

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS**

Tuesday, July 12, 1994

- 7:30 a.m. - 8:30 a.m. Commissioners' Staff Meeting.
- 8:30 a.m. - 9:00 a.m. Work Session - Operations Division Manager/District Road Maintenance Supervisors.
- Flag Salute.
- 9:00 a.m. - 10:00 a.m. Planning Department - Dave Hough, Director.
- 1) Discussion - Comprehensive Plan Process.
 - 2) Code Enforcement Report.
 - 3) Miscellaneous.
- 10:00 a.m. - 11:00 a.m. Discussion of Loan Process for Edison/Blanchard Septic/Sewer System Improvements.
- 11:00 a.m. - 11:15 a.m. Discussion of Water Quality Booth at the County Fair.

The Skagit County Board of Commissioners met in regular session on Tuesday, July 12, 1994, with Commissioners Harvey Wolden and Robby Robinson present. Commissioner Robert Hart's absence was excused.

PLANNING DEPARTMENT - Dave Hough, Director.

1. Discussion - Comprehensive Plan Process.

Results of last evening's Planning Commission public hearing were briefly discussed. Dave Hough, Planning Department Director, advised that approximately 350-400 people were in attendance at the public hearing. The public hearing will be continued this evening to hopefully finish the process. Staff advised that thirty-nine individuals spoke to the group present. Mr. Hough advised the Board that all eight members of the Planning Commission were present. The Department has also reserved hearing room space for Monday, July 18, just in case testimony is not completed this evening. Written testimony will be accepted until Wednesday, July 13. Several representative comments were discussed. The Board indicated their satisfaction at the number of people who turned out and the amount of comments made.

Commissioner Robinson suggested that perhaps the Planning Department acting as a facilitator and/or resource gives the impression of a slanted view and may need to be addressed in the future. Mr. Hough agreed that there is concern for impartiality. Mr. Hough assured the Board that the Department is emphasizing a low key stance during this process.

Gary Christensen, Planning Department Staff, noted that Department personnel feel obligated to provide the complete picture and pertinent documentation to the various Citizen Advisory Committees.

A discussion ensued on the duties and concerns of the Citizen Advisory Committees on the various elements of the Comprehensive Plan.

Kraig Olason, Assistant Director, stated that Staff has appeared in an advocacy role in presenting the concerns of the Citizens Advisory Committee to the Planning Commission.

2. Code Enforcement Report.

The Code Enforcement Biannual Report was reviewed by the Board. Tim Hoffman, Code Compliance Officer, advised the Board that there will be an estimated 560 complaints for 1994, a 200 complaint increase over last year. Increases have been mainly in the zoning area, and Mr. Hoffman advised that this could be based in part on increased education of the public through brochures and newspaper articles. Currently, there are 170 complaints in-house. Mr. Hoffman advised that he is currently handling more active cases than every before, and also has more cases lodged with the Prosecutor's Office than ever before.

3. Miscellaneous.

- A. Mr. Hough advised that Oscar Graham is on vacation and will return on Monday. Mr. Hough noted that the Forest Service has recently made a decision affecting the County and Mr. Graham's area of expertise, and that the Department is planning on submitting a timely response to said decision.
- B. Kraig Olason presented a letter for the Board's signature regarding the requirement of adoption of a Shellfish Protection District as a result of the down-grade of a portion of Samish Bay. Staff also noted that a draft report from the State Department of Health has been received concerning Samish Bay and included the downgrading of one area and prohibiting oyster harvesting in another area.
- C. Chairman Wolden noted that Jerry Heller, new Director of the Port of Skagit County, should be considered as an additional appointee to the Environmental Element Citizens Advisory Committee or perhaps should merely be encouraged to attend the meetings of the CAC as an interested individual if there is no vacancy. Mr. Hough suggested adding Mr. Heller to the distribution list for the minutes of this committee. Mr. Christensen suggested appointing Mr. Heller to the Technical Advisory Board, as Mr. Heller would be able to make comments but would not be a voting member of the CAC. The Board concurred with this suggestion.
- D. Chairman Wolden queried staff on the status of the Conway School District Interim Impact Fee Ordinance. Paul Carr, Planning Department Staff, advised that the final version of the Ordinance will be sent to John Moffat for review today. Mr. Carr advised that Mr. Moffat, as well as the School District, is currently reviewing the pertinent interlocal agreement. The timing and implementation schedules were briefly discussed, and Staff advised that the Ordinance should be on the Board's agenda for next week. The Board urged Staff to expedite this process.

DISCUSSION OF LOAN PROCESS FOR EDISON/BLANCHARD SEPTIC/SEWER SYSTEM IMPROVEMENTS.

George Ridgeway, Permit Center Staff, reviewed with the Board a brief history of the application process for the State Revolving Fund Loan (SRF). Mr. Ridgeway advised that \$500,000 is now available for the loan application process, and that the monies will be available for a two-year period for on-site failing sewer systems within the County. Mr. Ridgeway introduced Carolyn Kelly of the Skagit Conservation District to the Board.

Mr. Ridgeway advised that the loan excludes commercial properties and rentals, but can be used for community drainfields. The specifics of the loan also exclude lateral hook-ups. Mr. Ridgeway reviewed a priority checklist for establishing a ranking list. The first priority is those individuals with the highest risk including on-site sewage systems with inadequately treated sewage entering surface waters.

