

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, January 7, 2009 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, (Vacant); Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Don Eaton was not present.

Mayor Lacher welcomed Councilmember Menjivar to the Town Council.

Reverend Nancy Tiederman of Friday Harbor Fire Department Chaplin, was invited to give an invocation.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

Robert (Bobby) Ross, Country Village, LLC, stated that he is having difficulties selling the lots in the Country Village Estates subdivision located off Lampard Road largely to the current recession. Mr. Ross stated that increased sewer and water connection charges in recent years are an attributing factor and that other local developers are experiencing similar situations. Mr. Ross requested that the Council postpone further increases and consider reducing the current sewer and water connection fees until the economy rebounds. Councilmember Monin thanked Mr. Ross. Councilmember Brooks requested that the issue be added to the evening meeting agenda.

ACTION AND DISCUSSION ITEMS

Town Council (Vacant) Position No. 1 - Interviews

At 12:10 p.m., Mayor Lacher welcomed the applicants for vacant Town Council Position No. 1 and thanked them for attending interviews. The applicants for said position are as follows: Linda Browne, Steve Hushebeck, Robert Low, Terry Sanders, and Matt Shildneck. Applicants took turns explaining their interest in appointment to the vacant position. Mayor Lacher announced that an Executive Session would be held later in the session to discuss the qualifications of the applicants. No action was taken.

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DEPARTMENT REPORTS

Fire

Fire Chief Vern Long was unavailable to provide a verbal report. The Emergency Response Statistics for January 1, 2009 through December 31, 2009 and Annual Report were distributed.

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Code Enforcement

At 12:24 p.m., Land Use Administrator, Michael Bertrand, distributed a compilation of code compliance cases and enforcement issues since year 2000 to present. No discussion followed.

Community Development

At 12:25 p.m., Land Use Administrator, Michael Bertrand, distributed a compilation of building permits issued in year 2008 through 2009. Mr. Bertrand noted that there was a \$12,000 (or approximately ten percent) negative difference in fees collected last year from the previous year. Mr. Bertrand reported on upcoming public hearings; Comprehensive Plan review by the Planning Commission; and transitioning of the Community Development Department with the anticipated retirement of Zoning Coordinator, Warren Jones. No discussion followed. Mayor Lacher thanked Mr. Bertrand.

Emergency Management Report

At 12:30 p.m., Emergency Management Director, Brendan Cowan, reported on recent items that the SJC Department of Emergency Management (DEM) has been engaging. Included was an overview of efforts to improve communications between the local emergency responders; grants that have been received for emergency backup power generators; exit interviews with H1N1 (Swine Flu) Pandemic volunteers; and distribution of first quarter public education for winter preparedness. Inquiry followed regarding communication efforts and equipment. Mayor Lacher thanked Mr. Cowan.

Historic Preservation

At 12:37 p.m., Historic Preservation Coordinator, Sandy Strehlou distributed a fourth quarter department report for 2009. Ms. Strehlou reported on the Historic Preservation (HP) reviews, HP Manual update, draft HP ordinance changes, centennial celebration activities, website and upcoming activities. Discussion followed regarding an upcoming training seminar for property owners and developers designed to disseminate information on weatherization and other rehabilitation strategies. Mayor Lacher thanked Ms. Strehlou.

System Administration

At 12:47 p.m., System Administrator, Steven Dubail, distributed a fourth quarter department report for year 2009. Mr. Dubail reported on the recent string of computer viruses, website updates, system maintenance and workstation replacement. Discussion followed regarding safe internet usage, email retention and updating the website to include the annual utility summary report. Mayor Lacher thanked Mr. Dubail.

Utilities

At 12:52 p.m., Utilities Superintendent, Mike Wilks, reported on various scheduled construction and maintenance projects. Mr. Wilks reported that the Trout Lake Reservoir water level is currently flowing over the dam's spillway; Trihalomethane sampling measured 64.8 ug/L for the fourth quarter and 79.3 ug/L for the twelve month average; and staffing schedules. Discussion and inquiry followed regarding water line loss, activated carbon filter system at the Water Treatment Plant and condition of Spruce Street. Mayor Lacher thanked Mr. Wilks.

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Resolution No. 1765

At 1:01 p.m., Mayor Lacher introduced draft Resolution No. 1765, authorizing the Mayor to execute a contract with the engineering firm of Gray & Osborne, Inc. for design of reconstruction for a portion of Spruce Street. Administrator Fitch explained the particulars of said contract and noted that additional survey work will be necessary in order to complete the design. The contract is in the amount of \$40,250.00 to design reconstruction of a twenty four (24) foot wide by approximately four hundred (400) linear foot long section of roadbed with rolled curb, no sidewalk and adequate drainage located on Spruce Street between Green Way and Rose Street. Discussion followed regarding whether Stormwater Utility funds could be used to finance a portion of the project and current condition of the street.

Moved by de Freitas, seconded by Brooks, to adopt Resolution No. 1765, as stated above. Motion passed 4-0 with Council Position No. 1 vacant.

ADMINISTRATOR'S REPORT

At 1:03 p.m., Administrator Fitch presented the Town Council with an update of the following:

- **Sewer** and Water Connections - Town only installed two (2) connections in year 2009. The twenty (20) year average is sixteen (16) per year for **sewer** and nineteen (19) per year for water.
- Stormwater Detergent Testing - Crew continues to test for detergents in the stormwater. Events continue to be random. No detergents were detected in November or December 2009.
- Trout Lake Dam Safety Compliance - Department of Ecology has issued an official response to the Town that Trout Lake Dam has met all required safety standards. An official report will be issued. Discussion followed regarding the structural soundness of the dam.
- Grover Street Water Main Extension Project - The construction schedule for the San Juan Community Home Trust's project called "Sunrise" was reviewed.

PAYMENT OF CLAIMS AND PAYROLL

Moved by de Freitas, second by Menjivar, to affirm the payment of Payroll Warrant Nos. 14166 through 14259 in the amount of \$238,039.31 and approve the payment of Claim Warrant Nos. 33522 through 33586 in the amount of \$234,237.42. **Motion passed 4-0 with Council Position No. 1 vacant.**

APPROVAL OF MINUTES

Moved by Monin, seconded by de Freitas, to approve the minutes of **December 17, 2009** **Motion passed 4-0 with Council Position No. 1 vacant.**

FUTURE AND NON-AGENDA ITEMS

Councilmember de Freitas requested that development of partnership and educational campaign regarding stormwater issues with the City of Victoria, BC be added to a future agenda.

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CITIZEN RESPONSE

There were no public access items forthcoming.

EXECUTIVE SESSION

At 1:10 p.m., Mayor Lacher announced that the Council would be holding an executive session to evaluate the qualifications of candidates for appointment to Council Position No. 1 in accordance with the provisions of RCW 42.30.110(1)(h); which was estimated to last fifteen (15) minutes. Participants: Town Council and Mayor Lacher. The session ended at 1:32 p.m. for an actual session time of twenty two (22) minutes. No action was taken.

ACTION AND DISCUSSION ITEMS (cont.)

Town Council (Vacant) Position No. 1 - Selection

At 1:33 p.m., Mayor Lacher introduced selection of candidate for vacant Town Council Position No. 1. Mayor Lacher and the Council expressed appreciation for the caliber of applicants for said position. The unsuccessful Council applicants were requested to consider serving on other Town boards and committees; including the Town Planning Commission. [Clerk's Note: Both of the following votes resulted in ties amongst the Council. Mayor Lacher cast the tie-breaking votes in both instances.]

Moved by Monin, seconded by Menjivar, to appoint Robert Low to fill the unexpired term of Council Position No. 1. Motion failed 2-3, with de Freitas, Brooks and Mayor Lacher opposed.

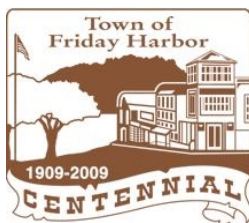
Moved by de Freitas, seconded by Brooks, to appoint Steve Hushebeck to fill the unexpired term of Council Position No. 1. Motion passed 3-2, with Monin and Menjivar opposed.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. Councilmember Monin complimented Mayor Lacher on the conduct of her first meeting as Mayor. The next regular meeting is scheduled for Thursday, January 7, 2010 at 5:30 p.m.

Moved by Monin, seconded by de Freitas, to adjourn the meeting at 1:37 p.m. Motion passed 4-0 with Council Position No. 1 vacant.

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These minutes were approved on January 21, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Thursday, January 7, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, (Vacant); Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks. Council Position No. 1 was vacant during the roll call and later filled by the appointment of Steve Hushebeck.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Don Eaton; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Oath of Office

At 5:32 p.m., Clerk Taylor administered the oath of office to newly appointed Councilmember Steve Hushebeck. Councilmember Hushebeck's appointment will expire December 31, 2011.

Resolution No. 1766

At 5:34 p.m., Mayor Lacher introduced draft Resolution No. 1766, authorizing the Mayor to sign a Settlement Agreement concerning payment of **sewer** connection charges for property commonly known as Montecito Condominiums located at 325, 335, and 375 C Street. Attorney Eaton explained the particulars of the Settlement Agreement per the Administrative Appeal hearing held by the Town Council on November 25, 2009 at 5:35 p.m. The Town issued Mr. Douglas Building Permit No. 57-06, authorizing conversion of three (3) existing multi-family residential dwelling units in the Montecito Condominium complex into six (6) multi-family residential dwelling units. Mr. Douglas disputed the Town's right to require payment of a **sewer** connection charge for each new multi-family residential dwelling unit as a condition to the issuance of a Certificate of Occupancy for two (2) of the completed units, asserting that the Town waived its right to do so because it failed to advise him or his agent, at the time the building permit application that a new **sewer** connection charge would be required for each new multi-family residential dwelling unit. The Settlement Agreement between Joel Douglas, Harbor Lands Company, LLC et al and the Town proposes to settle the dispute with payment of the 2006 **sewer** connection charge of \$6,393.00 per new multi-family dwelling unit (a difference of \$1,659 per dwelling unit per the current fee schedule) in order to avoid the expense and risk of further legal proceedings concerning said dispute. Discussion followed regarding the payment of the remainder of fees and amendment of current policies so that a similar situation does not arise in the future.

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Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1766, as stated above. Motion passed unanimously.

Resolution No. 1767

At 5:37 p.m., Mayor Lacher introduced draft Resolution No. 1767, authorizing the Mayor to execute a new interlocal agreement with the Association of Washington Cities (AWC) Risk Management Service Agency (RMSA) and members to continue participation in a self-insurance pool. Administrator Fitch explained the services provided to RMSA members and the particulars of the interlocal agreement. Discussion followed regarding training resources available for elected officials.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1767, as stated above. Motion passed unanimously.

Town Council Retreat and Joint Quarterly Meeting

At 5:45 p.m., Mayor Lacher introduced discussion of topics and dates for a Town Council Retreat. The conjunctive topics for the joint meeting with the County Council on January 12, 2009 were added to the dialogue. Administrator Fitch explained that the list of draft 2010 Legislative Agenda Item topics before the Council was a compilation of "Future Agenda Items" over the course of year 2009. Mayor Lacher and the Council began by reviewing the listed items and citing their topics of interest in turn. Discussion followed regarding issues that were not listed on the draft list and placement and priority of others.

Town Council Retreat: **Council consensus to hold the Town Council Retreat on Saturday, February 6, 2010 beginning at 12:00 p.m.** Additional topics for the draft 2010 Legislative Agenda Item list include:

- Hosting an economic summit;
- Development of a "business plan" for the Town;
- Funding for the Water Transmission Line; and
- SJI Transfer Station issues.

Joint Town and County Council Meeting: The Council discussed topics and purpose for the January 12, 2010 quarterly meeting. Discussion followed regarding if the Councils would be better served to focus on certain topics, such as status of the SJI Transfer Station; or to instead receive regular updates from SJC Councilmember Howard Rosenfeld. Topics of interest by the Town Council for the joint agenda include:

- Funding strategies and rate structure for the SJI Transfer Station;
- Update regarding the status of the Turn Point / Pear Point connector road;
- Update regarding proposed federal regulation for the protection of Southern Resident Orca Whales; and
- Development of partnership and educational campaign regarding stormwater issues with the City of Victoria, BC.

2010 Committee Assignments

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At 6:55 p.m., Mayor Lacher introduced discussion of 2010 Committee assignments for Town Councilmembers. Administrator Fitch and Mayor Lacher provided information on the various regulated and non-regulated boards, commissions and committees; including duties and frequency of meeting. Discussion followed regarding the Councilmember availability and interests.

