

BOARD OF MASON COUNTY COMMISSIONERS' PROCEEDINGS

August 9, 2011

1. Call to Order – The Chairperson called the regular meeting to order at 9:01 a.m.
2. Pledge of Allegiance – Bob Simmons led the flag salute.
3. Roll Call – Present: Commissioner District 1 - Lynda Ring Erickson; Commissioner District 2 – Tim Sheldon; Commissioner District 3 – Jerry Lingle.
4. Correspondence and Organizational Business
 - 4.1 Correspondence
 - 4.1.1 The Washington Finance Officers Association announced that Karen Dowling has earned the Professional Finance Officer Award.
 - 4.1.2 The Washington State Department of Ecology provided their 2010 report on Water Conservancy Boards.
 - 4.1.3 Bill and Liz Baluch are seeking information on the Potlach area sewer project.
 - 4.1.4 Kaye Massie, Herb Gerhardt and Gary Chrey expressed concerns regarding the Belfair sewer project.
 - 4.2 Recognition of Larry Harper – Larry Godwin and Jerry Strong, Veterans of Foreign Wars, recognized Mr. Harper for his service to the country and the community.
 - 4.3 WSU Youth Forestry Intern Program Recognition – Bob Simmons, WSU Extension Office, introduced Krag Unsoeld, who facilitated the program. Mr. Unsoeld recognized the youth participants for their hard work throughout the summer.
5. Open Forum for Citizen Input –
 - 5.1 Tom Davis spoke about the Shelton Hills Development project. There is a developer willing to put forth money that would culminate jobs and revenue for the county. The developer has been sitting on the back burner waiting for some petty issues to be resolved. He would like to see the EDC support the project. They have been silent on this particular project and he doesn't understand why. He would also like to know what the government's concerns are with the project or whether the Commissioners are for it.

Cmmr. Sheldon thanked Mr. Davis for putting the issue on the table. He explained that he has spent some time with the developer and the Department of Transportation regarding the interchange at Wallace-Kneeland Boulevard. The original construction of that interchange was inadequate. He understands that there would be a swap of land with the developer and the Department of Transportation that would provide an enhanced interchange, which would be good for the community.

Cmmr. Ring Erickson added that she and Commissioner Sheldon have been briefed on the project. It is in the City and she wants to be respectful of the City and their planning process. It wouldn't be her role to interfere, but she thought it looked like a good project.

Cmmr. Lingle noted that he had't been involved in briefings regarding the matter but he respects the separation of municipalities. He understands that the EDC has been supportive of the project and he felt that the project had great potential.
6. Adoption of Agenda - **Cmmr. Sheldon/Lingle moved and seconded to adopt the agenda as published. Motion carried unanimously. RE-aye; S-aye; L-aye.**

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7. Approval of Minutes – July 11, 2011 and July 18, 2011 briefing meeting minutes.

Cmmr. Lingle/Sheldon moved and seconded to approve the July 11, 2011 and July 18, 2011 briefing meeting minutes. Motion carried unanimously. RE-aye; S-aye; L-aye.

8. Approval of Action Agenda:

- 8.1 Approval of and authorize the Chair to sign the project agreements with the Recreation and Conservation Office (RCO) for the Latimers Landing Parking Expansion and Union Boat Launch Planning Projects. State grant award from Boating Facilities Program is \$400,000 for Latimers Landing Project and will be matched with \$140,900 of REET II capital funds in addition to volunteer labor, donated equipment, force account equipment and force account labor. State Grant award from Boating Facilities Program for Union Boat Launch Program will be \$61,250 and matched with \$23,750 of REET II capital funds.
- 8.2 Approval for the Utilities & Waste Management Department to Request for Proposals (RFP) for the biosolids hauling contract for the wastewater treatment sites in Rustlewood and North Bay. Proposals must be submitted by 5:00 p.m. on August 25, 2011 to the Utilities Department located at 410 North 4th Street, Shelton.
- 8.3 Approval of the resolution amending Resolution 70-04, Accrued Leave Fund, to reflect the correct Exhibit A to include Items A. through E. and delete the funding target schedule.
Resolution No. 49-11 (Exhibit A)
- 8.4 Approval of the Interlocal Agreement for Fire Investigation Services between Mason County and the Mason County Fire Chiefs Association. There is no cost to this agreement and it shall terminate no later than October 31, 2011.
- 8.5 Approval to award a contract with Re-Solve in the amount of \$8,500 to perform an appraisal of property for the Coulter Creek Park Project acquisition and authorize the Chair to sign the contract. Grants from the Recreation and Conservation Office (RCO) will reimburse the County for the appraisal costs.
- 8.6 Approval for the Chair to sign an agreement with Evergreen Vending for vending machine services in County facilities. Mason County will receive 10% of proceeds from the vending machine revenues. Term of the agreement is for one year.
- 8.7 Approval of the Veterans Assistance Fund application for Laila I. LaBonte – Utilities \$124.73 as recommended by the Veterans Assistance Fund Screening Committee.
- 8.8 Approval of the Memorandum of Understanding (MOU) between Planned Parenthood of the Great Northwest (PPGNW) and Mason County Public Health (MCPH) for HIV/AIDS services. There is no funding associated with this Memorandum of Understanding.
- 8.9 Approval of the resolution extending the term of the Mason County Stormwater Implementation Task Force to June 30, 2012. **Resolution No. 50-11 (Exhibit B)**

