

BOARD OF MASON COUNTY COMMISSIONERS' BRIEFING MINUTES
Mason County Commission Chambers, 411 North 5th Street, Shelton, WA
Week of May 22, 2017

Monday, May 22, 2017

- 9:05 A.M. Public Works – Jerry Hauth/Melissa McFadden
Utilities & Waste Management
Commissioners Shutty and Jeffreys were in attendance. Commissioner Neatherlin was absent (arrived at 9:10 a.m.).
- Commissioners approve entering into the interlocal agreement with City of Bremerton for road and street chip seal maintenance services.
 - Procurement of pavement marking equipment not to exceed \$110,000.
 - Discussion of the Cloquallum Road realignment project update. The bids came in higher than engineer's estimate. TIP-CAP reviewed the project and because there is a \$900,000 grant they are in support of the project. Staff is reviewing the project and will come back for direction from the Commissioners.
 - Belfair Plant permit is due to Ecology by first of June. Staff will submit an item for authorization to sign for tomorrow's meeting.
 - Paving on Arcadia Road will start tomorrow, May 23.
 - Lynch Creek/Highway 101 interchange project. Cmmr. Shutty suggested waiting for the summary of the community meeting and then the Commissioners can weigh in on what project they support.
 - Cmmr. Jeffreys brought up the idea of a road exchange in Belfair regarding Clifton Lane and Highway 3. Jerry stated it could be considered if the State brings their road up to the correct road standards and cleans up any contamination.

9:45 A.M. BREAK

- 10:00 A.M. Community Services – Dave Windom
Commissioners Shutty, Jeffreys and Neatherlin were in attendance.
- Emergency preparedness funding available (approximately \$10,000) and staff is recommending the purchase of an electronic reader board that could be placed on the side of Bld 8 facing the corner of 7th and Alder and could be used for not only emergency information but county could provide other public information on it. Lydia suggested other departments participate in the purchase of the sign and the individual departments would manage their messages. Cmmr. Neatherlin does not support this type of signage. Cmmr. Shutty wants to hear additional feedback from other departments.
 - Update on the status of the Housing request for proposals for funding from Housing & Essential Needs (HEN); Consolidated Homeless Grant (CHG); and 2163 recording fees. Six different organizations submitted 14 applications and staff will bring back recommendations for awards.
 - Staff provided information on the HomesFirst! contract.
 - Staff provided a Land Use Permit Fee increase proposal (Planning). Fees have not been increased since 2009. Also proposing changes to County Code changing what needs to go before the Hearings Examiner.
Discussion of updating Tidemark. Need to move towards to on-line permitting which would streamline the process and allow staff to provide more time on the more complicated permit requests. Dave is suggesting adding a technology fee to permits to fund technology updates.
Commissioners are supportive of increasing the fees – Option C. A public hearing will be scheduled.
 - Request to schedule joint Commission/Planning Commission meetings focused on the Comprehensive Plan update – June 20 and September 27.
 - Paula provided status of the population projections/allocations for the Comp Plan. Staff has met with Commerce, City of Shelton and will be meeting with Green Diamond.
 - A discussion of the code requirement of allowing only one RV on a piece of property for a permanent residence. It's a county-wide problem.

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- 11:00 A.M. WSU Extension Office – Justin Smith
Commissioners Shutty, Jeffreys and Neatherlin were in attendance.
- Justin provided an update on accomplishments of the Extension Office including Noxious Weed Control Board, Food Safety & Food Preservation Program, 4-H Youth Development Program, Master Gardener Program, Food Sense Nutrition, Water Resources Program and Small Farms Program.
 - The Community Intelligence Lab has launched a prototype of the Emplace app for beta testing. Emplace allows users to share photos and updates to a newsfeed which plots the location of each entry.

- 11:30 A.M. Law Library – Eugene Austin
Commissioners Shutty, Jeffreys and Neatherlin were in attendance.
- Request of a one-year contract with Thomson Reuters for Law Library wireless online patron access for up to three concurrent users for an amount not to exceed \$1,479 per month + tax. Request is to add the request to the May 23 agenda.