The 2010 Committee Assignments for regulated boards, commissions and committees are as follows:

- SJC Board of Health - Councilmember AM de Freitas
- SJC Emergency Management Council - Mayor, Carrie Lacher; Town Administrator, C. King Fitch; & Fire Chief, Vern Long
- SJC Housing Bank Commission - Councilmember, Noel Monin
- SJC Law and Justice Council - Councilmember, Felix Menjivar
- SJC Marine Resources Committee - Citizen, Johannes Krieger
- SJC Solid Waste Advisory Committee - Mayor, Carrie Lacher
- SJC Water Res. Management Committee - Town Administrator, C. King Fitch
- TFH Local Board of Trustees (Fire Board) - Mayor, Carrie Lacher; & Councilmember, AM de Freitas
- TFH Lodging Tax Advisory Committee - Councilmember, Carrie Brooks, & Councilmember, Steve Hushebeck

The 2010 Committee Assignments for non-regulated boards, commissions and committees are as follows:

- Economic Development Council - Councilmember, Steve Hushebeck
- Transportation Committee - Land Use Administrator, Mike Bertrand
- Joint Planning Policy Committee - Councilmember, Steve Hushebeck; PC Member, (Vacant); Town Administrator, C. King Fitch
- Scenic Byways Committee - Land Use Administrator, Mike Bertrand
- SJC Stormwater Committee - (Vacant - Town Resident)
- SJI Trails Committee - Land Use Administrator, Mike Bertrand
- Utilities Committee - Building Inspector, Gary Hanson
- Visitors Bureau - Councilmember de Freitas & LTAC Member Laura Saccio
- Watershed Planning Committee - Councilmember, Noel Monin & Councilmember Carrie Brooks

Ordinance No. 1418

At 7:18 p.m., Mayor Lacher introduced draft Ordinance No. 1418, establishing a special meeting of the Town Council at 12:00 p.m. on January 12, 2010 at the San Juan County Legislative Hearing Room, located at 55 Second Street, Friday Harbor, Washington for the purpose of a joint Town of Friday Harbor and San Juan County Council meeting. No discussion followed.

Moved by de Freitas, seconded by Monin, to adopt Ordinance No. 1418 as stated above. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

SJC Councilmember Howie Rosenfeld provided an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries regarding the fall

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sailing schedule and proposed reservation system; recent action by the County Council regarding proposed federal regulations for the Southern Resident Killer Whales; and current status of the Turn Point / Pear Point connector road and SJI Transfer Station. Discussion followed. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher informed the Council that the Town was approached by a Community Councilmember of Scalloway, Scotland, who inquired about the two communities becoming sister cities. More information will become available by staff.

CITIZEN RESPONSE

There were no public access items forthcoming.

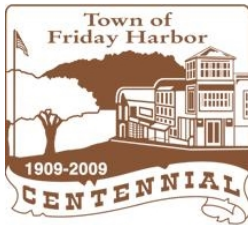
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ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, January 21, 2010 at 12:00 p.m.

Moved by Monin, seconded by de Freitas, to adjourn the meeting at 7:22 p.m. Motion passed unanimously.

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These minutes were approved on January 21, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Tuesday, January 12, 2010 – SJC County Hearing Room – Joint Session

CALL TO ORDER

The Town Council and SJC Council met in special session with Mayor Lacher presiding. Mayor Lacher called the meeting to order at 12:01 p.m.

ROLL CALL

Council members: Hushebeck, Monin, de Freitas, Menjivar and Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; Clerk, Amy Taylor; and the San Juan County Council.

Attorney, Don Eaton; and Treasurer, Wendy Picinich were not present.

San Juan County Council: Lovel Pratt, Richard Peterson, Howard Rosenfeld, Richard Fralick, Gene Knapp, and Bob Myhr.

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

At 12:01 p.m., Mayor Lacher and the Town Council held a joint public meeting with the SJC Council to address issues of mutual concern.

Newly appointed/elected Town Councilmembers Hushebeck and Menjivar were introduced.

Issues brought forth for discussion by the SJC Council, Town Council and Mayor were as follows: funding strategies and rate structure for the SJI Transfer Station; update regarding the status of the Turn Point / Pear Point connector road; update regarding proposed federal regulation for the protection of Southern Resident Orca Whales; development of a joint Town/County Housing Authority; development of partnership and

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educational campaign regarding stormwater issues with the City of Victoria, BC; and discussion of Washington State Ferries issues.

Mayor Lacher requested that the County Council extend the determination period regarding funding strategy and rate structure for the SJI Transfer Station in order to give Town staff and the Town Council the opportunity to become familiar with this proposal and enter into any necessary negotiations. No discussion followed. No action was taken by either Council.

Mayor Lacher introduced discussion of the Turn Point / Pear Point connector road. John Van Lund, SJC Engineer and Rachael Deitzman, SJC Project Manager, provided reference materials, described the conceptual design and answered questions. Discussion followed regarding the funding of said project and steps that will ensure that the project remain a priority for the County. No action was taken by either Council.

Councilmember Brooks thanked the County for its input to the National Oceanic and Atmospheric Administration regarding proposed federal regulations to protect killer whales from vessel effects. Councilmember Brooks requested that the County's response be forwarded to Phillip Anderson, Washington Department of Fish and Wildlife Director. The County Council concurred.

SJC Chair Fralick introduced discussion regarding consideration of a joint Town/County Housing Authority. Mr. Fralick explained the initial steps in the formation of a Housing Authority as follows: 1) Consensus by the Town and County Councils to investigate the issue; 2) Refer to the Housing Bank Commission to develop a plan; 3) Refer to the Joint Planning Policy Group for review; and 4) Forwarded to the Town and County Councils for final consideration. Discussion followed regarding process for development and setting priorities of the Authority. Mayor Lacher slated the issue as a future agenda item for the Town Council.

Councilmember de Freitas described a recent excursion to the City of Victoria, BC and expressed interest in engaging Victoria in a partnership and educational campaign regarding stormwater issues. Discussion followed regarding Victoria's sewerage system and bringing the issue to the attention of the Islands Trust. No action was taken by either Council.

SJC Councilmember Rosenfeld reported on issues relating to the Washington State Ferries, including an executive summary that was issued on January 11, 2010 regarding a reservation system for the San Juan Islands sailings to be implemented by year 2012. No discussion followed. No action was taken by either Council.

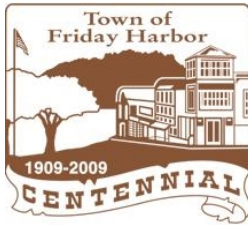
ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, January 21, 2010 at 12:00 p.m.

Moved by de Freitas, seconded by Hushebeck, to adjourn the meeting at 12:44 p.m. Motion passed unanimously.

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SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, January 21, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Don Eaton; and Clerk, Amy Taylor.

Position No. 3, Anna Maria de Freitas; was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember de Freitas. Council unanimously approved her absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised.

PUBLIC ACCESS TIME

Matt Shildneck, 40 Web Street, expressed frustrations and safety concerns regarding vehicles performing illegal u-turns in the downtown core. Mr. Shidneck asked if there was any way to remedy the situation. Discussion followed regarding contracted services with the Sheriff's office.

Pam Fitch, 65 Wade Lane, added that vehicles illegally and unsafely maneuver at the Spring and Second Street intersection, near the movie theatre. Vehicles are known to pass on the right of other standing vehicles waiting to turn left on Second Street. Discussion followed regarding installation of dividers and/or bump outs. Administrator Fitch noted that the parking enforcement officers are not authorized to issue tickets for

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moving violations and that several options to remedy the situation includes installing plastic bollards or bump out to slow the moving traffic.

ACTION AND DISCUSSION ITEMS

Town Planning Commission Nomination

At 12:06 p.m., Mayor Lacher asked the Council to affirm the appointment of Matt Shildneck to vacant Position No. 2 and Linda Browne to vacant Position No. 6 on the Town Planning Commission. The Council indicated approval of said nominations.

Moved by Monin, seconded by Menjivar, to affirm the appointment of Matt Shildneck and Linda Browne to the vacant positions on the Town Planning Commission. Motion passed 4-0 with de Freitas absent.

Presentation - SJI Chamber of Commerce (Chamber) - Annual Report

At 12:11 p.m., Mayor Lacher introduced Vernadel Peterson, SJI Chamber Director, to present the 2009 Annual Report. Ms. Peterson summarized the Annual Report, which included the Chamber's visitor statistics, staffing, programs, membership, funding and events for 2009. Discussion and inquiry followed regarding current promotion and upgrade of the Chamber's website. No action was taken. Mayor Lacher and Council thanked Ms. Peterson.

Presentation - SJC Economic Development Council (EDC) - Annual Report

At 12:16 p.m., Mayor Lacher introduced Victoria Compton, EDC Executive Director, to present the 2009 Annual report. Ms. Compton summarized the Annual Report, which included 2009 accomplishments; 2010 objectives and goals; and scope of work for the 2010 contractual period. Ms. Compton noted that the EDC is offering business classes and encouraging local businesses to enhance their store fronts displays in order to attract business. Discussion followed regarding upcoming meetings. No action was taken. Mayor Lacher and Council thanked Ms. Compton.

SJI Transfer Station

At 12:24 p.m., Mayor Lacher introduced discussion of funding strategies and rate structure for the SJI Transfer Station. Administrator Fitch provided a brief history of the Transfer Station; presented the County's suggested rate schedule; and explained the impacts they may have on the Town. SJC Administrator Pete Rose provided an updated rate table for informational purposes. Administrator Fitch noted that the County's goal is to raise \$3.4 million sufficient to fund daily operations and fund construction of a new transfer station. Discussion followed regarding the current Town/County lease agreement and fees. Mayor Lacher noted that the Town and County will begin scheduling regular meetings in order to improve communication at the executive and legislative level. No action was taken.

Water Treatment Plant Improvements - Activated Carbon Filtration System

At 1:01 p.m., Mayor Lacher introduced discussion of a proposal to design an activated carbon filtration system at the Water Treatment Plant. Administrator Fitch described the system and explained that the Town is considering the system in an attempt to reduce Trihalomethanes (THMs) levels from the Town drinking water. The entire system is

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estimated to cost \$750,000. Discussion followed regarding current water quality and production of THMs. No action was taken.

Resolution No. 1768

At 1:11 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1768, authorizing the Mayor to execute Change Order No. 1 on the contract with Mike Carlson Enterprises, Inc. for the John Street **Sewer** Main Extension Project. Administrator Fitch explained the particulars of the Change Order. The Change Order is in the amount of \$8,318.25 for additional rock excavation and materials as ordered by the Town. No discussion followed.

Moved by Monin, seconded by Hushebeck, to adopt Resolution No. 1768, as stated above. Motion passed 4-0 with de Freitas absent.

ADMINISTRATOR'S REPORT

At 1:13 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Tourism Promotion Agreement - The Visitors Bureau (VB) is requesting to amend the scope of work for their contract. The revision would allow the VB to adjust allocations for certain promotion activities. Councilmember Brooks requested that the issue be deferred to the evening session.
- Street Name Change - A portion of Larson Street was temporarily renamed Kelsando to assist emergency service providers and for community privacy purposes. Discussion followed. **Council consensus to affirm the temporary name change of a portion of Larson Street to Kelsando until such time that the Larson Street right-of-way is opened up to connect to Carter Avenue.**
- E-One Fire Engine - The fire truck should be available for delivery mid-June 2010. Treasurer Picinich is working on the details for financing.
- **Waste Water Treatment Plant - Town will investigate enhancement of the visual screening of the Plant. Discussion followed regarding the existing fencing.**
- Carter Avenue - A request was received for to change the time limit for parking at the 200-300 block of Carter Avenue near the industrial / commercial zoning from seventy two (72) hour to four (4) hour.
- Letter of Support HB2618 - A draft letter of support was distributed for House Bill 2618 for legislation to development street utilities.

PAYMENT OF CLAIMS

Moved by Brooks, second by Hushebeck, approve the payment of Claim Warrant Nos. 33587 through 33617 in the amount of \$93,937.02. **Motion passed 4-0 with de Freitas absent.**

APPROVAL OF MINUTES

Moved by Monin, seconded by Hushebeck, to approve the minutes of **January 7, 2010 and January 12, 2010 as amended.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

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Councilmember Menjivar noted that he will be unavailable February 8th through 13th, 2010.

Councilmember Brooks requested an excused absence for the February 18th, 2010 sessions.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, January 21, 2010 at 5:30 p.m.

Moved by Monin, seconded by Menjivar, to adjourn the meeting at 1:33 p.m. Motion passed unanimously.

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These minutes were approved on February 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, January 21, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Don Eaton; and Clerk, Amy Taylor.

Position No. 3, Anna Maria de Freitas, was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember de Freitas. Council unanimously approved her absence.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ADMINISTRATOR'S REPORT (cont.)

At 5:32 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Activated Carbon Filtration - Brown and Caldwell Engineering was contacted regarding amounts of chlorine needed for disinfection if a carbon filtration system is installed at the water treatment plant. Bill Persich, Engineer, reported that a carbon filtration system would require less chlorine for the treatment process, however other factors such as "contact time" requirements and distance that the water travels may prohibit using less chlorine.
- Future Agenda Items - Road dividers / bump out at the Spring and Second Street intersection, Carter Street parking restrictions and Visitors Bureau contract amendment were listed as future agenda items.

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

SSDP No. 87 and SEPA No. 98 - Spring Street Landing Building - Roof Replacement

At 5:35 p.m., Mayor Lacher opened the public hearing to consider Shoreline Substantial Development Permit Application No. 87 and adopted SEPA Checklist No. 98; a request by the Port of Friday Harbor to replace the roof of the Spring Street Landing Building located at 10 Front Street. The proposal includes raising a portion of the pitch approximately 2.6 feet above the existing roof line.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Councilmember Brooks disclosed that her children operated a business in the lower level of the building, however, was not benefitted in any way. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit; and communication with opponents or proponents regarding said permit. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand to present the staff report. Mr. Bertrand entered no Exhibits into the record; and described the background of the application, and staff evaluation and recommendation.