Cmmr. Lingle/Sheldon moved and seconded to approve Action items 8.1 through 8.9. Motion carried unanimously. RE-aye; S-aye; L-aye.

9. 9:30 a.m. Public Hearings and Items Set for a Certain Time – There were no public hearing scheduled.

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

10.1 *(To be considered at 11:30 a.m.)*

10.2 Vicki Kirpatrick, Public Health, read a news release regarding the Community Task Force for Mental Health, Chemical Dependency and Therapeutic Court Services.

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Cmmr. Sheldon noted that it would be important to have a business representative on the task force.

Ms. Kirkpatrick explained that she is still trying to find a business representative, but she was confident she would have someone before the next meeting.

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

Cmmr. Ring Erickson called a recess at 9:50 a.m. The meeting reconvened 11:33 a.m.

- 10.1 Approval of the resolution approving the sale of limited tax general obligation bonds of the county in the principal amount of not to exceed \$7,000,000 for the Belfair Wastewater and Water Reclamation Facilities project.

Lisa Frazier, Treasurer, introduced Alan Dashen, Financial Advisor to the County, to explain the resolution.

Mr. Dashen discussed the bond sale. The bonds were sold for 6.2 million dollars for the Belfair Wastewater project. About 2 million will be paid back in 2013 from a grant, so the next borrowing of the County was really 4.2 million. The bonds were sold through a competitive bond sale. It was advertised nationally. The bids occurred at 8:30 a.m. Seven bidders signed up and three actually bid. The winning bid was from Stern, Agee & Leach of Alabama. They are the winning bidder subject to the Board's approval. He explained that rates have gone down over the last 20 year period. Over the last week, with the crisis of the U.S. Government being downgraded, the rates dropped a lot because people were fleeing from the stock market. The County applied for ratings on the bonds and the County's A+ rating was confirmed. The County's strong fund balance and good management were positive in that rating. The only negative factors were the County's reliance on tourism and natural resources. The net result was a 3.28% average interest rate on the bonds, which is remarkably low. He recommended approval of the sale.

Cmmr. Sheldon asked if it was fair to say that these bonds were being sold at 20 year historic low interest rate based on the County's financial capabilities.

Mr. Dashen responded that it was a good statement. It is partly on the economy but the County has a very good credit rating.

Cmmr. Sheldon asked if the company in Alabama would sell the bonds to individual investors.

Mr. Dashen thought that the bonds would be sold to banks.

Cmmr. Ring Erickson pointed out that 2 million would be paid back when the grant is issued after the facility is run for a year. The other reason for the bond sale is to be able to offer low interest loans to the people in the Belfair area to connect to the system. It is not an overrun on the project.

Cmmr. Sheldon/Lingle moved and seconded to accept the bid and approve the sale for 6.2 million dollars in Limited Tax General Obligation Bonds for the Belfair Wastewater project. Motion carried unanimously. RE-aye; S-aye; L-aye. Resolution 51-11 (Exhibit C)

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12. Adjournment – The meeting adjourned at 11:42 a.m.


BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Lynda Ring Erickson, Chair


Tim Sheldon, Commissioner

ATTEST:


Shannon Goudy, Clerk of the Board


Jerry K. Lingle, Commissioner

RESOLUTION NO. 49-11
AMENDING RESOLUTION NO. 70-04, ACCRUED LEAVE FUND
FUND NUMBER 131-000-000

WHEREAS, RCW 36.32.120, states, in part, "...the board of county commissioners ... have the care of the county property and the management of the county funds and business..."; and

WHEREAS, the county established the Accrued Leave Fund, #131-000-000, on June 10, 2003 for the purpose of receiving funds and paying costs of accrued leave for employees within the Current Expense budget (Resolution 62-03);

WHEREAS, Resolution 62-03 was amended on April 6, 2004 to add Item E. to Exhibit A. "E. Payment of Other Expenses. The Board of County Commissioners authorize the use of Fund 131-000-000 to pay for expenses in conjunction with properties which are contemplated to be sold, where the residual proceeds of the sale are to be deposited in Fund 131-000-000. Such expenses may include, but are not limited to, the cost of combining parcels, survey lots, perk tests, appraisals, and listing fees." (Resolution 20-04);

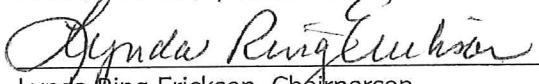
WHEREAS, Resolution 20-04 was amended on August 24, 2004 to include in the purpose of the Fund the ability to cash out employees of the Sheriff's Department banked holiday time, however Exhibit A is incorrect and omitted Item E.;

WHEREAS, Exhibit A needs to be corrected to include Items A. through E. and to delete the funding target schedule;

NOW, THEREFORE, the Mason County Board of Commissioners hereby amends Resolution 70-04 correcting Exhibit A to include Items A. through E. and delete the funding target schedule.

APPROVED this 9th day of AUGUST, 2011.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

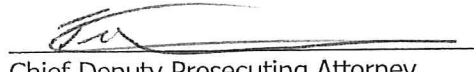

Lynda Ring Erickson, Chairperson

ATTEST:


Shannon Goudy, Clerk of the Board


Tim Sheldon, Commissioner

APPROVED AS TO FORM:


Chief Deputy Prosecuting Attorney
Tim Whitehead #37621

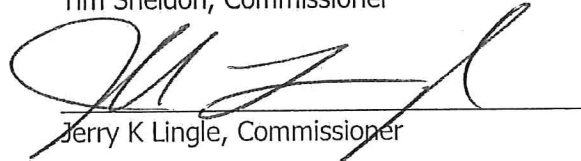

Jerry K Lingle, Commissioner

EXHIBIT A
RESERVE FOR ACCRUED LEAVE FUND
FUND NUMBER 131-000-000

- A. Purpose. The Reserve for Accrued Leave Fund is established for the purpose of receiving funds and paying costs of accrued leave for employees, within the Current Expense budget and consistent with the Personnel Policies adopted by the Board of Mason County Commissioners, who retire or otherwise cease employment with the county or for employees in the Sheriff's Department who wish to cash out banked holiday time. Cash out of banked holiday time shall not exceed \$10,000 per employee each calendar year.
- B. Funding.
1. By adoption of this resolution, the Fund shall be established.
 2. The Board of County Commissioners may fund the Fund from current revenue, unencumbered cash balances, revenue from the sale of assets or any other source they so designate.
 3. Interest on the Fund shall remain within the Fund, however, the Board of County Commissioners may elect to withdraw funds from the Fund in the event the Fund balance exceeds the amount required. Such funds withdrawn shall be placed in the Current Expense Fund.
- C. Administration. The Fund shall be administered as determined by the Board of County Commissioners.
- D. Payment Schedule. An individual payment schedule may be established upon approval of the Board of County Commissioners.
- E. Payment of Other Expenses. The Board of County Commissioners authorize the use of Fund 131-000-000 to pay for expenses in conjunction with properties which are contemplated to be sold, where the residual proceeds of the sale are to be deposited in Fund 131-000-000. Such expenses may include, but are not limited to, the cost of combining parcels, survey lots, perk tests, appraisals, and listing fees.

