

**CHELAN COUNTY COMMISSIONERS
MEETINGS OF JUNE 2, 3, 2008**

MONDAY, JUNE 2

9:01:39 A.M. OPENING:

Chairman Hawkins opens session with Commissioner Walter and Commissioner Goehner in attendance. Also present for session are County Administrator Cathy Mulhall, Reporter Steve Hair, Students Andrew Stephens and Dominique Graham. Clerk of the Board will arrive shortly. (Minutes prepared by Cathy Mulhall in clerk's absence)

9:01:55 AM APPROVAL OF MINUTES:

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried that the Board approve the May 27, 2008 minutes as corrected.

9:09:37 A.M. CONSENT AGENDA

Moved by Commissioner Walter, seconded by Commissioner Goehner and carried that the Board approve the following action items:

- Vouchers as submitted and listed
- Payroll changes:
 - a) Nick Reed, Public Works, New Hire
 - b) Beth Holstrom, Expo Center, Extra Help New Hire
 - c) Jill Wise, District Court, Pro Tem Extra Help
 - d) Nicholas Yedinak, District Court, Pro Tem Extra Help
 - e) Maribel Morales, Farm Worker Housing, Seasonal New Hire
 - f) Maria Andrade, Farm Worker Housing, Seasonal New Hire
 - g-y) Regional Justice Center, Corrected Changes per Contract (23)

9:34:30 AM BOARD DISCUSSION:

1. Farm Worker Camp Security – Low bidder SecureTrans has withdrawn their bid. The County will pursue bid award to the next lowest bidder, Merchant Patrol. Board is willing to consider a multi-year contract with CPI increases built in.
2. Acquisition of Property - Letter to DOT regarding acquisition of property at the mouth of Peshastin Creek. WDFW is inquiring about County interest. WDFW and PUD will be submitting a grant.
3. Entiat Fishery - Commissioner Walter has followed up with Bob Whitehall regarding Spring Chinook Fishery on the Entiat. The numbers of fish required has been met this year according to WDFW. NOAA Fisheries is waiting for a letter from WDFW before a permit can be issued.
4. Hotel Motel Tax Meeting – Commissioners discuss options for disbursement of funds.

(9:38:20 AM) Clerk arrives.

10:00:56 AM ADMINISTRATIVE AGENDA

County Administrator, Cathy Mulhall

DISCUSSION ITEMS:

1. Administrative Update
 - Chelan County Fairgrounds Water - Pat DuLac and Robert Knowles present to discuss Chelan County Fairgrounds Domestic Water System modifications. Letter from Dept of Ecology regarding hook up filed. 2008C8-113

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried unanimously that the Board approve the following action items:

1. **Contracts/Agreements**
 - a) Pipkin Construction Proposal for Water Line Modifications. 2008A5-131

10:07:29 AM EXECUTIVE SESSION:

Moved by Commissioner Walter, seconded by Commissioner Goehner and carried unanimously that the Board move into 30 minute executive session pursuant to RCW 42.30.110(i) regarding potential/ongoing litigation with Counsel Susan Hinkle present.

10:34:26 AM REGULAR SESSION:

Board resumes regular session. Students April Garza and Tyson Morse present for session.

10:35:14 AM ADMINISTRATIVE DISCUSSION ITEMS CONTINUE:

- Employee Handbook Acknowledgements. Board requires signed Handbook Acknowledgement to be attached to each payroll change notice prior to submittal to the Board for action.
- Salary Review Committee Report – Final draft from HR Answers will be arriving shortly. Information cover sheet will be attached to report.
- Purchase of Douglas Street Property
- Weed Board Composition – It is **consensus** of Board to begin hearing process to address the composition of the Weed Board.
- Increase for Inmate Housing Agreement Renewals

10:55:54 AM ACTION ITEMS:

Moved by Commissioner Walter, seconded by Commissioner Goehner and carried unanimously that the Board approve the following action items:

1. **Resolution**
 - a) Adoption of **Resolution No. 2008 - 91** for the Re-Appointment of Joe Grentz to the Chelan County Board of Equalization
 - b) Adoption of **Resolution No. 2008 - 92** for the Closure of Inactive County Funds
2. **Contracts**
 - a) Addendum #3 to the Inmate Housing Agreement with the City of Lynnwood
2008A5-132

10:57:25 AM RECESS

Board recesses for five minutes.

