

**RECORD OF THE PROCEEDINGS
SKAGIT COUNTY BOARD OF COMMISSIONERS
Friday, May 29, 1998**

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| 9:00 a.m. – 10:00 a.m. | Public Hearing – Renewal of Interim Ordinance No. 16559 Implementing the Comprehensive Plan. |
| *T 10:00 a.m. – 11:00 a.m. | Discussion and Possible Action – Proposal for Solid Waste Long Haul Rate Reduction. |

The Skagit County Board of Commissioners met in regular session on Friday, May 29, 1998, with Commissioners Robert Hart, Ted W. Anderson, and Harvey Wolden present.

PUBLIC HEARING – RENEWAL OF INTERIM ORDINANCE NO. 16559 IMPLEMENTING THE COMPREHENSIVE PLAN.

Gary Christensen, Senior Planner, stated that this hearing is to consider the renewal of Interim Ordinance No. 16559, which became effective June 1, 1997 implementing Skagit County's Comprehensive Plan. Mr. Christensen read the proposed draft ordinance into the record.

Mr. Christensen noted that he had received a fax of written comments from Tom Ehrlichman, the attorney for the Association of Skagit County Landowners.

Chairman Hart questioned Staff as to the length of time the interim ordinance would remain in effect and whether the renewal must be for a six-month time period. Mr. Christensen stated that renewal can only be by public hearing and can be successive for a number of six month periods, if necessary.

Commissioner Anderson questioned the notification process to all landowners affected by the Comprehensive Plan. Mr. Christensen stated that the Western Washington Growth Management Hearings Board has ruled that the County has fulfilled the requirements of public notice and public participation. Commissioner Anderson stated that, frankly, no one reads legal notices, and that he thinks further pitfalls should be avoided by notifying all landowners in the County.

Mr. Christensen briefly commented on Mr. Ehrlichman's suggestions regarding SEPA requirements. He advised that pursuant to conversations with legal counsel, SEPA under the original Comprehensive Plan adoption is adequate and satisfies the need for environmental review.

Ken Howard, 280 Sharpe Road, Anacortes, on behalf of the Association of Skagit County Landowners (ASCL), reiterated that ASCL opposes the renewal of 16559 until the flaws are fixed as stated in Mr. Ehrlichman's written comments. Mr. Howard indicated that Ordinance No. 16559 changed the zoning designation of many properties and Skagit County did not properly notify County landowners. He stated that advanced written notice is required, and therefore respectfully requests that Ordinance No. 16559 should be allowed to lapse, and that written notice to landowners should be made before additional public hearings are held.

Jess Knutzen discussed the effects of the Comprehensive Plan to his particular property in the Bayview Ridge area.

Louie Requa, Skagit Surveyors & Engineers, Sedro Woolley, handed the Board excerpts from Interim Ordinance No. 16559 with some highlighted sections from the Comprehensive Plan. He suggested that the Board make modifications to the Interim Ordinance to allow for people in the urban growth areas to develop their properties in conjunction with alternatives located on Page 7-8 of the Comprehensive Plan.

Commissioner Wolden questioned Mr. Requa about a nine-lot ordinance in Sedro Woolley.

Mr. Requa stated that this does nothing to hinder the SEPA review process, that these alternatives were passed during the Citizen Advisory Committee review, and that this would allow people who have been waiting for three years to proceed with the development of their property.

A lengthy discussion ensued on the sewage code and health standards that are applicable regarding the placement of septic systems.

Mr. Christensen stated that the purpose of this hearing is not to make modifications or changes to the existing Ordinance or Comprehensive Plan. He stated that in order to accomplish this request, the proper procedural process would need to be followed, including proper notification and hearings. On query from Commissioner Wolden, Mr. Christensen indicated that this would take 30-45 days. It was further noted by Mr. Christensen that the cities and towns involved would need to make their comments, and that existing interlocal agreements with municipalities concerning their urban growth areas would need to be modified.

Commissioner Anderson commented that there are certain things in the interim ordinance that will not be utilized once the final development regulations are adopted.

Mr. Christensen stated the Department's recommendation would be that if the Board desires to make changes, they may do so by instructing the Department to prepare the necessary SEPA review, draft the proposed amendments, and have the appropriate public hearing. He suggested that if that is what the Board desires, they should proceed with the adoption of the proposal before them today, and then direct Staff to proceed with this amendment.