Resolution No. 50-11
**A RESOLUTION EXTENDING THE TERM OF THE MASON COUNTY
STORMWATER IMPLEMENTATION TASK FORCE**

WHEREAS, Resolution No. 90-09 establishing a Mason County Stormwater Implementation Task Force was approved on October 27, 2009; and

WHEREAS, on April 6, 2010 members were appointed to the Task Force to "...assist staff in implementing the Department of Ecology stormwater grant, assist in crafting financial options to fund stormwater improvement activities and develop methods to involve more of the public in efforts to protect water quality. They will serve until the conclusion of the stormwater grant which is anticipated to be June 2011, and may be continued at the discretion of the Commissioners"; and

WHEREAS, on April 17, 2011 Amendment No. 1 to grant agreement No. G0800631 was executed and changed the grant expiration date to June 30, 2012; and

WHEREAS, Stormwater Task Force members have met 13 times since appointment and made several public involvement recommendations and assisted with public involvement activities; and

WHEREAS, Stormwater Task Force members have begun review of program and funding options but are just beginning to form specific recommendations for both; and

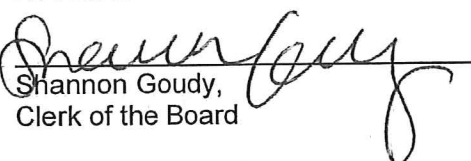
WHEREAS, Stormwater Task Force members have prepared a report of their activities since establishment and have identified the need to complete their recommendations on future program activities and potential funding options.

NOW, THEREFORE BE IT RESOLVED by the Board of Mason County Commissioners that the Stormwater Implementation Task Force term shall end on or before June 30, 2012.

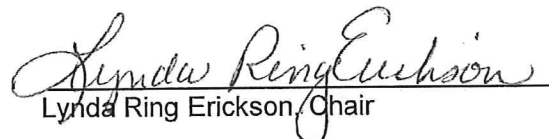
BE IT FURTHER RESOLVED, the two Task Force vacancies will not be filled as the Task Force term is for a limited duration.

DATED this 9th day of AUGUST, 2011.


ATTEST:



Shannon Goudy,
Clerk of the Board

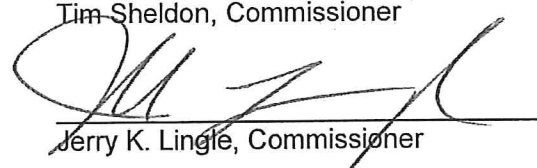
BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Lynda Ring Erickson, Chair

APPROVED AS TO FORM:


Tim Whitehead, #3707
Deputy Prosecuting Attorney


Tim Sheldon, Commissioner


Jerry K. Lingle, Commissioner

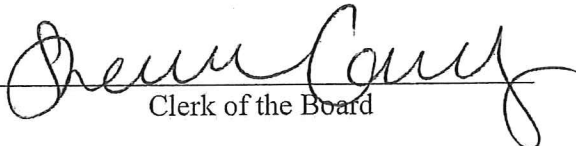
CERTIFICATE

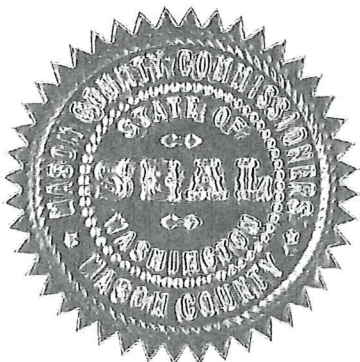
I, the undersigned, Clerk of the Board of Commissioners of Mason County, Washington (herein called the "County") and keeper of the records of the Board of Commissioners of the County (herein called the "Board"), DO HEREBY CERTIFY:

1. That the attached Resolution is a true and correct copy of Resolution No. 51.11 of the County (herein called the "Resolution"), as finally passed at a regular meeting of the Board of the County held on the 9th day of August, 2011, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper adoption or passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 9th day of AUGUST, 2011.


Clerk of the Board



RESOLUTION NO. 51-11

A RESOLUTION ACCEPTING BIDS FOR THE
PURCHASE OF THE COUNTY'S LIMITED TAX GENERAL
OBLIGATION BONDS, 2011.

WHEREAS, Mason County (the "County") is constructing new wastewater treatment and water reclamation facilities in Belfair (the "Project") as approved by the Board of County Commissioners (the "Board"); and

WHEREAS, in order to provide the funds for such Project, the Board adopted Resolution No. 45-11 on July 26, 2011 (the "Bond Resolution") authorizing the sale of limited tax general obligation bonds in the principal amount of not to exceed \$7,000,000 (the "Bonds"); and

WHEREAS, reference is made to the Bond Resolution for the definitions of the capitalized terms used and not otherwise defined herein; and

WHEREAS, bids have been received for the purchase of the Bonds;

Now, therefore, be it resolved by the Board of County Commissioners of Mason County as follows:

Section 1. Acceptance of Bids. The Board hereby accepts the bid of Sterne, Agee & Leach, Inc. (the "Purchaser") to purchase the series of bonds designated as the "Limited Tax General Obligation Bonds, 2011," which shall be in the principal amount of \$6,200,000 (the "Bonds"), which bid is attached to this resolution (the "Winning Bid"). As permitted by the Notice of Sale, the County has elected to adjust the principal amount and maturity amounts for the Bonds. The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each June 1 and December 1, commencing June 1, 2012 to the maturity or earlier redemption of the Bonds; and shall mature on December 1 in years and amounts and bear interest at the rates per annum as set forth below.