11:03:05 AM NATURAL RESOURCES DEPARTMENT

Mike Kaputa, Natural Resources Director

DISUCSSION ITEMS:

- Entiat Fishery – Notice from Rob Jones of NOAA Fisheries regarding Draft Letter supporting Entiat Fishery.
- Dryden Pit Site - **Consensus** of Board to enter into a collaborative partnership with WDFW and PUD for the acquisition of the property at the mouth of Peshastin Creek
- Upper Columbia Salmon Recovery Board Retreat
- June 13 Wenatchee River Fest Activities – Chelan County Natural Resources will conduct presentation on large woody debris in rivers.
- Bob Steele Application for Position at WDFW
- Interlocal Agreements with Cities for Shoreline Master Planning
- Map Changes in Flood Area on Private Land

11:31:39 AM RECESS

12:42 VOUCHER APPROVAL

Recording Resumes for Voucher Approval

12:51:50 PM RECESS

1:31:13 PM CHELAN COUNTY REGIONAL JUSTICE CENTER

Interim Director Phil Stanley, Assistant Director Mark McCormick

DISCUSSION ITEMS:

1. Forest Service Contract for Inmate Workers
2. Storage Area Door
3. Annex Shower Repairs Nearly Complete
4. Memorial Day Bookings 96, with 69 Bookings at City of Chelan Jail and 27 at CCJRC
5. Overtime Payments for May will be at \$50,500 which is down from 2007 amount of over \$60,000.

1:40:35 PM ACTION ITEMS:

Moved by Commissioner Walter, seconded by Commissioner Goehner and carried unanimously that the Board approve the following action items (**adding**) two payroll change notices:

1. **Contracts/Agreements**
 - a) US Forest Service Contract with Chelan County for Inmate Workers 2008A5-133

2. Budget Request

- a) Informal Bid Approval for Storage Area Door to Overhead Door for \$925.00 and Satterfield Construction for reframing for \$1800.00 2008B1-48

3. Miscellaneous

- a) **(Added)** Payroll Change Notices
 - Monica Thresher, Regional Justice Center, Length of Service Increase
 - Leslie Carlson, Regional Justice Center, Length of Service Increase

1:41:51 PM BOARD DISCUSSION:

- 1995 Organization of the Chelan Douglas Community Network
- Bond Issues
- Thank You and Farewell for Alice and Jerry Niebuhr to be Held Monday, June 9 at 11:45a.m. in Board Chambers

1:48:23 PM OHME GARDENS

Mike Short, Manager

DISCUSSION ITEMS:

- Cell Phone Stipend – Manager Short will submit proposal for either stipend or phone plan
- Ownership of Ohme Gardens – It is **consensus** of Board that County would be willing to receive ownership of Park from State upon release by State
- Sally Brawley speaks on Marketing and Memberships at Ohme Gardens

2:01:07 PM HOTEL MOTEL TAX COMMITTEE/RECIPIENTS MEETING

Commissioner Hawkins opens meeting. In the past years the allocation of the Hotel Motel Tax funds has been distributed as follows: 30% of the fund was given to the Lake Chelan Chamber, 30% to the Leavenworth Chamber, 20% to the City of Wenatchee specifically for use at the Convention Center, 10% to the Cascade Loop Association, and 10% was used as the Commissioners' discretionary fund. On October 25, 2007, the County Commissioners wrote a letter of proposal reallocating the Hotel Motel Tax Funding in which the City of Wenatchee would receive \$65,000 per year for 10 years. The proposal also included an allocation of 30% to the Lake Chelan Chamber and 30% allocation to the Leavenworth Chamber through five year agreements. It also included a continuation of allocation to the Cascade Loop Association for the Loop publication of 10% with the remaining funds to be as discretionary funds by the County Commissioners for disbursement. On November 8, the Lodging Tax Advisory Committee proposed to change the current allocation from 30 to 45% for both the Chelan Chamber and the Leavenworth Chamber through a ten year agreement. The Committee also proposed to discontinue the 10% allocation to the Cascade Loop in which they would support that through their communities, and discontinue the contribution to the City of Wenatchee with the remaining funds to be used by the Commissioners as discretionary funds. Several discussions continued with no resolve. The Board of Commissioners took action to continue the historical funding allocation for 2008. This

meeting was set to again look at the historical perspective and to determine how to disburse the funds in the future. It is the intention of the Board to present a proposal to the Lodging Tax Committee by July 1. It is requested that the Committee reply by August 1, 2008 so a final decision may be made by the County Commissioners by Sept. 1, 2008.