Commissioner Wolden confirmed with Mr. Christensen that this could be directed by the Board and would not have to go through the Planning Commission. Mr. Christensen reiterated that if this change is made, the interlocal agreements with Anacortes, Mount Vernon and Burlington would need to be modified also. Further, Sedro Woolley and Concrete would also want to comment prior to their interlocal agreements being approved.

Pat Galbreath, Prairie Road, commented on the particular situation with her land and her desire to give both of her children 5 acres for homesites. Mr. Christensen briefly commented on relief that may be available to her via the adoption of a Short CaRD interim ordinance.

There being no further public testimony forthcoming, Commissioner Wolden moved to close the public hearing. Commissioner Anderson seconded the motion, and it passed unanimously. The public hearing was closed.

Commissioner Wolden stated that there are concerns, but he moved for approval of and Ordinance renewing Ordinance No. 16559 implementing the Comprehensive Plan for a period of six months or until it is renewed or rescinded. He further included direction to Staff to proceed with the review of Section 10 of Ordinance No. 16559 regarding development within the urban growth areas in the next 30 days. Chairman Hart seconded the motion.

Commissioner Anderson questioned the need to extend the interim ordinance for 6 months.

Mr. Christensen suggested that the six month period is desired, but in the ensuing months changes can be made to the Mineral Resources Overlay, the Short CaRD may be adopted, and that these items can be incrementally phased in to the Comprehensive Plan. Also, the suggested changes by Mr. Requa can be considered.

Commissioner Hart reaffirmed the need to set a goal for responding on Mr. Requa's suggestion, and that 30 days should be an adequate timeframe to accomplish a call for public hearing. Mr. Christensen concurred that he would draft the necessary language and present it to the Board in the immediate future.

A discussion ensued on notification issues.

Commissioner Anderson queried Staff on what would happen if the ordinance proposed today was not approved. Mr. Christensen indicated that the County would have no land use regulations in place, and no compliance with our Comprehensive Plan. He stated that there would be more uncertainty than what now exists.

The question was called for. The motion passed unanimously. **(Ordinance No. 17000)**

DISCUSSION AND POSSIBLE ACTION – PROPOSAL FOR SOLID WASTE LONG HAUL RATE REDUCTION.

Chal Martin, Public Works Director, reviewed the components of the offer of a solid waste long haul rate reduction from Regional Disposal Company (RDC). Mr. Martin reviewed the offer summary with the Board comparing the existing contract, initial proposal and the current proposal. Mr. Martin advised that he had been recently told by RDC that this offer would be contingent on RDC obtaining satisfactory leases for a rail yard. He further advised that the offer from RDC expires at the end of May.

Mr. Martin advised that there are many supporting arguments for accepting this proposal, including \$1.8 million in savings to the County over 6 years. Chairman Hart clarified that this is a reduction in probable increases, not a reduction in current rates. Mr. Martin stated that this rate reduction ensures a high probability of no rate increases for the next decade and also assumes that the County will make capital improvements at the existing Transfer Station. Mr. Martin advised that the issue of capital improvements at the Transfer Station still needs to be decided, but as the County is a not-for-profit agency, these savings can be passed on to the County's customers. Mr. Martin further stated that there is an excellent, reliable system now in place, and that the County does not want to change this excellent system. Mr. Martin stated that this proposal would not inhibit the County's flexibility to privatize the Transfer Station operation, and would keep an excellent contractor on board. He noted that adjacent counties have accepted this type of extension.

Mr. Martin advised that there have been some negative issues raised including speculation that this is too good of a deal and questioning the motivation for such an agreement. Further, it has been suggested that perhaps the current contractor is trying to lock in high rates and avoid competition. Mr. Martin advised that the Department has researched this issue and does not believe this to be true.

The change in ownership of the companies that serve Skagit County was briefly discussed, together with the possibility of the same or better offer in upcoming months.

Mr. Martin stated that these issues have been reviewed for over half a year, and that competing companies and municipal jurisdictions have been consulted. Further, the Department recommends that the Board approve this RDC unsolicited proposal for a contract extension for two 5-year extension periods with a corresponding rate reduction.

Chairman Hart asked if there is a position from the Municipalities Committee regarding this proposal.

Mr. Martin advised that the Department did not get a position from them, and that they did not get a clear direction from the mayors.

Jim Pemberton, Public Works Director for the City of Anacortes, indicated that no vote was taken as it was not clear what the intention was for the cost reduction. He advised that Anacortes would expect that if there is a contract extension and a rate reduction, the money should be rebated to the municipalities. He expressed concern that if the County extends this contract, that somehow this may affect a Request for Proposals for privatizing the Transfer Station. In that regard, he noted that he would not want to narrow the RFP process so that there would be only one potential bidder for privatization of the Transfer Station.