The Port of Friday Harbor proposes to construct a pitched roof over the area behind the **façade** to eliminate their leak issue, and replace the entire roof with new material. Estimated costs for the project are \$60,000 which requires the submittal of a Substantial Shoreline Development Permit as defined in FHMC 19.04.100(31).

Mr. Bertrand concluded that the application meets the requirements of the Shoreline Management Act, the Town of Friday Harbor Shoreline View Corridor restraints, and the Town of Friday Harbor Shoreline Master Plan; along with the conditions as listed in the

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

staff report dated January 11, 2010, for granting said permit as regulated by Chapters 17 and 19 of the Friday Harbor Municipal Code.

Mayor Lacher asked the proponents if they would like to comment.

Marilyn O'Conner, Port of Friday Harbor Director, stated that she was available in the audience to answer questions as needed.

At 5:44 p.m., Mayor Lacher opened the public hearing to audience comments.

Roger Bennett, 491 Golf Course Road, stated that he owned real estate at 1 Front Street and was in favor of the proposed improvements for aesthetic reasons.

Mayor Lacher opened hearing to Council questions. None were forthcoming.

At 5:45 p.m., Mayor Lacher closed the public input portion of the hearing, reserving the right to reopen if needed, and opened Council deliberations. Mayor Lacher asked if Attorney Eaton or Staff wished to make additional comments. None were forthcoming.

Moved by Brooks, seconded by Hushebeck, to adopt the staff report for the Shoreline Substantial Development Permit Application No. 87 and SEPA Checklist No. 98; and, direct staff to prepare Findings of Fact and Conclusions of Law for said application. Motion passed 4-0 with de Freitas absent.

ACTION AND DISCUSSION ITEMS

Permanent Farmer's Market

At 5:47 p.m., Mayor Lacher introduced discussion regarding purchase of property at 150 Nichols Street to site, among other things, a permanent Farmer's Market facility.

Attorney Eaton explained that the SJC Land Bank, Agricultural Guild and Town have not met since the Council meeting of December 17, 2009. The Land Bank and Property Owners entered into a revised purchase and sale agreement. A draft agreement for appraisal of the property has been approved with the scope of work listing the completion date as March 31, 2010. Town has not received an update from the Guild regarding its capital funding campaign. The Guild still needs to meet with the Historic Preservation Review Board to discuss incentives and restrictions. Town is seeking confirmation from the State Auditor's Office that use of the hotel/motel funds for acquisition of the Property is appropriate, or in the alternative, a formal Attorney General Opinion that is satisfactory to the Town. Parties will meet to discuss how best to get an opinion from State.

Attorney Eaton stated that proposing a budget will be difficult due to the many existing variables; however estimated that his professional services will be approximately \$20,000 if all contingencies of the Memorandum of Understanding are met without complication.

Attorney Eaton suggested that his time would be best spent focusing on the Attorney General opinion until the appraisal is acquired and drafting language for the lease

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

agreement that would outline acceptable uses of the property should the State return a favorable opinion. Discussion followed regarding the best use of Attorney Eaton's time; Senator Ranker's offer to request appropriations from the State; and stability and viability of the Guild. No action was taken.

Joint Housing Authority

At 6:07 p.m., Mayor Lacher introduced discussion regarding establishment of a joint Town and County Housing Authority. Mayor Lacher inquired if the Council wished to form a committee with the County to develop a proposal.

Per inquiry from Councilmember Brooks, Administrator Fitch provided a brief overview of the "Section 8" subsidy program.

Councilmember Monin expressed concerns regarding how a Housing Authority would be funded and staffed. Mayor Lacher stated that a concern of the Housing Bank Commission is that any local Housing Authority should have the ability to be self-sufficient. Discussion followed regarding postponing the consideration of a joint Housing Authority until the SJC Affordable Housing Action Plan is finalized. **Council consensus for the postponement of further consideration of a joint housing authority until, among other things, adequate resources and information become available.**

Turn Point Connector Status

At 6:23 p.m., Mayor Lacher introduced discussion of the Turn Point Connector Road. Administrator Fitch provided a condensed history of the annexation of the Buck Property and need for the connector road which included excerpts from the May 26, 1999 draft SJC Environmental Impact Study, October 24, 2008 Infrastructure Feasibility Study and testimony from the County at the November 20, 2008 and March 19, 2009 public hearings regarding annexation of the Buck Property. Administrator Fitch noted that a large consideration for said annexation and subsequent developer agreements was based on the traffic analysis contained in the 2008 Feasibility Study; and, that the Study was drafted with assumptions that a Turn Point / Pear Point connector road will be constructed by the County by year 2012. This assumption was based on information provided by the County to the consultants performing the study.

Administrator Fitch explained that the Developers are eager to begin the long platting process and that Town will require the Developers to include a connector road on the preliminary plat drawing as they plan the subdivision of their property. Administrator Fitch noted that inclusion of said road could significantly alter the vision of the proposed subdivision as Town would require platting of a road that would adequately and effectively encourage deviation of traffic from the Warbass Way and Harrison Street exchange if the County is unable to complete an alternate connector road. Another alternative is for the Developers to postpone platting of the property until the County moves toward construction of a connector road. Discussion followed regarding the platting process and preliminary road designs. Administrator Fitch stated that the County Engineer has indicated that based on this information the County will attempt to expedite or affirm the planning and/or construction of the connector road.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher inquired if legislative action was necessary at this point in time. Administrator Fitch answered that the issue still remains at a staff level and that frequent updates will be provided. Councilmember Hushebeck inquired if the Warbass Way and Harrison Street exchange needed to be revisited. Administrator Fitch explained that the issue was addressed by the Developer Agreement. No action was taken.

Ordinance No. 1419

At 6:54 p.m., Mayor Lacher introduced draft Ordinance No. 1419, establishing a special meeting of the Town Council at 10:45 p.m. on February 9, 2010 at the San Juan County Legislative Hearing Room, located at 55 Second Street, Friday Harbor, Washington for the purpose of a public hearing held by the San Juan County Council for consideration of Solid Waste funding model. Discussion followed regarding possible attendance at said public hearing. **Council consensus to void the draft Ordinance as no more than two (2) members would attend said meeting.**

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks stated that she had concerns regarding the Visitors Bureau's request to adjust allocations for certain promotion activities for their 2010 contract. **Council consensus to invite the Visitors Bureau to explain their request on February 4, 2010.**

Mayor Lacher requested information regarding a request for parking enforcement on Carter Avenue. Land Use Administrator, Mike Bertrand explained that complaints were received from business owners in that area regarding use of the existing on-street parking. Town received a request to designate the 200-300 block of Carter Avenue to two or four hour parking. **Council consensus to bring forth an Ordinance for consideration.**

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 7:03 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on meetings of the State Transportation Committee regarding Capron Funding; Washington State Ferries spring sailing schedule, proposed fuel surcharge and proposed reservation system; and County Council regarding SJI Transfer Station. Discussion followed. No action was taken.

CITIZEN RESPONSE

There were no public access items forthcoming.

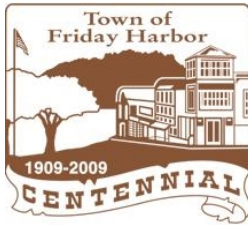
ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, February 4, 2010 at 12:00 p.m.

Moved by Menjivar, seconded by Hushebeck, to adjourn the meeting at 7:26 p.m. Motion passed unanimously.

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MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

These minutes were approved on February 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, February 4, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Don Eaton was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Sheriff's Report

At 12:01 p.m., Mayor Lacher introduced Sheriff Bill Cumming to present the Sheriff's Report. Sheriff Cumming distributed a year-to-date report containing law enforcement statistics. Sheriff Cumming reported on the recent occurrences of burglaries; process for investigations; proposed enhancement for courthouse security; boating and whale protection enforcement for year 2010; and the anticipated increase in border security for the 2010 Winter Olympics. Discussion followed regarding the different federal agencies enforcing border security; and the traverse communication services that the Sheriff's dispatch and emergency response staff provide within our local community. Mayor Lacher and the Council thanked Sheriff Cumming for the report. No action was taken.

Scenic Byways Program

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 12:17 p.m., Mayor Lacher introduced Liz Illg, Scenic Byways Coordinator for the San Juan Islands (SJI) Scenic Byway, and Mandi Roberts, Otak representative, to give a presentation regarding the Scenic Byways Program. The National Scenic Byways Program (NSBP) includes a series of highways that pass through the varied terrain of Washington reflecting the depth of its scenic, cultural and historic landscapes. The NSBP, administered by the Federal Highway Administration, requires development of a Corridor Management Plan (CMP) for national scenic byway designation. CMPs are flexible documents that outline the goals, strategies and responsibilities for preserving and promoting the byway; and require elements such as tourism development, historic preservation, roadway safety and economic development. Ms. Illg explained that the scope of work underway for the SJI Scenic Byway CMP includes public workshops to engage island communities and will seek recommendations about stewardship. Ms. Illg requested that the Town participate in planning. Ms. Roberts explained that Otak is providing the technical information and policy framework for the CMP and program. Discussion followed regarding the funding of SJI Scenic Byway CMP and the Byway's relationship other local entities. Mayor Lacher and Council thanked Ms. Illg and Ms. Roberts for their presentation. No action was taken.

Resolution No. 1769

At 12:38 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1769, authorizing the Mayor to execute an agreement with the SJC Economic Development Council (EDC) to promote economic development within the Town for year 2010. Administrator Fitch explained the particulars of said agreement. The agreement is in the amount of \$10,000 to track economic conditions, provide assistance to local businesses and promote civic opportunities for year 2010. No discussion followed.

Moved by Monin, seconded by Brooks, to adopt Resolution No. 1769, as stated above. Motion passed unanimously.

Tourism Promotion Agreement - SJI Visitor's Bureau

At 12:40 p.m., Mayor Lacher introduced discussion to amend the scope of work for the annual tourism promotion agreement with San Juan Islands Visitors Bureau (VB) per Resolution No. 1753, adopted December 3, 2009. The VB is requesting to adjust funding allocations for promotion activities. Discussion followed regarding media marketplace functions.

Moved by Brooks, seconded by de Freitas, to amend Exhibit A of the agreement adopted by Resolution No. 1753, dated December 3, 2009. Motion passed unanimously.

Ordinance No. 1419

At 12:48 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1419, amending Ordinance No. 945 and Chapter 10.4 of the Friday Harbor Municipal Code concerning time limited parking and repealing Ordinance No. 1334 in its entirety. Administrator Fitch explained that the draft Ordinance adds an additional four (4) hour time limited parking zone on a portion of Carter Avenue and thirty (30) minute time limited parking zone on Harrison Street in non-residential areas. Discussion followed regarding the stormwater catchment on Carter Avenue.

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Moved by de Freitas, seconded by Menjivar, to adopt Ordinance No. 1419, as stated above. Motion passed unanimously.

Finding of Fact and Conclusions of Law – SSDP No. 87

At 12:53 p.m., Mayor Lacher introduced adoption of the draft Findings of Fact and Conclusions of Law for Shoreline Substantial Development Permit No. 87 (SEPA Checklist No. 98), regarding a request by the Port of Friday Harbor, pertaining to replacement of the roof on the Spring Street Landing Building, located at 10 Front Street. (Refer to the public hearing held on January 21, 2010.) No discussion followed.

Moved by Brooks, second by de Freitas, to adopt the Finding of Fact and Conclusions of Law for Shoreline Substantial Development Permit No. 87. Motion passed unanimously.

Resolution No. 1770

At 12:54 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1770, authorizing the Mayor to execute Amendment No. 2 to the agreement between the Town of Friday Harbor and the engineering firm of Brown and Caldwell to provide additional design services and construction plans for the Sewer Main Replacement Project. Administrator Fitch explained particulars of said amendment. The Amendment is in the amount of \$38,126 for additional design services that are necessary to mitigate complications resulting from construction that have resulted in odor emissions and unanticipated operational difficulties. The additional designs shall provide for an alternative and dedicated route for the conveyance of sewerage from Pump Station No. 1 to the Wastewater Treatment Plant. Discussion followed regarding construction costs and anticipated disturbances to the residents and businesses in the area of Tucker Avenue.

Moved by Monin, seconded by de Freitas, to adopt Resolution No. 1770, as stated above. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 1:00 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Sales Tax Report - The monthly hotel-motel and sales tax report was distributed for review. Discussion followed regarding the fluctuation and collection trend of taxes over the last decade.
- Turn Point / Pear Point Connector Road - A meeting is scheduled with SJC Public Works on February 10, 2010 at 11:00 a.m. to discuss design issues for the connector road.
- District No. 3 Fire Marshal Position - The District No. 2 Deputy Fire Marshal shall fill the vacant position on a part-time interim basis and other needed services such as building plan review will be contracted out.
- Stormwater Detergent Testing - No stormwater detergent events have been detected for three consecutive months. Discussion followed regarding filtration and treatment options; and ongoing stormwater education programs. Mayor

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Lacher commented that Town has been monitoring the silt filters in catch basins, in addition to stormwater detergent testing.