Treasurer Dave Griffith supplies a Summary of the Tourist and Convention Fund through the months of May 31, 2008 and including 2007 and 2006 for historical perspective.

2008C8-115

Scott Anderson speaks on behalf of the Lake Chelan Chamber as well as the other stakeholders. He shares that all of the stakeholders groups, whom have the economic vitality of the region at the top of the list of priorities, have met and approved what they believe is an equitable proposal of 40% to the Leavenworth Chamber, 40% to the Lake Chelan Chamber, 10% to the Cascade Loop Association and 10% to the City of Wenatchee, honoring that \$65,000 per year, for ten years to the City of Wenatchee. That 10% portion of the 2% figure would not be adequate to fulfill the \$65,000 amount for the City of Wenatchee, but roughly half of that figure, and it is proposed that the balance of that amount would be supplemented by the Commissioners discretionary funds.

Mike Steele, Executive Director of the Lake Chelan Chamber shares that the stakeholders took the Commissioners comments to heart. The collaborative process took a long time but the agreement shows the negotiations were fruitful and each group has been willing to give and take a little bit to be sure that the active tourism partnership that occurs in Chelan County continues. Mr. Steele endorses the proposal as it is presented today. The Commissioners thank the group for their work.

Karl Ruether, President of the Leavenworth Chamber of Commerce Board Directors speaks on behalf of the Leavenworth Chamber. As it was stated, they have come to an equitable allocation of these funds and come before the Board with the proposal. This proposal is endorsed by the Leavenworth Chamber.

Nancy Trucano of the Cascade Loop speaks. She felt this was a great process and that the arrangement can work for everyone. She offers presentation on the activities that are going on with Cascade Loop as well as the history of Cascade Loop Association.

Allison Williams speaks on behalf of the City of Wenatchee. The City is heavily invested in capital investments along with the County's help in the Wenatchee Center and now the Regional Events Center. She notes that the City of Wenatchee works together with the outlying areas in the services to the visitor here in the valley and notes the times that the City of Wenatchee shares in the overflow out of Wenatchee. It is critical that we work together as a region. Mrs. Williams speaks to the Events Center and its potential to fill in on soft times of the year. It is noted that the chart presented by the County Treasurer accrual includes money

generated but not paid out in 2007. The reason for the spike in the figures in 2007 is due to the fact that is the time the County began the accrual method and the fourth quarter figures of 2006.

2008C8-114

Commissioner Goehner states that under the proposal before the Board, a guarantee to the City of Wenatchee of \$65,000 comes from discretionary funds. This would limit the Commissioners' ability to fund other requests. He states the Commissioners appreciate the work of the entities. He also shares that the Chambers could also come forward for a one time special project under the Commission proposal.

Commissioner Hawkins asks the Treasurer to come up with examples of the proposal using the 2006 and 2007 figures. Commissioner Goehner shares that if you look at the earlier figures there would not be discretionary funds and that is his concern because the Commissioners try to use the discretionary funds to stimulate and augment the work of the chambers.

Bob Christopher shares that through the Commissioners' discretionary funds a little over \$30,000 was allocated to the Wenatchee entities. He adds that if the City of Wenatchee gets its allocation of the \$65,000 that number could be reduced significantly.

Ohme Gardens Manager Mike Short shares that the Gardens currently receive funds from the discretionary dollars each year for marketing efforts and he asks that their funds be increased. Ohme Gardens is a major tourist attraction here in Wenatchee Valley and helps the County to share in Chelan County. He shares the attributes of the gardens and their historical significance. Ohme Gardens requests an increase in financial support to \$12,000 per year out of discretionary funds to preserve the standards the gardens are known for but also to increase the potential for more tourism.

