissioners were present along with Clerk of the Board Donna McCallum and Deputy Prosecuting Attorney James Baker.

### **6:00 p.m. continued meeting and hearing:**

Commissioner Willis reopened the Commissioners' meeting that was recessed earlier in the day at 2:35 p.m. to hear comments on the following continued hearing:

**1. Resolution declining tender of assets and liabilities by the Grays Harbor County Public Development Authority and consenting to tender of assets to the Port of Grays Harbor:** There was a public hearing on August 27, 2012 to consider a Resolution declining tender of assets and liabilities by the Grays Harbor County Public Development Authority and consenting to tender of assets to the Port of Grays Harbor. Notice of this hearing was published in *The Montesano Vidette* August 16, 2012. The hearing was opened at the 2:00 p.m. portion of the Board meeting and continued to 6:00 p.m. to hear public comments. Clerk of the Board Donna McCallum read the resolution aloud.

Chairman Terry Willis stated the County is considering this resolution due to a request and Resolution2012-08 passed by the Grays Harbor County Public Development Authority (PDA) and Resolution 2820 passed by the Port of Grays Harbor (Port) to pursue transfer of PDA assets and liabilities to the Port. Commissioner The Port's resolution states it resolves to consolidate with the PDA to increase efficiencies and effectiveness. Willis stated the PDA owns all the assets at the Satsop Development Park, a value of 62.4 million dollars, including 1,700 acres. The request today is for the county to consider to opt out of taking over the PDA and to allow the transfer as requested. She stated the transfer of assets to the Port would result in no loss of revenue to the county. If the transfer takes place, the next action would be to consider whether to dissolve the PDA.

Commissioner Willis called for public comment, limited to this hearing topic.

Allan Shores, Aberdeen, asked the Board to move slowly, consider that there are a lot of issues, and believed there was no reason to dissolve the PDA. He noted differences, stating the Port

exports and the PDA is a business park. He requested the decision be postponed until after the election to allow a new County Commissioner to be involved in the decision.

Teri Franklin, Elma, asked for the process to slow down. She stated she was part of an alliance that required the forestland to be returned if the PDA dissolved. She asked for research on this topic.

Charlie Stalker, Montesano, said he liked Tom Casey's comments and asked the Board to wait until after the election to make a decision.

Al Smith, Wishkah, asked why.

Shelli Hopsecger, PDA Board Member, said they asked themselves how best to achieve the goals of economic development for the community. It dawned on them the PDA and Port had many similarities. The PDA had completed turning a nuclear site in to an economic development park, doing an excellent job managing the assets. Having worked at the Port, she understands the operation and diversity of the business. She stated six of the seven PDA Board members voted to pursue this merger, noting the benefits for the economic welfare of the county. With the pending retirement of CEO Tami Garrow from the PDA, this is an opportunity for the entities to join forces and assets. She stated it makes sense to merge: administration costs would be lower; there would no longer be competition for the same grants and funding; some costs would be lower; the PDA would still be run by a public agency; this would strengthen the economic ability of the county.

Commissioner Willis asked Ms. Hopsecger to explain the process for the transfer. Ms. Hopsecger said County Ordinance 245 formed the PDA and outlines the process that must be followed, including the County's first right of refusal of the assets before any other actions could occur. Once the County declines the PDA and allows the offer to a "like" entity, there are other steps that must take place. They plan public meetings to be held by both the Port and the PDA. Staff would then work through the details.

Commissioner Welch stated his understanding was that the County's decision today is whether to step out of the way or not.

Ms. Hopsecger stated the entities are doing this for a reason and if at some point the transfer does not make sense, a resolution could be passed to stop the process. She asked the County to decline and let the entities pursue whether a transfer would work. She explained the 50-year requirement to return the area to forestland was settled during the original transfer of assets. A Forest Management Plan was approved at the time and Grays Harbor College manages the forest.

Fred Rapp, Elma, a business owner in East County, stated the Port did a great job attracting Ventron to the county and numerous other businesses. He referred to the merger of EDC and the Chamber as a model of combined efforts and supported the merger of the Port and PDA to increase efficiencies.