- Preservation Grant Application - Historic Preservation Coordinator, Sandy Strehlou, requested permission to apply for a grant to partially fund a Town sponsored educational seminar for sustainable energy and weatherization of historic buildings called Rehab Green. Discussion followed regarding topics that will be covered and attendance for said seminar; and the Town Council's grant application policy. **Council consensus to apply for said historical preservation grant.**
- SJI Transfer Station - Town received an invitation from County Administration to review financial information regarding the SJI Transfer Station in relation to the proposed rate structure. The County has since frozen the rates for year 2010 and reduced the level of service available at the Station. Town will resume discussions with the County once it determines the methodology for their rate structure. Discussion followed regarding compliance issues.
- Water Main Transmission Line Replacement Project - The Council was encouraged to review the draft engineering study that was issued October 2009. Discussion followed regarding status of the proposed Peace Health annexation.
- SJC Citizen's Stormwater Advisory Committee - The County is seeking a Town representative to serve on said committee. Discussion followed regarding preferred qualifications for members and meeting times. No action was taken.
- AWC Wellness Committee - Kelle Wilson, Town Wellness Coordinator, received recognition for the Town's program.
- Friday Harbor Landfill - Town received a letter from Mark Tompkins, Environmental Health Manager, prescribing changes to the Sampling, Analysis & Quality Assurance Plan and 20-year post-closure recommendations. Discussion followed regarding allowable activities at the site.
- Request for Crosswalk - Town received a letter from the Friday Harbor Fire Fighter's Association requesting a marked crosswalk at the intersection of Market Street and Mullis Street. Discussion followed regarding safety issues relating to unmarked crosswalks. **Council consensus to deny the request for a marked crosswalk at the intersection of Market Street and Mullis Street due to safety conditions resulting from lack of crossing enhancements.**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PAYMENT OF CLAIMS AND PAYROLL

Moved by de Freitas second by Menjivar, to affirm the payment of Payroll Warrant Nos. 14260 through 14306 in the amount of \$216,752.55 and approve the payment of Claim Warrant Nos. 33625 through 33711 in the amount of \$113,611.21. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by Monin, seconded by Menjivar, to approve the minutes of **January 21, 2010 as amended**. Motion passed unanimously. **4-0 with de Freitas abstaining**.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher provided an update and requested Council consideration of a letter of support for House Bill 2816, under consideration by State Legislature, which would create a sustainable source of revenue for Washington State Ferries by imposing an excise tax on exported fuels. **Council consensus to add to the evening session.**

Mayor Lacher has requested an update regarding the appropriation request by Senator Kevin Ranker for the permanent farmer's market proposal.

Mayor Lacher reported that the House Bills regarding "flex funding" and development of a street maintenance utility are not receiving overwhelming support from the State Legislature.

CITIZEN RESPONSE

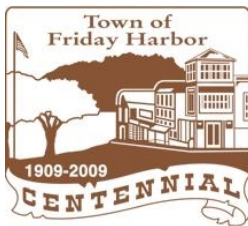
There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, February 4, 2010 at 5:30 p.m.

Moved by Monin, seconded by de Freitas, to adjourn the meeting at 1:44 p.m. Motion passed unanimously.

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These minutes were approved on February 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, February 4, 2010 – Town Council Chambers – Evening Session

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Don Eaton; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Cable Franchise Fees

At 5:31 p.m., Mayor Lacher introduced Randy Lindsey, Windjammer Communications Manager, to make a presentation regarding cable television franchise fees for use of the public right-of-way. Mr. Lindsey requested that the Council reconsider its decision to raise cable franchise fees from three percent (3%) to five percent (5%) for the next term of the franchise. Mr. Lindsey explained that Windjammer currently has "exorbitant operating costs" and that the additional fee would be passed on to a small customer base, which may result in some customers dropping their service and hence less franchise fees being paid to the Town. Discussion followed regarding services currently available and the public access television stations. **Council consensus to discuss said request at the Town Council Retreat on Saturday, February 6, 2010.** Mayor Lacher and Council thanked Mr. Lindsey.

Utility Connection Charges

At 5:54 p.m., Mayor Lacher introduced Robert (Bobby) Ross, Country Village, LLC., to make a presentation regarding Town water, sewer and stormwater utility connection fees. Mr. Ross reiterated the discussion held on January 21, 2010 and requested that the Council postpone further increases and consider reducing the current sewer and water connection fees until the economy rebounds.

Thane Bolger, real estate agent for Caldwell Banker, stated that the current recessed economy is moving home buyers towards pre-built and distressed residential properties rather than looking to new construction. Mr. Bolger stated that a reduction in right-to-connect fees could ease pressure, if not stimulate our local economy.

John Campbell, board member for Homes for Islanders (HFI), stated that HFI is currently in negotiations with Country Village, LLC for purchase of real estate for several new affordable housing units. Mr. Campbell stated that current right-to-connect fees represent approximately twenty five percent (25%) of the proposed property costs. Mr. Campbell offered HFI's services in securing block grants to offset utility connection fees.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher thanked Mr. Ross, Bolger and Campbell for their comments and opened the discussion to Council questions. Discussion followed regarding the 2008 Utility Rate Study; utility connections years 2004 through present; conceivable incentives through low-impact development; and miscellaneous stimulus programs available through the State and Federal government. **Council consensus to discuss said request at the Town Council Retreat on Saturday, February 6, 2010.** Mayor Lacher and Council thanked Mr. Ross.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:27 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on meetings with the State regarding proposed legislature; Washington State Ferries; and County Council regarding SJI Transfer Station. Discussion followed. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher introduced discussion concerning House Bill 2816, under consideration by the State Legislature. The proposed House Bill would create a sustainable source of revenue for Washington State Ferries by imposing an excise tax on exported fuels. **Council consensus to sign the letter of support dated February 4, 2010, regarding House Bill 2816, under consideration by the State Legislature.**

CITIZEN RESPONSE

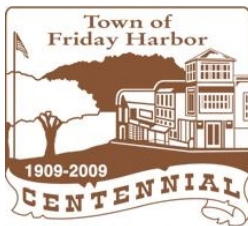
There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to recess the meeting. The next regular meeting is scheduled for Thursday, February 18, 2010 at 12:00 p.m.

Moved by Monin, seconded by Hushebeck, to recess the meeting at 6:41 p.m. until Saturday, February 6, 2010 at 12:00 p.m. Motion passed unanimously.

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These minutes were approved on February 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Saturday, February 6, 2010 – Town Council Chambers – Continued Session

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

CALL TO ORDER

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich and Town Administrator, C. King Fitch;

Attorney, Don Eaton; and Clerk, Amy Taylor were not present.

WORK SESSION

The Council discussed the following items as part of their Retreat:

- Cable Franchise fees
- 2008 Utility Rate Study and utility right-to-connect charges
- Street Standards
- Purchase of 150 Nichols Street

After discussion, Council consensus to not amend the cable television franchise fee rate of 5% as adopted in the 2010 Town Budget.

After discussion, Council consensus to not amend the adopted utility rates or right-to-connect charges.

Council consensus to request a staff report and preliminary budget for services from Attorney Eaton regarding acquisition of 150 Nichols Street.

Council consensus to bring forth for consideration a draft Ordinance raising the monetary threshold for required improvements to the public right-of-way.

Council consensus to hold an additional retreat / work session in March 2010.

ADJOURNMENT – Hearing no objection, Mayor Lacher adjourned the meeting at 5:15 p.m. The next regular meeting is scheduled for Thursday, February 18, 2010.

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**These minutes were approved on February 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, February 18, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 4, Felix Menjivar.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 5, Carrie Brooks and Attorney, Don Eaton, were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Brooks. Council unanimously approved her absence.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Land Use Administration Update

At 12:01 p.m., Mayor Lacher introduced discussion of land use issues. Administrator Fitch explained that the Land Use Administrator was absent and reported on the following:

The Saint Francis Church fellowship hall project that will encroach into the existing baseball field on their property is in its early stages. The Church is inquiring about short platting their property in order to avoid the installation of curb, gutter and sidewalk along the entire perimeter of the large lot. No discussion followed.

The Community Ball Fields have had little to no activity of late. Several items need to be completed on Conditional Use Permit (CUP) No. 62 before any part of the facilities can be utilized. Discussion followed regarding the zoning of the parcel, possible request by School District No. 149 to modify the conditions of their current CUP, and past discussions between the proponents and the neighborhood. Councilmember Monin requested that information be disseminated regarding the current status of the fields.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

The Council concurred with Administrator Fitch's request for the opportunity to brief the School District's new superintendent prior to addressing the Council's concerns. **Council consensus to draft a press release for review.**

The Turn Point Connector Road has been expedited per SJC Council direction. Preliminary studies are expected by April 2010. One option would require SJC Public Works to acquire additional right-of-way from Turn Point through the gravel pit and Dougherty Lane to Argyle Avenue. The application for preliminary platting of the Buck Annexation is expected by late March 2010. Discussion followed regarding potential impacts to residences that will align with the road and need for additional studies.

Ordinance No. 1420

At 12:22 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1420, concerning reduced utility base rates for water, sewer, stormwater and refuse services for low income senior and disabled citizens. Administrator Fitch explained that the purpose of the Ordinance was to expand the current program to include a reduced stormwater base rate. No discussion followed.

Moved by de Freitas, seconded by Menjivar, to adopt Ordinance No. 1420, concerning reduced utility base rates for water, sewer, stormwater and refuse services for low income senior and disabled citizens. Motion passed 4-0 with Brooks absent.

Resolution No. 1771

At 12:25 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1771, authorizing the Mayor to accept the bill of sale from the Clallam County Fire District No. 2 for a used Fire Command Vehicle. Bill LaPorte, Friday Harbor Fire Fighter's Association President, explained that the Association will incur all costs associated with procuring and licensing the used 2001 Ford Crown Victoria fire command vehicle for the Friday Harbor Fire Department. Mr. LaPorte commented that Fire Chief Long was deserving of the vehicle. The Council thanked the Association for the gift.

Moved by Menjivar, seconded by de Freitas, to adopt Resolution No. 1771, authorizing the Mayor to accept the bill of sale from Clallam County Fire District No. 2 for a used 2001 Ford Crown Victoria fire command vehicle VIN# 2FAFP71W91X139165. Motion passed 4-0 with Brooks absent.

Resolution No. 1772

At 12:31 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1772, authorizing the Mayor to execute a purchase and sale agreement with United Fire Service, Inc. to provide a fire pumper apparatus. Administrator Fitch explained the particulars of said agreement. Per Resolution No. 1730 on July 16, 2009, the Town entered into a joint bidding arrangement with Eastside Fire and Rescue for a new fire engine that meets Town specifications. The supplier known as United Fire Service, Inc. has offered to provide said fire engine with 1500 GPM pump rating to the Town of Friday Harbor for \$528,931.00. Local financing will be secured for said vehicle. Discussion followed regarding sales tax and pump rating of the vehicle.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by de Freitas, seconded by Menjivar, adopt Resolution No. 1772, authorizing and directing the Mayor to execute the purchase and sale agreement with United Fire Service, Inc. in the amount of \$528,931.00, which excludes sales tax, for a fire pumper apparatus with 1500 GPM capacity. Motion passed 3-1 with Monin opposed and Brooks absent.

ADMINISTRATOR'S REPORT

At 12:37 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Solid Waste Transfer Station - Fee Structure - The County Council continues to discuss the proposed solid waste rate structure. The County is holding frequent work sessions to discuss issues. The next work session is scheduled March 2, 2010. The previously reported rate freeze is being reconsidered by the County.
- Solid Waste Transfer Station - Geo-technical Survey - Engineers have been contracted by the County to perform environmental and geo-technical testing at the Sutton Road site in preparation for future development.
- Solid Waste Transfer Station - Purchase and Sale Agreement - Attorney Eaton and SJC Prosecutor Gaylord are drafting a lease and purchase/sale agreement for a portion of the Sutton Road parcel.
- Solid Waste Transfer Station - Replacement Building - SCS Engineering has been contracted by the County to design a replacement building to cover the tipping floor and to control process water. The County will not be able to meet the compliance schedule set forth by SJC Department of Health and Community Services and the Department of Ecology; and will therefore request an additional variance. Discussion followed regarding financing of the required improvements.
- Fire Hose Bid - Town has issued a call for bids due on March 10, 2010 for approximately 4,850 lineal feet of various sized fire hose.
- Annual Generator Service Bid - Town has issued a call for bids due on March 10, 2010 for annual maintenance of Town's various emergency generators.
- GAC Filters - Brown & Caldwell Engineering is developing a proposal for plans and specification for a granular activated carbon contact system at the Water Treatment Plant. The State Department of Health (DOH) has indicated verbally that the Town may utilize the results of Roche Harbor's successful pilot study because of the similarities of the respective water systems. Town will issue a letter to the DOH formally requesting permission to forsake a pilot study. The project is estimated to cost \$750,000.
- AWC RMS Operations Committee - Administrator Fitch will attend the March 19, 2010 Risk Management Services Operations Committee meeting in Olympia.

PAYMENT OF CLAIMS

Moved by Monin, second by Hushebeck to approve the payment of Claim Warrant Nos. 33712 through 33765 in the amount of \$79,879.08. Motion passed 4-0 with Brooks absent.

APPROVAL OF MINUTES

Moved by Hushebeck, seconded by de Freitas, to approve the minutes of **February 4, 2010 and February 6, 2010 as submitted**. Motion passed 4-0 with Brooks absent.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher requested that the Council formalize a date for a Council retreat / work session. **Council consensus to hold a retreat / work session on Saturday, March 27, 2010 at 12:00 p.m.**

Councilmember Monin requested a discussion regarding management of Trout Lake watershed.