Laura Mrachek speaks on behalf of the Columbia River Wine County Association. She requests funds for a first time request of promotion of wine events for the Columbia River Wine County Association for \$11,000 from discretionary funds to promote the awareness of wine tourism in Chelan County and to promote four of the largest wine events in our communities. The four wine promotion entities are Chelan Winemakers, Columbia Cascade Wine Association and Columbia River Wine Association in which the farms grow their own commodity. The events are held in Wenatchee.

2008C8-116

Freyda Stephens of the Wenatchee Hotel Association speaks on behalf of the City of Wenatchee. She is here to request the guaranteed amount of \$65,000 remain available to put into the Center. When they sell the conventions they also sell the destination and the area. The City of Wenatchee shares a newspaper article regarding the shortage of facilities for conventions and activities.

Commissioner Hawkins shares that under the formula that has been proposed in 2007 the Commission would need to make up \$31,000 towards the commitment to the City of Wenatchee.

3:11:21 PM BOARD DISCUSSION:

Commissioner Walter shares information on an issue of the decision of the Hearings Examiner on the Saint Laurent Winery. Chelan County will be looking at action to change our current definition of winery to be in alignment with the State of Washington. Chelan County will work on text amendment which should take place in approximately three months. The County will work in conjunction with the original recent senate bill. Historical perspective and intent will be reviewed.

Bob Christopher responds as the first application for a winery in the County. He was on the original working group.

Commissioner Hawkins shares that the Commission will be looking at the discretionary funds and requests further written information to be submitted by June 9 for a response by July 1. Meeting closed.

3:18:12 PM RECESS

3:23:13 PM BOARD DISCUSSION:

- Hotel-Motel Discretionary Disbursements – County is currently spending \$25,000 on internal payments and administrative costs for about 10% of the costs. In order to continue the current expenditures for small groups we will need to reduce the percentages to the Chambers and have them come to the Commissioners for special projects.
- Request by Superior Court Judges for Meeting regarding Law Clerk Position
- Chelan County Code - Festival Permit
- Final Sale Agreement for 417 Douglas Street
- Discretionary Funds Update for Dave Bernstein

3:54:21 PM RECESS

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried unanimously that the Board recess until Tuesday, June 3, 2008.

TUESDAY, JUNE 3

8:34:04 AM BOARD DISCUSSION:

Commissioner Hawkins opens session with Commissioner Goehner and Clerk of the Board present. Commissioner Walter is in a meeting and will arrive in session shortly.

- Hotel Motel Tax Fund Distribution. Board discusses the following option:

- 35% to Leavenworth Chamber
- 35% to Chelan Chamber
 - 10% to the Cascade Loop Association
 - 15% not to exceed \$65,000 to City of Wenatchee
 - Balance guarantee of 65,000 to the City of Wenatchee from the Discretionary Fund

(8:37:10 AM Commissioner Walter joins session)

- Park Model Trailer Code Issues

9:01:54 AM BID OPENING – Cashmere Dryden Airport

Commissioner Hawkins declares bid acceptance closed. Two bids submitted as follows:

Contractor	Schedule A	Schedule B	Schedule C
Hurst Construction	\$ 73,849.21	\$299,559.49	\$ 56,244.13
Granite NW, Inc.	\$ 72,659.70	\$321,899.02	\$ 42,467.13

9:10:14 AM BID ACCEPTANCE:

Moved by Commissioner Walter, seconded by Commissioner Goehner and carried unanimously that the Board accept the bids as presented and refer bids to WH Pacific for analysis for award next week at 10:00 a.m. 2008B1-49

9:16:51 AM BOARD DISCUSSION:

- Purchase of Adjoining Property at 414 Douglas Street – Board will sign documents for purchase amount of \$135,000 (\$136,265.81 total disbursement)

9:17 A.M. BOARD ACTION:

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried that the Board authorize the signing of the following the property purchase of 414 Douglas Street for additional parking:

1. Purchase and Sale Agreement
 - a) Estimated Closing Statement
 - b) Statutory Warranty Deed
 - c) Title Commitment
 - d) Excise Tax Affidavit
 - e) Closing Agreement and Escrow Instructions
 - f) Supplemental Escrow Instructions
 - g) Notice Regarding Closing Services (to be used for additional parking)

2008A5-134

9:18:57 AM BOARD DISCUSSION:

- Eagle Creek Road Project – Analysis of project has scaled down to 26 foot wide roadway with gabion walls, removal of timber and bank cuts, etc. The citizen’s committee is split on the issue. If they do not approve the project a small portion of the road will be

done a small amount each time without the state funding. The Commissioners do not wish to move ahead without citizen support.