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Judy Menish, Skagit County Treasurer, reviewed a packet of information which will be given to applicants for the loan. The packet includes preliminary forms and closing documents. A review committee will determine the severity of the pollution, the financial needs of the applicant, the applicant's credit worthiness, a consideration of the total number of applications, and existing liens on the subject property. Specifics of the documents were reviewed by Ms. Menish.

Ms. Menish advised that there will be three options for repayment periods which include 5 years, 10 years and 14 years.

Ms. Menish advised that these loans will be handled in-house to avoid costing taxpayers additional monies required in involving a lending institution.

Ms. Menish advised that the monies will be borrowed from the State at 3-1/2% but will be loaned out at 5 years for 4%, 10 years for 5%, and 14 years for 6%, in order to protect the county against defaults and the costs of Staff time involved.

Ms. Menish advised that the County cannot be its own Trustee, and consequently, Land Title will be designated as Trustee for the County. A light title search will be required at a fee of \$75. The Treasurer's office is asking for this \$75 to be received up front as a non-refundable application fee from each applicant.

Commissioner Robinson questioned the percentage of the loan over and above the cost of the monies from the SRF. Staff clarified that the residual interest earned will be used to develop a perpetual loan fund for low income citizens requiring code compliance who are unable to afford such repairs in the future. Mike Woodmansee, County Budget/Finance Director, indicated that this interest rate is very low. Mr. Woodmansee pointed out that the County is assuming a risk of default in administering these loans.

Bill Dewey, a private citizen from the Blanchard/Edison area, expressed his understanding that the loan is there for low income people to encourage citizens to improve their systems. Mr. Dewey indicated that he does not support a self-perpetuating program, but is in favor of the \$75 application fee.

Ms. Menish stated that the County will have lien rights on the property involved, and can foreclose if necessary. If an individual declares bankruptcy, the County could lose the entire loan amount. Ms. Menish indicated that she does not want the program to perpetuate default. This is a 14 year commitment on behalf of the Treasurer's Office.

Mr. Ridgeway indicated that this loan is probably a one-shot proposition, that the chances of getting any more money in the future are nil to none.

Bill Dewey re-emphasized his comments regarding keeping interest rates down so that the program is utilized.

Chairman Wolden indicated that the community has been very cooperative and that the Board has indicated that the problem needs to be taken care of. Those who have to update are being penalized at a higher rate of interest than necessary, and Chairman Wolden indicated he would like to see a 4-1/2% rate straight across the board. It was Chairman Wolden's feeling that more people will choose the 5-year repayment plan.

Bill Dewey stated that he would support the 4-1/2% straight rate across the board, no matter how long the loan term is.

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Ms. Menish pointed out the differences between the graduated percentages.

Mr. Woodmansee briefly discussed the negatives in the community if required to pay the higher interest rates.

Mr. Ridgeway pointed out that the County could be charging for administrative services rendered, but Staff is trying to avoid that situation so that the ultimate amount of money can be given to the citizens requesting the monies.

A discussion ensued on the possible reduction of the applicable interest rates to make the loans more attractive to the residents in this community. Mr. Ridgeway stated that other counties are charging up to 7-1/2 and 8% plus some are charging a yearly \$600 administration fee.

Commissioner Robinson stated that it would be his preference to lower the interest rates to 4%, 4-1/2% and 5%.

Commissioner Hart was present from this point onward.

Bill Dewey stated that the 4%, 4-1/2% and 5% interest rates sound reasonable. The whole concept behind these types of programs is getting everyone together to facilitate the changes.

Chairman Wolden expressed that there is the need of a certain amount of funds to protect the County against default.

Commissioner Hart noted that the rates could be readjusted as new applicants apply if necessary to assist in making up deficiencies.

Ms. Menish noted that Paragraph 4 of the proposed Resolution needs to be changed to capitalize the words CURRENT EXPENSE FUND.

Commissioner Robinson moved to approve the Resolution with minor typographical changes and to change the applicable interest rates to 4%, 4-1/2%, 5% or as otherwise directed by resolution of the Board of County Commissioners. Commissioner Hart seconded this motion, which was unanimously approved. (Resolution to be provided at a later date by Staff)

DISCUSSION OF WATER QUALITY BOOTH AT THE COUNTY FAIR.

Lorna Ellestad requested matching funds from the County for a water quality booth at the Skagit County Fair. Specifics of the booth were reviewed. Ms. Ellestad advised that the Board is being asked to help provide a service. Commissioner Robinson confirmed that this group will be sharing the booth with soil conservation and the County Planning Department. The Board agreed to provide the \$225 requested to assist with the funding of this booth.

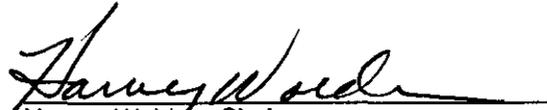
Commissioner Hart moved to support this proposal with a \$225 contribution. Commissioner Robinson seconded the motion, which was unanimously carried.

ADJOURNMENT.

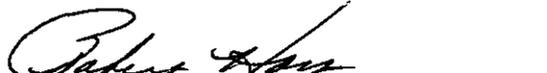
Commissioner Robinson motioned to adjourn the proceedings. Commissioner Hart seconded the motion. The motion was carried unanimously.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON




Harvey Wolden, Chairman


Robby Robinson, Commissioner


Robert Hart, Commissioner

ATTEST:


Patti J. Owen, Clerk
Skagit County Board of Commissioners