Mayor Lacher received a package from the Community Council of Shetland, Scotland. Shetland has proposed that the Town join with them to become sister cities.

Mayor Lacher reported on a recent parliamentary workshop that she attended.

Councilmember Hushebeck provided a summary and update on bills under consideration by State Legislature.

Councilmember Hushebeck distributed a newspaper clipping regarding the decline of real estate sales in the County.

CITIZEN RESPONSE

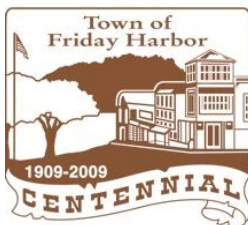
There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, February 18, 2010 at 5:30 p.m.

Moved by Menjivar, seconded by de Freitas, to adjourn the meeting at 1:16 p.m. Motion passed unanimously.

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These minutes were approved on March 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, February 18, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 4, Felix Menjivar.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 5, Carrie Brooks and Attorney, Don Eaton, were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Brooks. Council unanimously approved her absence.

PUBLIC ACCESS TIME

Cathy Cavanaugh, public accountant, urged the Council to pursue ways in all of their decision making processes that will have positive "ripple effects" on the local economy and small businesses.

ACTION AND DISCUSSION ITEMS

Tourism Related Facility - 150 Nichols Street

At 5:33 p.m., Mayor Lacher introduced discussion of consideration of purchasing property at 150 Nichols Street to site, among other things, a tourism related facility. Administrator Fitch reported that Attorney Eaton was not present, and requested Council consideration to continue the meeting to a date in which he and Councilmember Brooks could be present. Administrator Fitch referred to the memorandum dated February 12, 2010, in which Attorney Eaton explained that he attended conference calls with the Attorney General's Office regarding how best to obtain a formal opinion on the appropriateness of using hotel/motel funds for acquisition of 150 Nichols Street; and with the State Auditor's Office (SAO) regarding provisions that will satisfy the SAO that the property is intended for and will be used as a tourism-related facility. Discussion followed regarding issues that Attorney Eaton should address during his update; development of a process for use of the funding; and an appropriate date for continuation of the meeting. **Council consensus to continue the meeting until February 25, 2010 for discussion of this issue.**

Hotel Motel Grant Funding Process

At 5:45 p.m., Mayor Lacher introduced discussion regarding development of a process for use of first two percent hotel/motel tax monies. Councilmember Hushebeck explained that the Lodging Tax Advisory Committee (LTAC) is eager to see the first two percent fund released to the LTAC for tourism promotion. Discussion followed regarding the policy decision to expand the use of the first two

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

percent funding; potential appropriate uses; and status of local promotion agencies. **Council consensus to schedule a joint meeting with the Town Lodging Tax Advisory Committee to discuss and give direction for the development of a process and alternative use of funding.**

Ordinance No. 1421

At 6:18 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1421, increasing the monetary value of construction costs associated with the applicability of required improvements to the public right-of-way. Administrator Fitch explained that said Ordinance requires improvements to the right-of-way for all construction, reconstruction and remodeling of building where the value of said improvements exceeds a total of \$100,000.00; and all construction of land surfaces, including regrading and paving where the value of said improvement exceeds a total of \$50,000.00. Discussion followed regarding Town Street Standards and providing exceptions for fire safety improvements and low impact development.

Moved Monin, seconded by Hushebeck, to adopt Ordinance No. 1421, increasing the monetary value of construction costs associated with the applicability of required improvements to the public right-of-way. Motion passed 4-0 with Brooks absent.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:28 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented that there were no recent meetings with Washington State Ferries; provided a summary of bills under consideration by State Legislature; and described the latest round of budget reductions by the County. No discussion followed.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher listed future agenda items.

Mayor Lacher provided an update on the proposal to become sister cities with Shetland, Scotland.

Mayor Lacher reported that one local barn has been listed on the National Historic Heritage Register.

Mayor Lacher reported that the local Girl Scout troop has volunteered to perform a community service project and suggested that they couple with Soroptimist, Intl. to paint the Cahail Park fence.

CITIZEN RESPONSE

There were no public access items forthcoming.

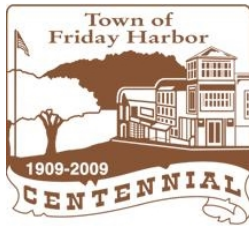
ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to continue the meeting until Thursday, February 25, 2010. The next regular meeting is scheduled for Thursday, March 4, 2010 at 12:00 p.m.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by de Freitas, seconded by Menjivar, to continue the meeting at 6:42 p.m. Motion passed 4-0 with Brooks absent.

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These minutes were approved on March 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, February 25, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

Mayor Lacher reconvened the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; Attorney, Don Eaton; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Tourism Related Facility

At 5:31 p.m., Mayor Lacher introduced Council discussion regarding consideration of purchasing property at 150 Nichols Street to site, among other things, a tourism related facility.

Attorney Eaton referred to his memorandum dated February 12, 2010, in which he explained that he attended conference calls with the Attorney General's Office (AGO) regarding how best to obtain a formal opinion on the appropriateness of using hotel/motel funds for acquisition of 150 Nichols Street; and with the State Auditor's Office (SAO) regarding provisions that will satisfy the SAO that the property is intended for, and will be used as, a tourism-related facility.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Attorney Eaton stated that he was confident that Town will not receive a firm confirmation from the SAO or AGO in advance to any expenditure of hotel/motel funds that use of said funds are appropriate for acquisition of said property.

Mayor Lacher opened the discussion to Council questions for staff and Lovel Pratt, Agricultural Guild Project Coordinator.

Councilmember Hushebeck stated that he was disappointed that Town was unable to get an official opinion from the State, but was encouraged by Attorney Eaton's comments that provisions in a lease agreement would in all probability satisfy the SAO. Attorney Eaton commented that conversations with the SAO were extremely helpful and that the SAO provided as much guidance as they could.

Councilmember Monin thanked Attorney Eaton and Administrator Fitch for their efforts and "what appears to be the proper due diligence" in working towards satisfying the contingencies contained in the approved Memorandum of Understanding (MOU) dated December 18, 2009. Councilmember Monin stated that he is on record for opposing the approval of said MOU.

Councilmember Menjivar stated that he appreciated Attorney Eaton and Administrator Fitch's due diligence. Councilmember Menjivar stated that he was uncomfortable with the risks that accompany the proposal and that Town should not move forward with the proposal if Town is unable to secure a definitive opinion from the SAO regarding the appropriateness of using the funding to secure the property. Councilmember Menjivar added that it was time for Town to stop investing resources for the development of this proposal if the primary contingency of the MOU can not be satisfied. Attorney Eaton stated that if Town moves forward, the risk of receiving a finding from the state will continue to exist, but the likelihood could be mitigated.

Councilmember Brooks stated that receiving approval from the State regarding use of the funding was of less concern to her than other issues.

Administrator Fitch noted that Town recent expenditures for legal services have been frugal.

Councilmember Brooks inquired if an appraisal has been performed on the property to date. Ms. Pratt stated that the SJC Land Bank has initiated an appraisal for the value of the proposed historic and conservation easement on the property. Attorney Eaton explained that determining the value of the property is part of the appraisal process and will be completed by May 2010 per the MOU. Discussion of the appraisal process followed.

Councilmember Brooks inquired if the Agriculture Guild had a long term business plan. Ms. Pratt answered in the affirmative. Councilmember Brooks stated concern that the Guild has no way of insuring its longevity or vision as an organization, and yet is requesting a fifty year lease for operation. Councilmember Brooks stated that if Town

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

moves forward with purchase of the property, as landlord, it will have the continual risk of assuming the Guild's responsibilities.

Councilmember Brooks inquired about the restoration budget for the project. Ms. Pratt stated that she was not directed by the Council to have budgetary information available for the meeting. Mayor Lacher concurred.

Councilmember Hushebeck inquired about the Guild's business plan. Ms. Pratt explained that the business plan has been in place for approximately one year and continues to evolve as the Town, Land Bank and Guild work through contingencies contained in the MOU. Mayor Lacher commented that former-Mayor Jones committed to working with the Guild for development of a final business plan.

Mayor Lacher inquired if there were any more questions for staff or Ms. Pratt. Hearing none, Mayor Lacher requested that the Council clarify its position on this proposal and to take action to reaffirm or rescind their support of the MOU.

Councilmember de Freitas stated that she was unprepared at this point, due to lack of information, to withdraw her support from the proposal. Councilmember de Freitas noted that all parties involved in the proposal require additional time to satisfy contingencies contained in MOU.

Councilmember Menjivar stated that participation in the proposal using hotel/motel funding will always be a risky endeavor for the Town.

Moved by Menjivar, seconded by Monin, to terminate the Memorandum of Understanding between the Town, Agricultural Guild and SJC Land Bank. [Motion withdrawn below.]

Councilmember Monin stated that he disagreed with the location of project. Councilmember Monin added that he agreed with the vision of a permanent farmer's market and wishes that the community pursues the development of a Town Commons in a location that is conducive to attracting tourists and residents for its use.

Councilmember Menjivar stated that it was not the time for the Town to be involved in the project for economic reasons; that the project has merit; and encouraged the Guild to seek alternate funding.

Councilmember Brooks stated that she supports the concept of a Town Commons and permanent farmers market, but could not justify the proposal's overall risks to the Town. Councilmember Brooks listed her concerns, including limited parking, anticipated restrictions on the property, and misgivings regarding the Guild's business plan.

Councilmember Hushebeck stated that both proponents and opponents of the project have valid arguments. Councilmember Hushebeck stated that his willingness to continue to pursue the proposal is based on the rare opportunity to revitalize that area of the downtown core.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmember de Freitas stated that Town should allow the proponents of the project the time needed to complete a feasible proposal before making its final determination of support.

Mayor Lacher commented on her passion for the project and acknowledged the lack of Council consensus regarding the issue. Mayor Lacher emphasized that the fairest action for all parties involved would be to clarify the Council's position. Discussion followed regarding amendment of the motion on the floor. Per suggestion from Attorney Eaton, the following actions took place:

Motion withdrawn by Menjivar and second withdrawn by Monin.

Moved by Menjivar, seconded by Monin, to terminate Town's participation in the Memorandum of Understanding dated December 18, 2009, between the Town, Agricultural Guild and SJC Land Bank, due to lack of satisfaction of Memorandum of Understanding Contingency No. IV-D (See Clerk's Note.) Motion passed 3-2 with Hushebeck and de Freitas opposed.

[Clerk's Note: Memorandum of Understanding Contingency No. IV-D states, "The Town shall have received confirmation from the State Auditor's Office that use of the hotel/motel funds for acquisition of the Property is appropriate, or, in the alternative, a formal Attorney General Opinion that has been issued in response to a specific request that has been pre-approved by, or is otherwise satisfactory to, the Town."]

CITIZEN RESPONSE

Roger Bennett, 491 Golf Course Road, thanked the Council for exercising caution in this matter.

Lynn Danaher, PO Box 2627, thanked the Council for their decision.

Ms. Pratt expressed disappointment in the decision, but thanked the Council for coming to a decision regarding the project. The Council encouraged the Guild to continue working toward a feasible proposal.

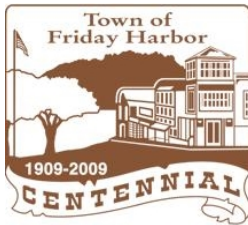
MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher requested a motion to adjourn. The next regular meeting is scheduled for Thursday, March 4, 2010 at 12:00 p.m.

Moved by Brooks, seconded by Hushebeck, to adjourn the meeting at 6:11 p.m. Motion passed unanimously.

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These minutes were approved on March 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, March 4, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Don Eaton was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

Chinmayo, Centennial Mural Project Coordinator, provided a status report on the centennial mural project. The first tile panel for the project is under construction.

ACTION AND DISCUSSION ITEMS

Resolution No. 1773

At 12:06 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1773, authorizing the Mayor to execute an agreement with SCS Engineers for 2010 groundwater monitoring program services at the Friday Harbor Landfill. Administrator Fitch explained the particulars of the agreement. SCS Engineers has offered to perform quarterly landfill gas monitoring and groundwater sample collection, data review, and

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

completion of an Annual Monitoring Report for year 2010, as required by SJC Health and Community Services and the Department of Ecology, in the amount of \$59,222.00. Discussion followed regarding costs associated with the agreement.

Moved by Monin, seconded by de Freitas, to adopt Resolution No. 1773, authorizing and directing the Mayor to execute an agreement on a time and material basis, not to exceed \$59,222.00 with the consulting firm of SCS Engineers for year 2010 groundwater monitoring program services at the Friday Harbor Landfill. Motion pass unanimously.

Resolution No. 1774

At 12:12 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1774, authorizing the Mayor to execute an agreement with SCS Engineers for additional regulatory compliance services at the Friday Harbor Landfill. Administrator Fitch explained the particulars of said agreement. After review of annual groundwater reports, the SJC Health and Community Services and the Department of Ecology have required additional information to satisfy regulatory compliance with State and local codes. SCS Engineers has offered a proposal to, among other items, update the Town's Sampling, Analysis and Quality Assurance Plan per the recommendations of said agencies, in the amount of \$6,185.00. Discussion followed regarding testing practices for vinyl chlorides and other contaminants in groundwater, current regulations and post-closure activities.