- Ruckelshaus Session – Ag Industry and Watershed Focus
- Public Works/PUD Meeting – Coordination of Project Lists and Work

9:37:37 AM PUBLIC WORKS DEPARTMENT

Public Works Director Greg Pezoldt

DISCUSSION ITEMS:

1. Agreement with Seland Construction Inc., for Chiwawa Loop Road Project
2. Jennene Ring and David Kennegar of WSDOT present regarding School Street area planning. Commissioners support DOT amended design of left turn in from west- bound highway, and right in and right out from School Street North Side of Highway
2008C8-117
3. Big Y Interchange Update
4. Chelan Transfer Station Contract Options - Jim Gotti of North Central Washington Recycle and Recovery is present. Request to Renew Contract for five years.
2008C8-118
5. Bob Cone Subdivision Issue
6. Wedge Mountain Estates
7. Lake Chelan Fruit Cooperative Issues
8. Subdivision Review: Lloyd Wilhelm (Malaga)
9. Lake Chelan South Shore Road
10. Motel Road Near Dryden
11. Rosalie Edwards Road Development Issues

11:01:30 AM ACTION ITEMS:

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried unanimously that the Board approve the following action items:

1. **Agreement for Signature**
 - a) Agreement between Chelan County and Seland Construction for Chiwawa Loop Road, County Road Project No. 559 (CRP 559) 2008A5-135

11:02:05 AM COMMUNITY DEVELOPMENT

John Guenther, Director

DISCUSSION ITEMS

1. Committee for Value Added Ag Related Uses
2. Eric Erb and Gordie Goodwin present to discuss committee and proposals. Mr. Goodwin presents letter to Board. 2008C8-119

(11:23:33 AM Commissioner Hawkins leaves session)

3. Special Events Permits
4. Short Plat Issues
5. Pre-Application Permitting Process
6. Grant Agreement
7. Updates and Discussion

- a) Affordable Housing Proposals
- b) Squilchuck Process
 - Survey, June 11
 - #1 and #2 Canyon Outreach Proposal
- c) Agenda for WSAC
 - Land Use and Agriculture Proposal
 - Sustainability
- d) Land Use Project Review Spreadsheets
- e) Shoreline Reviews and Process Improvement Timetable

12:24:08 PM ACTION ITEMS:

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried unanimously that the Board approve the following action items:

1. Grant Agreement

- a) For \$30,000 Archiving Grant with Secretary of State 2008A5-136
- b) Interlocal Agreement with Secretary of State for Archival of County Records
2008A5-136

12:25 P.M. ADJOURNMENT

Moved by Commissioner Goehner, seconded by Commissioner Walter, and carried unanimously that the Board adjourn until June 9, 2008. Board adjourned.

FILED CORRESPONDENCE:

- Copy of Letter to Assessor Russ Griffith regarding Blue Star Growers' Petition
2008P8-1
- April Billing and PDR to Chelan County from Robert Stewart 2008C8-120
- Letter of Award from Washington Counties Scholarship Fund to Caitlin Corulli
2008C8-121
- Pioneer Masonry Written Notice of Protest for Courthouse Masonry Project
2008B1-50
- Note with Enclosure from Walter Winkel regarding Land Preservation 2008C8-122
- City of Wenatchee Letter Clarifying Intent for Fire District in Sunnyslope 2008C8-123

Vouchers Approved for Payment (2008 Budget) 2008B4-60

Current Expense	\$378,206.71
All Other Funds	<u>473,756.69</u>
Total All Funds	\$851,963.40

BOARD OF CHELAN COUNTY COMMISSIONERS
BUELL HAWKINS, CHAIRMAN

JANET K. MERZ, Clerk of the Board