Skye Richendrfer, Mayor of Mount Vernon, stated that he is concerned about the cash flow aspects of this, and noted that it is vital to have a local Transfer Station. He, too, expressed concern that the savings should be passed back to the individual ratepayer, or used for acceleration of debt repayment.

Chairman Hart questioned Robin LaRue, Solid Waste Division Manager, on the utilization of the savings and a Request for Proposals for the privatization of the Transfer Station. Mr. LaRue responded that the schedule shows a privatization proposal going out in a September/October timeframe, with proposals received back in February or March of 1999. He stated that the complexity of the proposals will dictate how long it will take to review them. He stated that January 1, 2000 would be the target for privatization if it is deemed advantageous to do so.

Chairman Hart queried Mr. LaRue on whether the lower rate structure would affect those interested in responding to the RFP. Mr. LaRue stated that there may be some effect, as the contract runs to 2004 and would be a condition of the RFP, so there would be a contractual obligation that would have to be honored.

Mark Wolkin, Senior Vice President of RDC, commented on the condition of the proposal to obtain a lease from a second party. He stated that there will be no significant problem, but wanted the County to be aware of this requirement. He stated that RDC is committed to build the rail yard and reap the benefits it will produce. He stated that the contract with RDC would not have much effect on a potential RFP, as standard industry practice has set precedent for this type of operation.

Commissioner Wolden commented on the need to make other decisions regarding the issuance of a Request for Proposals for the privatization of the Transfer Station. He further stated that preferably, if the County accept this proposal, he would like to see the dollars that are recouped go into a separate fund and those dollars be reviewed by the Municipalities Committee on how best to serve the people of the County in the most inexpensive manner. He stated that this proposal is a step in the right direction.

Commissioner Anderson stated that it appears it is the consensus of the Board that privatization of the Transfer Station might be the best way to go. He stated that he does not favor any capital facilities funding at the Transfer Station. He indicated that the monies recouped should go back to the users. He stated that he is not in favor of this proposal as he feels that we would be effectively locking out other companies that may want to bid on the operation of the Transfer Station. He stated that he wants to get out of the solid waste business in Skagit County.

Chairman Hart stated that he thinks there will be competition in the RFP, and that the part of the proposal that is swaying him is the \$1.8 million that can be deposited in the County's citizens' pockets. He urged the Department to get the RFP issued and have the Municipalities Committee review and decide how best to utilize the savings obtained.

Commissioner Anderson reiterated that the Board would be making a decision without really knowing what other options are available..

Mr. Martin stated that we will never know for sure what we could have had, but he indicated that the County will still have the majority of our flexibility by accepting this proposal.

After a brief discussion regarding the timing for the privatization RFP, Commissioner Wolden moved to approve a contract extension with RDC for two 5-year extension periods and a corresponding rate reduction. The motion was seconded by Chairman Hart. Commissioners Hart and Wolden voted for the motion. Commissioner Anderson voted "nay." The motion passed.

MISCELLANEOUS.

1. Vouchers audited and certified by the auditing officer as required by R.C.W. 42.24.080, and those expense reimbursement claims certified as required by R.C.W. 42.24.090, have been recorded on a listing which has been made available to the Board.

As of this date, May 29, 1998, the Board, by a majority vote, did approve for payment those vouchers included in the above-mentioned list and further described as follows:

Warrants numbered 21316 through 21353 from Clearing Fund 696, in the total dollar amount of \$79,297.98 (Transmittal No. C-33-98); and

Payroll warrants numbered 950060 through 950122 from Payroll Suspense Fund 699 in the total dollar amount of \$69,602.86 (Transmittal No. P-25-98); and

Payroll warrants numbered 16087 through 16164 from Payroll Suspense Fund 699 in the total dollar amount of \$85,223.01 (Transmittal No. P-26-98).

ADJOURNMENT.

Chairman Hart made a motion to adjourn the proceedings. Commissioner Wolden seconded the motion and it passed unanimously.



**BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Robert Hart

Robert Hart, Chairman

Ted W Anderson

Ted W. Anderson, Commissioner

Harvey Wolden

Harvey Wolden, Commissioner

ATTEST:

Patti J. Chambers

Patti J. Chambers, Clerk of the Board
Skagit County Board of Commissioners