Moved by Monin, seconded by Brooks, to adopt Resolution No. 1774, authorizing the Mayor to execute an agreement on a time and materials basis, not to exceed \$6,185.00, with the consulting firm of SCS Engineers for additional regulatory compliance services at the Friday Harbor Landfill. Motion passed unanimously.

Resolution No. 1775

At 12:22 p.m., Mayor Lacher introduced draft Resolution No. 1775, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the engineering firm of Brown & Caldwell to develop plans and specifications for addition of a granular activated carbon contact system to the Water Treatment Plant. Administrator Fitch explained the particulars of said agreement. Town has performed pilot studies using both ozone and aeration systems which have failed to significantly control levels of Trihalomethanes. Roche Harbor Water System, which has a similar surface water source to that of Trout Lake, performed a pilot study and subsequently installed an activated granular carbon contact system that has significantly reduced the level of Trihalomethanes and improved the taste in their finished drinking water. The engineering firm of Brown & Caldwell has offered to provide professional services to develop plans, specifications and bidding documents for installation of said system in the amount of \$119,155.00. Discussion followed regarding the deliverables of the agreement, estimated costs for installation of said system, and other technology in use, such as Solar Bees at Trout Lake.

Moved by Menjivar, seconded by de Freitas, to adopt Resolution No. 1775, authorizing and directing the Mayor to execute an agreement on a time and

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

material basis, not to exceed \$119,155.00 with the engineering firm of Brown & Caldwell to develop plans and specifications for addition of a granular activated carbon contact system to the Town Water Treatment Plant. Motion passed unanimously.

Ordinance No. 1422

At 12:32 p.m., Mayor Lacher introduced consideration of draft Ordinance No. 1422, concerning certain standards for the short subdivision of land. Land Use Administrator, Michael Bertrand explained that the purpose of said Ordinance is to revise the design standard for minimum lot frontage of seventy five (75) feet for a short division of land contained in FHMC 16.08.090 to sixty (60) feet. Said amendment, among other reasons, allows for uniform lot lines in planned residential developments. Discussion followed regarding minimum lot size requirements for land division and densification.

Moved by Brooks, seconded by Hushebeck, to adopt Ordinance No. 1422, concerning certain standards for the short subdivision of land and amending FHMC 16.08.090. Motion passed unanimously.

Ordinance No. 1423

Concurrently with Ordinance No. 1422, Mayor Lacher introduced consideration of draft Ordinance No. 1422, concerning certain standards for the long subdivision of land. Land Use Administrator, Michael Bertrand explained that the purpose of said Ordinance is to revise the design standard for minimum lot frontage of seventy five (75) feet for a long division of land contained in FHMC 16.04.090 to sixty (60) feet. No discussion followed.

Moved by Brooks, seconded by Hushebeck, to adopt Ordinance No. 1423, concerning certain standards for the long subdivision of land and amending FHMC 16.04.090. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADMINISTRATOR'S REPORT

At 12:35 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Comprehensive Plan Review - The Council was invited to attend a joint public hearing with the Planning Commission on April 27, 2010 at 5:30 regarding proposed 2010 revisions to the 2002 Comprehensive Plan. Land Use Administrator Bertrand reported that two (2) requests for parcel reclassification and one (1) request for a subdivision of Country Village Estates - Phase II are tentatively scheduled. Administrator Fitch noted that the public hearings are quasi-judicial in nature. **Council consensus to attend said meeting.**
- Ordinance No. 1421 - Adopted Ordinance No. 1421 concerning the applicability of required improvements to the public right-of-way for curb, gutter and sidewalk was distributed for review. Discussion followed regarding the exemption of life-safety improvements, such as fire suppression systems, from said applicability. **Council consensus to discuss said policy decision as a future agenda item.**
- Community Ball Fields - Conditional Use Permit No. 62 continues to have little to no activity. The new School District No. 149 Superintendent is unavailable at this time to discuss status of the project. Discussion followed regarding proactively providing information to the public regarding status of the project in anticipation of the closure of the baseball field located on Marguerite Street.
- 2009 Groundwater and Gas Monitoring Report - The Executive Summary of said report was distributed for review. The report indicates that at this time, based on the stable conditions observed and slight improvements in groundwater quality, no action other than continued monitoring is recommended provided that surface-water management issues identified therein continue to be addressed.
- Department of Ecology (DOE) Letter - The DOE has issued a letter as part of the processes under the Model Toxics Control Act regarding listing the Friday Harbor Landfill.
- Letter of Interest - Land for Parking - A letter was received from Joel Douglas, Montecito Condominium owner, regarding potential sale and/or trade of land for use as parking abutting Nichols Street, also known as the westerly portion of Tax Parcel No. 351391120.
- Letter of Resignation - Frank Chaffee, Fire Department Training Officer, will resign his position effective Friday, March 4, 2010.
- Water Resource Management Committee (WRMC) - Administrator Fitch will attend a WRMC meeting on March 8, 2010 regarding water rights. Discussion followed regarding status of Town water rights and reductions in State funding for certification of new water rights.
- Public Works Trust Fund - The Fund has announced the availability of loans for year 2012. Deadline for submittal of grant applications is May 2011 for the 2012 loan cycle. Discussion followed regarding qualifying projects.
- SJC Voter Registration Fees - The voter registration fees through the County increased to \$6,300 for year 2010.
- SJC Elections Questionnaire - The Election's Office has provided a questionnaire for update of contact information.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- Emergency Management Training - An earthquakes emergency training seminar has been scheduled on May 27, 2010.
- Solid Waste Transfer Station - The County was considering several options for funding of the SJI Transfer Station that are now found to be unviable. Town is now anticipating a rate increase.
- Street Name - Town received a request to name the alley behind Guard Street. Discussion followed regarding the process used for naming streets within Town limits.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, second by de Freitas, to affirm the payment of Payroll Warrant Nos. 14307 through 14352 in the amount of \$220,662.86 and approve the payment of Claim Warrant Nos. 33768 through 33805 in the amount of \$101,480.47. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by Monin, seconded by de Freitas, to approve the minutes of **February 18, 2010 as submitted**. Motion passed 4-0 with Brooks abstaining.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher congratulated Attorney Eaton on his recent appointment to SJC Superior Court Judge. Mr. Eaton will be assuming the responsibilities of SJC Superior Court Judge effective March 22, 2010. Discussion followed regarding the appointment process for Town Attorney.

Mayor Lacher provided an update on the recent Leadership San Juan workshop.

Councilmember Brook provided a tentative schedule for painting of the Cahail Park fence by the local chapters of Girl Scouts and Soroptimist, Int.

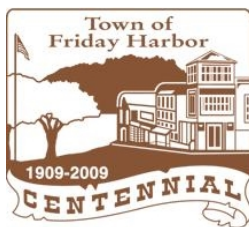
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:22 p.m. The next regular meeting is scheduled for Thursday, March 4, 2010 at 5:30 p.m.

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These minutes were approved on March 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, March 4, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Don Eaton was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Trout Lake Watershed

At 5:31 p.m., Mayor Lacher introduced discussion regarding management of Trout Lake Watershed. Councilmember Monin explained that a previous committee began addressing stewardship of the Watershed. Councilmember Monin requested that the Council give direction to the reinstated Watershed Management Committee so they may begin drafting a stewardship plan for the area. Councilmember Monin noted that "no match" Forestry Assistance Grants are available through the USDA Forestry Service to assist the drafting of urban forest management plans. Councilmember Brooks stated that Town may be able to take simple steps in the short term to improve stewardship, such as improving the condition of maintenance roads within the watershed. Administrator Fitch described current and past stewardship practices. Discussion followed regarding liabilities associated with opening the Watershed for public access; emergency preparedness, such as fire suppression; and general forestry practices for publicly owned land. Administrator Fitch recommended that Town seek the assistance of a grant writer if Council approves applying for said grant; and consultant for drafting of the stewardship plan once the Council approves a scope of work. **Council consensus for the Watershed Management Committee to review the San Juan County Watershed Action Plan, among other watershed stewardship documents, and begin developing a scope of work for a stewardship plan for the Trout Lake Watershed.**

Street Standards

At 5:58 p.m. Mayor Lacher introduced discussion regarding revision of the adopted 1997 Street Standards. Administrator Fitch explained the evolution of said document. The Standards are intended as guidelines for developers and engineers in preparing plans and specifications for Town review. The Standards apply to all improvements within the existing and proposed public right-of-way; for all improvements intended for maintenance by the Town; and for all other improvements for which the FHMC requires approval. Administrator Fitch described difficulties that arise when development and community needs conflict with the adopted Standards. Discussion followed regarding redesign of the arterial and urban landscape standards contained therein; incorporation of low impact development standards; speculated stormwater regulations; and safety

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

and accessibility standards for disabled citizens. Administrator Fitch offered example methods for determining revisions of the Standards. **Council consensus to hold a retreat to further discuss updates to the 1997 Street Standards.**

Lodging Tax Advisory Committee (LTAC)

At 6:26 p.m., Mayor Lacher introduced discussion regarding holding a joint meeting with the LTAC to discuss development of a process for disbursement of first two percent hotel/motel tax monies. Clerk Taylor stated that the LTAC members are available to meet on March 18, 2010 during the afternoon session. **Council consensus to meet jointly with the LTAC on March 18, 2010.**

Joint Town and County Council Meeting

At 6:26 p.m., Mayor Lacher introduced discussion regarding the second quarterly joint meeting with the San Juan County Council. Discussion followed regarding potential topics for discussion. SJC Councilmember Howard Rosenfeld provided an update regarding the SJI Transfer Station. **Council consensus to postpone the second quarterly joint meeting with the San Juan County Council.**

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:06 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld provided additional information regarding HB 2816 under consideration by State Legislature and draft Washington State Ferries Spring Sailing Schedule. Discussion followed regarding the withdrawal of Council support for HB 2816. No action was taken.

APPROVAL OF MINUTES

Moved by Brooks, seconded by de Freitas, to approve the minutes of **February 25, 2010 as submitted.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher stated that Town has issued a letter of introduction to invite Shetland, Scotland to become sister city to Friday Harbor.

Councilmember Hushebeck is scheduled to attend round table discussions with the Chamber of Commerce regarding parking issues.

CITIZEN RESPONSE

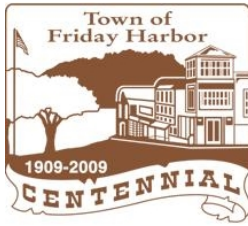
There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 6:47 p.m. The next regular meeting is scheduled for Thursday, March 18, 2010 at 12:00 p.m.

* * * * *

These minutes were approved on March 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, March 18, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; and Clerk, Amy Taylor.

Town Administrator, C. King Fitch and Attorney, Don Eaton were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

Bill LaPorte, President of Fire Harbor Fire Fighters Association, and Vern Long, Fire Chief, presented the Mayor and Town Council with a lithograph in honor of the Friday Harbor Fire Department centennial.

ACTION AND DISCUSSION ITEMS

Proclamation - Earth Hour

At 12:03 p.m., Mayor Lacher proclaimed Saturday, March 27, 2010 from 8:30 p.m. to 9:30 p.m. as Earth Hour and urged all citizens to join in turning out their lights to significantly reduce energy consumption globally. Councilmember Brooks stated opposition to the action for safety reasons.

Joint Meeting - Lodging Tax Advisory Committee

At 12:10 p.m., Mayor Lacher introduced discussion with the Lodging Tax Advisory Committee (LTAC) regarding disposition of first two percent hotel motel tax funding. Clerk Taylor called the roll for the LTAC. LTAC members Steve Hushebeck, Carrie Brooks, David Pass, Jim Smith, Greg Zervas and Lori Petersen were present. Mayor Lacher explained that the purpose of the meeting was to give clarification and direction to the LTAC so they may recommend a process, if any, for distribution of said funding. Treasurer Picinich explained the allowable uses for the funding. Discussion followed regarding the public restrooms.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmember Monin stated that Town should implement a proposal process if use of the first two percent monies is expanded for use beyond construction of a second public restroom facility.

Councilmember de Freitas explained that the tourism visitation projections are below average and that Council could use a portion of the funding on an "emergency" basis to boost tourism promotion. Discussion followed.

Jim Smith explained how the hotel / motel tax benefits the community as a whole and stated that the first two percent funding should be focused on "infrastructure". Mr. Smith explained that tourism promotion and beautification of the Town are part of its infrastructure.

David Pass inquired what the goal amount for the building of a second public restroom was. Treasurer Picinich explained that there is currently \$500,000 in the account and described anticipated costs, such as property acquisition, for construction of a new restroom facility. Discussion followed regarding the costs associated with the current public restroom and future infrastructure needs.

Mayor Lacher noted that Council had previously discussed reapportioning the disbursement of funding, such as adjusting the percentage of funds that would be used for tourism promotion versus capital improvement projects. Deborah Pigman, Executive Director of the Visitors Bureau, explained that the current trend in tourism is experiencing a decline and emphasized that the Town and San Juan County are constantly competing with other municipalities for tourism dollars. Discussion followed regarding the Visitors Bureau's operation budget.