Tami Garrow, PDA CEO, stated over the last 18 months, the PDA Board went through vision exercises looking at the past 10 years and what the next 10 years might look like. The PDA and the Port plan a series of public meetings if the Commissioners approve the Resolution today. She went over the history of creation of the PDA and the assets. She stated 1200 acres are managed by the PDA. Responding to Commissioner Willis inquired about on the property; Ms. Garrow explained the FSC standard certified Master Plan from 2008 includes responsible stewardship of the forest land. Fish and Wildlife Department mitigated an agreement that the forestland requirement would “sunset” upon passage of the Master Plan. Requirements for the land and timber will not change with ownership. Managed by Grays Harbor College, the forestland provides recreation and a buffer for the Development Park. The area is surveyed and inspected by students; revenue from logged timber is put back into the land and the college educational program. Commissioner Willis noted this area is managed completely differently from the county forest program which is managed as a tree farm.

Allan Shores, Aberdeen, stated he wants to see the assets remain with the PDA.

Chuck Caldwell, President of the Port Commission, stated he has been involved in the Satsop Development Park since the beginning. When being developed as a nuclear site, there were roads and bridges constructed to benefit the area. He said the Port plans in advance to take advantage of economical turns. Management at the Port is great and, unlike the PDA, they are a taxing entity. The Port is willing to accept the transfer and plan to keep the assets of the PDA intact. He explained more jobs are needed in the county and they are poised to make a positive impact through this merger. Under this scenario, the voters have more control with elected officials of the Port managing the PDA.

Commissioner Willis asked how the Port and PDA can work together. Mr. Caldwell stated numerous businesses do not need shipping export ability and the PDA site can help fill gaps the Port cannot. Responding to Commissioner Welch, Port Commissioner Caldwell stated the Port and PDA compete for the same grants, but a merger would strengthen grant dollars.

Fred Rapp, Elma, stated he attends PDA Board meetings and recently the PDA received four million dollars in grant funding to take care of waste management. He stated the Port has valuable contacts and can possibly bring in new industries.

Responding to Commissioner Willis, Senior Deputy Prosecuting Attorney James Baker, said he did not see any legal issues with the proposed resolution and action.

Commissioner Willis closed the hearing at 6:59 p.m.

A was made and seconded to approve the Resolution. The following discussion occurred:

Commissioner Welch stated Commissioner Willis looked into the issue extensively and he also had numerous conversations with people to answer his questions. He stated the PDA Board and Tami Garrow are committed and believe this is a good idea.

Commissioner Wilson stated as he didn't have any questions because, as a PDA Board Member, he has been involved with this concept from the beginning. There is a willing buyer and a willing seller. In his opinion this is a stellar group of individuals and the county decision is important.

Commissioner Willis stated she had been accused of prolonging the decision, but she followed the language in the Ordinance to complete due diligence. She worked with staff and the other two entities to answer her questions. She agrees that the assets should be kept together. She looked into whether the County citizens could gain something through the transfer, but after her research she decided there is no benefit. She stated the PDA has a good Board and they would not take chances with the assets. She said the County is not the economic engine of the area and allowing this transfer would combine two economic entities. She stated the County needs to get out of their way and allow the PDA and Port to take the next step.

**ACTION: A motion was made, seconded and passed to approve Resolution No. 2012-081 declining tender of assets and liabilities by the Grays Harbor County Public Development Authority and consenting to tender of assets to the Port of Grays Harbor.**

### **STAFF MEETINGS**

The Board held a regular morning meeting on Monday, August 27, 2012, beginning at 9:00 a.m. These meetings are advertised public meetings held in the Commissioners' Conference Room. Commissioners Herb Welch, Mike Wilson and Terry Willis and Clerk of the Board Donna McCallum reviewed agendas, calendars and pending daily office issues. The Board met with Joan Brewster, Public Health and Social Services Director, regarding agenda items; Brenda Sherman, Budget Director, regarding agenda items; the following Public Services individuals regarding agenda items and department updates: Planning and Building Director Lee Napier; Environmental Health Director Jeff Nelson; County Engineer Russ Esses; Utility and Development Director Kevin Varness.

### **RECAP OF APPROVED RESOLUTIONS, ORDINANCES, AND INTERGOVERNMENTAL AGREEMENTS:**

#### **RESOLUTIONS:**

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|---------------------|---|
| <b>No. 2012-076</b> | <b>Authorizing an emergency appropriation in the budget of the Grays Harbor County Non-Departmental in the amount of \$30,000</b>                       |
| <b>No. 2012-077</b> | <b>Authorizing a supplemental appropriation in the budget of the Grays Harbor County Miscellaneous Funds Special Projects in the amount of \$54,005</b> |