Commissioner Discussion – there was no discussion.

BREAK – NOON

- 2:00 P.M. Capital Facilities Plan Briefing – Frank Pinter
Commissioners Shutty, Jeffreys and Neatherlin were in attendance.
- Review of the Capital Facilities Plan along with the budget detail from REET 1 and REET 2. Frank is working with the State Auditor's office on how to record the pass-through grant for North Mason High School. Frank has added the following proposed items: \$420,000 additional funding for Belfair Sewer (2017) – Frank provided information on the maintenance items that were not budgeted. It is anticipated there will be on-going maintenance issues and \$150,000 is proposed to be budgeted unless the rates are increased; \$800,000 for a proposed water rights plan design (\$200,000 annually 2019-2022) – this was discussed in a meeting with Squaxin Island Tribe but not approved; \$900,000 for the Skokomish Flood Plain by Design proposal (\$100,000 annually 2018 – 2026) – Commissioners Neatherlin and Jeffreys stated they have been very clear that this must be funded from grant money; for Landfill improvements/maintenance, \$750,000 is budgeted (\$250,000 annually 2019-2021).
 - Frank broke down the park improvements by Commission districts. He requested direction from the Commissioners on what park projects to continue to budget. Jeff suggested making capital improvements to parks property that is currently owned by Mason County. He suggested the Commissioners visit these sites to better understand what can be done with the property. Frank noted that the Parks Comprehensive Plan does not address maintenance needs. Cmmr. Neatherlin brought up collecting fees by credit card using a kiosk.
 - The Commissioners will prioritize the proposed park projects in their district using a \$1,000,000 budget. Jeff will review the projects and make recommendations. This will be briefed again in June.

- 3:00 P.M. Support Services – Frank Pinter
Commissioners Shutty, Jeffreys and Neatherlin were in attendance.
- Review of the May meeting calendar; Indigent Defense interviews Tuesday, May 23; Belfair Sewer briefing May 24; no briefings week of May 29 due to Memorial Day holiday; no meeting May 30 in Belfair. An executive session will be scheduled on May 30 for potential litigation.
 - Lease agreement with North Mason Resources for Veterans Service Officer space for July – December 2017 @ \$350 per month and is recommended by the Veterans Advisory Board will be placed on the agenda.
 - Jenifer reviewed the April Financial Reports.
 - Seeking direction for 2018 Budget Guidelines (2017 Budget Guidelines included for reference). This will be brought back mid-June.

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- 2017 budget adjustments for June 20 hearing (labor contracts etc.) will be placed on the June 6 agenda.
- Sandhill Park Fields 1 and 2 bid award (RCO grant project) will be placed on June 6 agenda.
- North Mason RCO grant sub-recipient agreement ok for June 6 agenda.
- Staff provided information on the Pee Wee World Series & Jacoby Ellsbury Indigenous World Series event status.
- Cmmr. Neatherlin stated he had a request for the statue in front of the William O. Hunter Park in Belfair to be washed. We have a maintenance agreement with MTA and Jeff will contact MTA with the request.
- The Board agreed to schedule a briefing with the Port of Grapeview to consider a request for \$50,000.

Commissioner Discussion – there was no discussion.

Tuesday, May 23, 2017

9:00 A.M. – 2:00 P.M. Executive Session – RCW 42.30.110 (1)(g)

Chief Public Defender Interviews

Commissioners Shutty and Jeffreys along with Frank Pinter interviewed applicants for the Chief Public Defender position.

Wednesday, May 24, 2017

10:00 A.M.

Belfair Sewer Briefing

Commissioners Shutty, Jeffreys and Neatherlin were in attendance.

- A report was submitted by Dave Windom, Jerry Hauth and Frank Pinter that reviewed the future growth of the Mason County Belfair Sewer. Frank provided the history of the Belfair Sewer. Originally, the projections of construction costs and anticipated growth of the area were incorrect. Currently the sewer is supplemented with .09 Rural Sales & Use Tax and REET funds. It is anticipated the operations and maintenance costs will be \$650,000 annually. If a capital facility charge (CFC) is charged, sewer must be provided to the property within 10 years.