Councilmember Menjivar inquired how the Council would go about disbursing an emergency allocation for tourism budget. Greg Zervas suggested that the funding be disbursed to the Visitors Bureau and SJI Chamber of Commerce. Discussion followed. Mayor Lacher suggested that the LTAC hold a meeting to discuss the issue and submit a formal recommendation to the Council for consideration.

Lori Petersen requested that the Council set parameters for a policy for disbursement of the first two funding. Discussion followed. Treasurer Picinich reviewed legislative stipulations for use of the funding.

Mayor Lacher thanked the LTAC. Councilmember Brooks adjourned the meeting of the Lodging Tax Advisory Committee.

PAYMENT OF CLAIMS Moved by Monin, second by de Freitas, to approve the payment of Claim Warrant Nos. 33807 through 33876 in the amount of \$299,013.90. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by de Freitas, seconded by Hushebeck, to approve the minutes of **March 4, 2010 as submitted**. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks requested that Orcas Power and Light Cooperative (OPALCO) be invited to discuss their buy-back energy program. Mayor Lacher suggested that Councilmember Brooks coordinate with OPALCO and return with potential meeting dates.

Councilmember Monin requested an opportunity to give an update on the SJC Housing Bank Commission.

Mayor Lacher requested recommendations for appointment to a vacancy on the Town Planning Commission.

Treasurer Picinich noted that the Town currently owns two other fire command vehicles in addition to the Ford sedan recently gifted to the Fire Department.

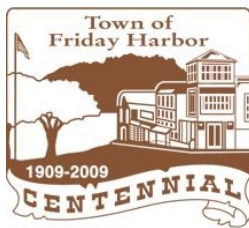
CITIZEN RESPONSE

Dave Smith, Street Department Leadman, distributed stormwater detergent test results. No events for detergents have been detected in the past three weeks.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 12:56 p.m. The next regular meeting is scheduled for Thursday, March 18, 2010 at 5:30 p.m.

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These minutes were approved on April 1, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, March 18, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Attorney, Don Eaton; and Clerk, Amy Taylor.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Town Administrator, C. King Fitch was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Recognition of Service - Attorney Donald Eaton

At 5:33 p.m., Mayor Lacher invited Treasurer Picinich to present Attorney Eaton with a plaque in recognition of his tenure as Town Attorney. Attorney Eaton was appointed by Governor Gregoire to fill the position of Superior Court Judge for San Juan County. Mayor Lacher proclaimed the following; "I, Carrie Lacher, by virtue of the authority vested in me as Mayor of the Town of Friday Harbor, do hereby applaud Donald Eaton's appointment to the bench and express our great appreciation for the services he has rendered to the Town during his tenure as Town Attorney. By this proclamation I hereby memorialize that tonight, his last Town Council meeting will adjourn in his honor, and with the respect and gratitude of the citizens of Friday Harbor." Attorney Eaton thanked the Mayor and Council for their warm regards.

Watershed Management Plan

At 5:39 p.m., Mayor Lacher introduced Vern Long, Fire Chief, to give an update on the 2010 Watershed Assistance Grant. Chief Long explained that the grant is in the amount of \$10,000 and is administered by the Department of Natural Resources. Said grant may be used for inventory, general planning, fire protection planning and developmental planning of urban forests. Chief Long explained that the current condition of the roadways within the watershed pose the greatest health and safety issue for the watershed. If a fire event were to occur, neither the Town nor County apparatus would be able to access the watershed effectively. Chief Long noted that the aftermath of a serious fire event would severely pollute the Town water source. Discussion followed regarding deliverables for the grant and funding from the Town Water Fund in the event of an emergency. Mayor Lacher thanked Chief Long for the update.

Fire Hose Bid

At 5:51 p.m., Mayor Lacher introduced discussion of rejection of all bids for purchasing fire hose. Mayor Lacher explained that per the memorandum from Administrator Fitch dated March 12, 2010, that Town did not receive any responsive bids that met or exceeded the advertised bid specifications. In his memo, Administrator Fitch recommended rejection of bids. Discussion followed regarding why said bids were considered unresponsive.

Moved by Monin, seconded by Hushebeck, to reject specifications and bids received on March 10, 2010 for various sized fire hose. Motion pass unanimously.

Parking Issues

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 5:53 p.m., Mayor Lacher introduced Councilmember Hushebeck to provide an update regarding roundtable discussions by the Chamber of Commerce concerning parking issues. Councilmember Hushebeck explained that the purpose of this initial meeting was to provide an open forum discussion to identify what the current issues and ideas were about the on-going parking situation in the downtown core. No specific direction or actions were decided during the forum. Discussion followed regarding talking points identified during said forum; monies available in the Town parking fund; and development of a Regional/Local Transportation Organization. No action was taken.

SJI Transfer Station - Proposed SJC Rate Schedule

At 6:06 p.m., Mayor Lacher introduced discussion regarding proposed solid waste disposal rates. Treasurer Picinich summarized recent meetings of the SJC Council in which she was in attendance. Treasurer Picinich suggested that she and Administrator Fitch provide information at the March 27, 2010 Council Retreat regarding the history of the Town Refuse Utility, SJI Transfer Station and Town's relationship with the County regarding the SJI Transfer Station. Mayor Lacher concurred. No action was taken.

Resolution No. 1776

At 6:08 p.m., Mayor Lacher introduced draft Resolution No. 1776, accepting the bill of sale from San Juan Community Home Trust for certain improvements to the Town water system. No discussion followed.

Moved by Brooks, seconded by Hushebeck, to accept the bill of sale from San Juan Community Home Trust for certain improvements to the Town water system. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:09 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on recent County Council meetings regarding the County Solid Waste Utility and Washington State Ferries (WSF) spring and summer sailing schedules. Options for increased revenue for the SJI Transfer Station include a proposed \$12 minimum solid waste surcharge. Discussion followed regarding County adjustment of Town's rates to bring the Town into parity with San Juan Sanitation rates. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Councilmember Monin listed the SJC Housing Bank Commission's (HBC) recommendations for HB2060 funding grant recipients for the 2010 grant cycle available through the County. The HBC will recommend distribution of approximately \$60,000.00 to the County Council.

Mayor Lacher noted that staff members have requested a letter of endorsement to submit with name proposals to the Washington State Transportation Commission for the new 64-car ferry that is under construction.

Mayor Lacher reviewed discussion topics for the Saturday, March 27, 2010 Council Retreat. Discussion followed regarding street standards, pending legislation and financial management for stormwater management.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher noted that the local Girl Scout / Brownie Troup has requested annual recognition of "Girl Scout Week".

Councilmember de Freitas requested that discussion of noise related issues be added to a future agenda.

Mayor Lacher noted that she has scheduled a meeting with a board member of School District No. 149 to discuss status of the community ball fields.

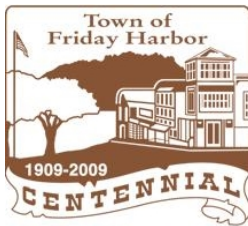
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher continued the meeting at 6:40 p.m. The continued session is scheduled to reconvene on Saturday, March 27, 2010 at 12:30 p.m. The next regular meeting is scheduled for Thursday, April 1, 2010 at 12:00 p.m.

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These minutes were approved on April 1, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Saturday, March 27, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich and Town Administrator, C. King Fitch.

Clerk, Amy Taylor were not present.

WORK SESSION

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

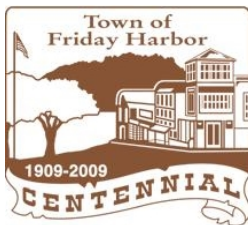
The Council discussed the following items as part of their Retreat:

- San Juan Historical Museum visit by Council to be scheduled May 6th or May 20th, 2010 during the afternoon session;
- SJC draft ordinance regarding solid waste disposal rates;
- Year-to-date status of 2010 Town Budget;
- Statewide legislation regarding stormwater regulations;
- Staff to apply for DNR Forestry Assistance Grant;
- Water transmission replacement project and the Boe property annexation; and
- Requested future meeting agenda items:
 - Sign regulations;
 - Graffiti regulations; and
 - Dog regulations

ADJOURNMENT – Hearing no objection, Mayor Lacher adjourned the meeting at 4:40 p.m. The next regular meeting is scheduled for Thursday, April 1, 2010.

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These minutes were approved on April 1, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, April 1, 2010 – Town Council Chambers - Afternoon Session
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CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS

Town Attorney

At 12:01 p.m., Mayor Lacher introduced Adina Cunningham, Kobayashi Cunningham Law, PLLC, whom she appointed as Town Attorney effective May 1, 2010 to replace Attorney Eaton. Ms. Cunningham thanked Mayor Lacher and the Council for her appointment.

Energy Alternatives

At 12:03 p.m., Mayor Lacher introduced discussion regarding energy alternatives. Councilmember Brooks introduced Randy Cornelius, General Manager for Orcas Power & Light Cooperative (OPALCO), to discuss alternative energy programs offered through OPALCO. Mr. Cornelius explained that OPALCO supports alternative energy and power generation by members of the cooperative; described costs associated with solar power generation; outlined agreement terms for OPALCO's "net-metering" and "buy-sell" programs; and methods to reduce energy consumption. Discussion and inquiry followed regarding costs and potential incentives for installation of solar power at the Friday Harbor Landfill. The Council thanked Mr. Cornelius for his presentation. No action was taken.

ADMINISTRATOR'S REPORT

At 12:20 p.m., Administrator Fitch presented the Town Council with an update of the following:

- AWC Retrospective Rating Program - Town will receive a Labor and Industries insurance premium refund check in the amount of \$1,715 as part of the member distribution program.
- AWC Risk Management Services Operations Committee - The Town's self-insurance pool currently has eighty six (86) members and one hundred three (103) open claims. The Committee voted to recommend retaining assets for settling the open claims. Town will not receive an annual dividend return for premium costs this year.
- Smoot's Alley - The homeowner who requested that the Town name the alley behind Guard Street has suggested "Smoot's Alley". Discussion followed regarding the location of said alley. **Council consensus to assign the name of Smoot's Alley to the alley south of Guard Street.**

Resolution No. 1777

At 12:28 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1777, authorizing the Mayor to execute Amendment No. 3 to Loan Agreement No. L0800010 with the Department of Ecology (DOE) for funding construction of the sewer replacement project. Administrator Fitch explained that the DOE has offered a final loan repayment schedule with zero interest. No discussion followed.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1777, authorizing the Mayor to execute Amendment No. 3 to Loan Agreement No. L0800010 with the Department of Ecology to revise the final loan repayment

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

schedule for funding construction of the sewer replacement project. Motion passed unanimously.

Resolution No. 1778

At 12:30 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1778, authorizing the Mayor to accept a proposal from Pacific Power Generation to provide annual emergency generator maintenance. Administrator Fitch explained that the low responsive bid of \$8,360 was received from Pacific Power Generation on March 10, 2010 for annual emergency generator maintenance and load bank testing services. No discussion followed.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1778, authorizing the Mayor to accept a proposal from Pacific Power Generation to provide annual emergency generator maintenance and load bank testing services for an initial cost of \$8,360.00.

Resolution No. 1779

At 12:34 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1779, authorizing the Mayor to offer for public sale such used equipment deemed surplus. Administrator Fitch explained the process for deeming items surplus. A date for sealed bids for surplus equipment is yet to be determined. No discussion followed.

Moved by Hushebeck, seconded by de Freitas, to adopt Resolution No. 1779, authorizing the Mayor to offer for public sale such used equipment deemed surplus. Motion passed unanimously.

Historical Preservation Review Board

At 12:37 p.m., Mayor Lacher asked the Council to affirm the reappointment of Matt Shildneck to Position No. 2 on the Town Historic Preservation Review Board. The Council indicated approval of said nomination.

Moved by Brooks, seconded by Hushebeck, to affirm the reappointment of Matt Shildneck to the Town Historic Preservation Review Board. Motion passed unanimously.

ADMINISTRATOR'S REPORT (cont.)

At 12:37 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Spring and Mullis Street Crosswalk - Town received a request from Islands Convalescent Center to revisit the request to install a crosswalk at the Spring and Mullis Street intersection. Discussion followed regarding pedestrian safety and traffic control. **Council consensus to add the issue to a future agenda.**
- 2010 Forestry Assistance Grant - Town staff has prepared a grant application to the Department of Natural Resources for assistance to perform a tree and plant inventory within the Trout Lake Watershed. Said grant application is in the amount of \$10,000 with \$5,000 in-kind match for a total of \$15,000. If Town's application is successful, said tree

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

inventory would be completed in summer 2010 and forwarded to Town consultants for development of a watershed management plan. **Council consensus to submit said grant application in the amount of \$10,000 to the Department of Natural Resources for assistance to perform a tree and plant inventory within the Trout Lake Watershed by the April 9, 2010 deadline.**

- Sewer Replacement Project - Town staff is reviewing the Brown and Caldwell design for an additional sewer pressure line in the Guard Street right-of-way.
- Permanent Farmer's Market - The SJI Agricultural Guild has inquired construction of about curb, gutter and sidewalk improvements at 150 Nichols Street. If the Guild purchases the property, they would like to extend the right-of-way improvements, thereby eliminating two parking stalls. **Council consensus to discuss during the evening session of April 1, 2010.**
- Waste Water Treatment Plant - Town engineering consultants have indicated that we may have to consider the installation of additional bio-filters to clean the air, when enclosing the sludge dryer building, to mitigate the odor issue. This will increase the scope of work of the engineer.
- Peace Health Hospital Project - Peace Health has requested that Town advise them about the Town's timetable for relocation of the water main transmission line on the Boe Property.
- SJI Transfer Station - A draft letter was distributed regarding several solid waste related issues concerning the Town and San Juan County. **Council consensus to sign said letter.**

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, second by Brooks, to affirm the payment of Payroll Warrant Nos. 14355 through 14441 in the amount of \$222,272.37 and approve the payment of Claim Warrant Nos. 33878 through 33923 in the amount of \$92,174.50. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by Monin, seconded by de Freitas, to approve the minutes of **March 18, 2010 and March 27, 2010 as submitted.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks will invite Representative Morris to reschedule his presentation regarding alternative energy incentives.