Maturity Year (December 1)	Principal Amount	Interest Rates
2013	\$ 2,010,000	2.00%
2017	250,000	2.00
2018	255,000	2.25
2019	260,000	2.50
2020	265,000	2.75
2021	275,000	3.00
2022	280,000	3.00
2023	290,000	3.00
2024	300,000	3.25
2025	305,000	3.375

<u>Maturity Year</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2026	\$ 320,000	3.50%
2027	330,000	3.50
2028	340,000	3.625
2029	355,000	3.75
2030	365,000	3.90

Section 2. Redemption Provisions.

(a) Optional Redemption. The Bonds maturing in the years 2013, and 2017 through 2020, inclusive, are issued without the right or option of the County to redeem those Bonds prior to their stated maturity dates.

The County reserves the right and option to redeem the Bonds maturing on or after December 1, 2021, prior to their stated maturity dates at any time on or after June 1, 2021, as a whole or in part (within one or more maturities selected by the County), at par plus accrued interest to the date fixed for redemption.

(b) Partial Redemption.

If fewer than all of the Bonds are to be redeemed prior to maturity, the County will select the maturity or maturities to be redeemed. If fewer than all of the Bonds of a single maturity of the Bonds are to be redeemed prior to maturity, then:

(i) if such Bonds are in book-entry form at the time of such redemption, DTC is required to select the specific Bonds in accordance with the Letter of Representations, and

(ii) if such Bonds are not in book-entry form at the time of such redemption, on each redemption date, the Bond Registrar is required to select the specific Bonds for redemption by lot or in such manner as the Bond Registrar in its discretion may deem to be fair and appropriate.

The portion of any Bond of a denomination more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof, to be selected, as the case may be, by DTC in accordance with the Letter of Representations or by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem to be fair and appropriate.

Section 3. Effective Date. This Resolution shall be effective immediately after its adoption in the manner provided by law.

Adopted by the Board of County Commissioners of Mason County, Washington at a regular meeting held on August 9, 2011..

MASON COUNTY, WASHINGTON

By Lynda Ring Erickson
Lynda Ring Erickson, Chair

By Tim Sheldon
Tim Sheldon, Commissioner

By Jerry K. Lingle
Jerry K. Lingle, Commissioner

ATTEST:

Shannon Goudy
Shannon Goudy, Clerk of the Board

APPROVED AS TO FORM:

Angela
Bond Counsel to the County

WINNING BID

PARITY Bid Form

Page 1 of 2

Upcoming Calendar Overview Result Excel

Sterne, Agee & Leach, Inc - Birmingham, AL's Bid
Mason County



\$6,075,000 Limited Tax General Obligation Bonds, 2011

For the aggregate principal amount of \$6,075,000.00, we will pay you \$6,033,128.75, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
12/01/2013	2,030M	2.0000
12/01/2017	220M	2.0000
12/01/2018	230M	2.2500
12/01/2019	240M	2.5000
12/01/2020	245M	2.7500
12/01/2021	255M	3.0000
12/01/2022	265M	3.0000
12/01/2023	275M	3.0000
12/01/2024	290M	3.2500
12/01/2025	300M	3.3750
12/01/2026	315M	3.5000
12/01/2027	330M	3.5000
12/01/2028	345M	3.6250
12/01/2029	360M	3.7500
12/01/2030	375M	3.9000

Total Interest Cost: \$1,909,490.52
Discount: \$41,871.25
Net Interest Cost: \$1,951,361.77
TIC: 3.281172
Time Last Bid Received On: 08/09/2011 8:28:06 PDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Sterne, Agee & Leach, Inc, Birmingham, AL
Contact: Mary Ann Oliver
Title: Sr VP
Telephone: 205-949-3513
Fax: 205-949-3604

Issuer Name: Mason County

Company Name: _____

<https://www.newissuetime.com/Parity/asp/main.asp?frame=content&page=parityBid...> 8/9/2011