As of December 31, 2016 the Belfair Sewer cost \$42,261,492; it received grants of \$25,890,208 which offset construction costs; carries outstanding loans with original face values of \$16,371,284 and the outstanding balances of \$12,465,050 with principal and interest payments of approximately \$1M annually. The Belfair Sewer currently has 416 ERU's collecting \$96 per month in service charge and an O&M budget of \$450,000 annually.

Several options were reviewed to increase revenues:

- 1) Review the sustainability of a \$96 per ERU rate.
- 2) Review the ability to offer "discounted" CFC to existing "disconnecting", from on-site septic system, homeowners and a slightly higher "enticing yet affordable" CFC for new development and construction to promote development.
- 3) Consider a referendum to impose a local-option public safety sales tax devoted to Sanitary Sewer authorized per RCW 82.14.150
- 4) Consider increased allocations from the .09 Sales Tax and/or REET funds.
- 5) Consider increased allocations from the General Fund.
- 6) Review a Special Benefit District under RCW 85.38.
- 7) Review Latecomers Agreements.

Staff then presented items to consider to expand the service area:

- 1) Select the next phase for the expansion of the Belfair Sewer Service Area.
- 2) Review current Belfair UGA boundaries as part of the next Comprehensive Plan Update and consider downsizing the UGA.
- 3) Reconcile a modified Belfair Sewer Plan with the current updated Shoreline Management Plan.
- 4) Review the plot plans of the entire UGA and include the entirety of currently bisected properties within the UGA boundaries.
- 5) Revisit the expansion offered by the LAMBRID WAC 36-196-425 in North and South Shores of Hood Canal, SR 106 to Sunset Beach and SR 300 to Belfair State Park, as proposed in the '09 addendum to the EIS.

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- 6) Review the potential for extending sanitary sewer service to Sandhill Elementary School, North Mason School District Campus and Mission Creek Corrections Center for Women as identified in the appendix of the '06 EIS.
- 7) Review potential requirement of ALL properties to connect to sewer when sewer line fronts the property even if it is outside the UGA.

Dave Windom reviewed draft proposed changes to Title 17. Removed holding tanks; option for CFC refund to customer (if no sewer within 10 years, customer is entitled to refund plus interest); option for a large onsite septic system (LOSS). There was a discussion of the water quality problems in the Belfair area.

Cmmr. Shutty will provide his comments and in the short term he would like the holding tank issue to move forward. He would like to have a conversation on the CFC and rate analysis.

Cmmr. Neatherlin expressed concern for potential loss of businesses if the rates are increased. For the phasing he asked the Board to consider return and timeframe for areas of future development; another option is to build where customers already exist to generate revenue now.

Cmmr. Jeffreys brought up the multi-family unit reduced ERU; assumption is they will use less water; could there be economies of scale on the rate for large commercial entities.

Cmmr. Neatherlin noted that other area charge a base rate and then in increments.

Dave added that other areas base ERU's on connection size.

Frank suggested developing a structure for tiered rates that won't reduce current revenue.

Jerry Hauth noted there is an option of creating a special benefit district that would provide an assessment because those properties do benefit from the utility. A cost benefit analysis would have to be done.

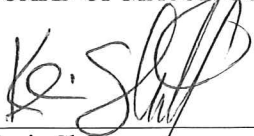
Frank summarized the following tasks to be addressed in a couple of weeks: Address the \$5,000 CFC; rate analysis; modification to multi-family rate; remove holding tanks from code; analyze impact of phasing for new construction and phasing into existing customers; more research on special assessment district.

Cmmr. Neatherlin requested the \$5,000 hook-up be brought back for a vote. It has been discussed several times.

Respectfully submitted,

Diane Zoren, Administrative Services Manager

BOARD OF MASON COUNTY COMMISSIONERS



Kevin Shutty
Chair



Terri Jeffreys
Commissioner



Randy Neatherlin
Commissioner