Mayor Lacher met with David McCauley, Board President of School District No. 149, to discuss status of the ball fields on Carter Avenue. Mayor Lacher was informed that the issue will become a priority of the new School Superintendent.

Councilmember Monin suggested that the Council meet for an additional retreat before summer. Mayor Lacher suggested May 22, 2010 or June 5, 2010.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

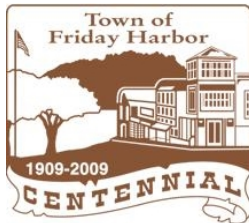
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:04 p.m. The next regular meeting is scheduled for Thursday, April 1, 2010 at 5:30 p.m.

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These minutes were approved on April 15, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, April 1, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Noise Related Disturbances

At 5:31 p.m., Mayor Lacher introduced discussion of Town Ordinance No. 1272 regarding noise related disturbances. Councilmember de Freitas explained that the Town recently received complaints relating to construction noise disturbances by the neighboring community of the San Juan Community Home Trust's Sunrise Development. Councilmember de Freitas stated that she was sympathetic to the complainants having gone through a similar experience with her own business during construction of the Churchill Square Plaza; and inquired what could be done to mitigate future issues. Administrator Fitch explained that Ordinance No. 1272 was developed in an attempt to

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

mitigate complaints of excessive noise in residential and commercial areas by establishing situational noise limitations and penalties thereof. Mr. Fitch explained that by intensifying population growth and encouraging urbanization within the Town's corporate boundaries, noise related disturbance and concerns will continue to increase. Administrator Fitch cautioned that regulation of the noise is difficult and subjective in nature unless Town is willing to begin measuring its decibel level; in that those interpreting the noise ordinance must recognize that "what is considered noise to some is considered music by others". Discussion followed regarding enforcement of noise regulations related to construction activities; citation process; and definitions of words within said Ordinance. Councilmember Menjivar requested that the definition of "Event" be clarified for interpretation purposes. Councilmember Hushebeck inquired if conditions can be imposed during the permitting process. Administrator Fitch answered in the affirmative for construction related projects requiring a Conditional Use Permit, but that he was not aware of any restrictive regulations contained in the adopted International Building Code. Councilmember de Freitas suggested that some level of a Memorandum of Understanding be developed between the developers and neighboring community. **Council consensus to consider revising Ordinance No. 1272 as a future agenda item.**

Water Distribution Mainline Replacement Project

At 5:55 p.m., Mayor Lacher introduced discussion of the Water Distribution Mainline Replacement Project. Administrator Fitch requested that the Town Council schedule a work session to begin to discuss said Project after the Council has had time to read and digest the Water Distribution Mainline Replacement Project document. Administrator Fitch provided an overview of certain issues associated with the project, including determination of the route of said distribution line; issues associated with future annexations and growth; financing; and determination of construction phasing. Discussion followed regarding total design and construction costs, phasing and segmentation of design and construction, and logistical issues directly associated with the proposed Boe Property Annexation and the proposed integrated medical facility.

Council consensus to hold a work session with the engineering firm of Brown and Caldwell on April 15, 2010 to discuss said issues and develop a timeline for design and construction of the Water Distribution Mainline Replacement Project.

Fire Cost Allocation Study

At 6:53 p.m., Mayor Lacher introduced discussion of the FCS Fire Cost Allocation Study. Administrator Fitch explained that said analysis, approved per Resolution No. 1735, reviews and recommends revisions, as necessary, to the June 2008 Water, Sewer & Stormwater Utility Rate Study so as to conform with a recent Washington State Supreme Court case confirming that water utility rates should not include the cost of fire hydrants in their water user rates. Town currently has 239 hydrants system wide with 57 located in unincorporated areas. Said hydrants represent an approximate \$87,000 cost in annual maintenance. Town consultants will be developing strategies for funding said deficit. Discussion followed regarding the current methodologies for hydrant maintenance. Staff will return to the Council with said strategies. No action was taken.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 7:04 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld thanked the Council regarding the Town's recent letter regarding the SJI Transfer Station. Mr. Rosenfeld commented on recent meetings with Washington State Ferries (WSF), current vacancy on SJC Ferry Advisory Committee, draft WSF Summer Sailing Schedule, and proposed ferry fare increases. Discussion followed.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher inquired if the Council wanted to schedule an additional Council Retreat. Discussion followed. **Council consensus to hold an additional Council Retreat on June 5, 2010 at 12:30 p.m.** Mayor Lacher reminded the Council that there are joint public hearings scheduled with the Town Planning Commission on Tuesday, April 27, 2010 at 5:30 p.m. regarding land use related issues.

Administrator Fitch inquired if the Council is inclined to allow the SJI Agricultural Guild, if it develops 150 Nichols Street, to install required improvements in the public right-of-way which will eliminate the use of two on-street parking spaces. **Council consensus to eliminate said parking.**

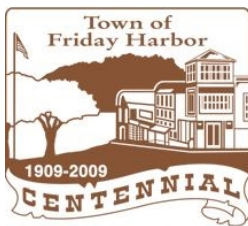
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:18 p.m. The next regular meeting is scheduled for Thursday, April 15, 2010 at 12:00 p.m.

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These minutes were approved on April 15, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, April 15, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Presentation - TGIF Street Market Proposal

At 12:01 p.m., Mayor Lacher introduced Vernadel Peterson, SJI Chamber of Commerce Executive Director; and Jeff and Gail Altman, Project Coordinators, to make a presentation regarding the TGIF Street Market proposal. Mr. Altman explained that the premise of the proposal is to close a portion of First Street from Spring to East Street to vehicular traffic on Friday evenings during the summer season from approximately 5:00 p.m. to 9:00 p.m. for the purpose of holding a weekly street market. The open air market would be populated with local merchants bringing a selection of items ranging from fresh produce, arts & crafts, "street food" and live music. Alcoholic beverages would be prohibited. Stores in that block would be allowed to extend their business to the sidewalk. Local stakeholders have been contacted. Discussion followed regarding safety concerns, towing of vehicles, parking availability, Washington State Ferries, choice of location and steering committee for the event. Mayor Lacher commented that the proposal could be an excellent chance to revitalize the downtown core. **Council consensus for the TGIF Steering Committee to address issues of concern and return with an updated proposal for consideration.**

Water Distribution Main Line Replacement Project

At 12:19 p.m., Mayor Lacher introduced discussion regarding the Water Distribution Mainline Replacement Project. Administrator Fitch explained the history of the pipeline; that the project is complicated, large in scope and affecting many residences and easements; that Town is currently in the design phase of the project; and that staff and engineers need direction to complete the design and to develop specifications. Administrator Fitch introduced Mike O'Neal, Brown and Caldwell Project Engineer, to make a presentation on the technical memorandum (Water Main Replacement Alternative Analysis) describing the development alternatives to replace the existing two sections of water pipeline for the Town. Section 1 is routed from the Water Treatment Plant to the water storage tank, and Section 2 is routed from the Trout Lake Dam to the Water Treatment Plant. It is proposed to upsize the water main to 12 inches from the existing 10-inch main for all alignments and sections.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Three alternative alignments have been identified for Section 1 (between Water Treatment Plant and the storage tank). Alternative 1 follows the same alignment as the current pipe, offset 5-7 feet to avoid disturbance to the existing pipe. The one exception is that Alternative 1 would follow San Juan Valley Road to Spring Street rather than traversing the airport like the existing line. Alternative 2's alignment follows Wold Road to San Juan Valley Road to Spring Street. Alternative Three follows the existing alignment except where the existing pipe travels adjacent to Zylstra Lake. The proposed pipe would follow the dogleg to the north around Wold Road and San Juan Valley Road, similar to Alternative 2.

Two alternatives have been identified for Section 2 (between the dam and the Water Treatment Plant). Alternative 1 follows the existing alignment, offset a safe distance to avoid damage and allow continued operation of the existing line during construction. Alternative 2 follows the existing pipe the first 3,900 feet from the dam, then follows Kiehl Road to Wold Road to the Water Treatment Plant. This alignment was selected to avoid impacts to a high-quality forested wetland that Alternative One impacts.

Based on the financial impacts for the Town, minimizing environmental impacts, providing access for maintenance and repairs, Alternative 2 is the recommended alternative for Section 1. For the same reasons, Alternative 2 is recommended for Section 2. Mr. O'Neal explained the funding methodology for the engineering estimate. The total estimated cost to complete the Water Distribution Main Line Replacement Project from Trout Lake Dam to the Water Treatment Plant to the storage tank is \$8,760,000.

Discussion and inquiry followed regarding phasing the design and construction of said project; existing condition of the pipeline; future growth and needs; other capital facilities project such as raising Trout Lake Dam; and liability associated with the risk of pipeline failure.

Council consensus to proceed with the design of the entire Water Distribution Main Line Replacement Project.

Council consensus to approve the recommendation of the technical memorandum (Water Main Replacement Alternative Analysis) and proceed with the design of Section 1 Alternative 2 and Section 2 Alternative 2.

Council consensus to invite Peace Health to give a status report and discuss their proposed water system design for the integrated medical facility.

Administrator Fitch thanked Mr. O'Neal for the presentation.

PAYMENT OF CLAIMS

Moved by Monin, second by de Freitas, approve the payment of Claim Warrant Nos. 33924 through 33990 in the amount of \$114,515.80. Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher explained that the County would like to begin frequent informal discussions regarding the SJI Transfer Station issue.

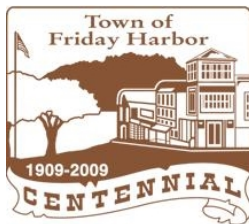
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:52 p.m. The next regular meeting is scheduled for Thursday, April 15, 2010 at 5:30 p.m.

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These minutes were approved on May 6, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, April 15, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Councilmember Brooks requested to be excused from the Tuesday, April 27, 2010 joint meeting with the Town Planning Commission. Council unanimously approved her absence.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS

Ordinance No. 1424

At 5:32 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1424, fixing salaries of elected officials and non-represented personnel. Administrator Fitch explained that said Ordinance revises the compensation for services provided by the appointed Town Attorney. No other revisions are proscribed by the Ordinance to other salaries of officials and non-represented personnel. No discussion followed.

Moved by Brooks, seconded by Hushebeck, to adopt Ordinance No. 1424, fixing salaries of officials and non-represented personnel. Motion passed unanimously.

Resolution No. 1782

Concurrently with Ordinance No. 1424, Mayor Lacher introduced draft Resolution No. 1782, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the law firm of Kobayashi Cunningham Law, PLLC to provide legal services. Administrator Fitch explained that the professional services of Attorney Adina Cunningham are to be contracted. No discussion followed.

Moved by Hushebeck, seconded by Menjivar, to adopt Resolution No. 1782, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the law firm of Kobayashi Cunningham Law, PLLC. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Resolution No. 1780

At 5:41 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1780, authorizing the Mayor to accept a proposal from Wildfire Environmental USA, Inc. to provide various sized fire hose. Administrator Fitch explained that Town has a need to purchase approximately 4,450 lineal feet of various sized fire hose to outfit the new Fire Engine and replace existing hose. Said proposal is in the amount of \$13,195.80. No discussion followed.

Moved by de Freitas, seconded by Monin, to adopt Resolution No. 1780, authorizing the Mayor to accept a proposal from Wildfire Environmental USA, Inc. to provide various sized fire hose. Motion passed unanimously.

Resolution No. 1781

Concurrently with Resolution No. 1780, Mayor Lacher introduced draft Resolution No. 1781, authorizing the Mayor to accept a proposal from L.N. Curtis and Sons to provide four inch fire hose. Administrator Fitch explained that Town has a need to purchase approximately 3,150 lineal feet of four inch fire hose. Said proposal is in the amount of \$20,004.00. No discussion followed.

Moved by de Freitas, seconded by Monin, to adopt Resolution No. 1781, authorizing the Mayor to accept a proposal from L.N. Curtis and Sons to provide four inch fire hose. Motion passed unanimously.

Summer Tourism Promotion

At 5:46 p.m., Mayor Lacher introduced discussion of recommendations relating to a summer tourism promotion campaign. Councilmember Brooks explained that it was the Lodging Tax Advisory Committee recommendation that the Town Council solicit a proposal from the Visitor's Bureau to begin a "one-time" 2010 summer advertising campaign in the amount up to \$25,000.

Councilmember Brooks indicated that the SJI Chamber of Commerce has also developed an integrated television marketing campaign and introduced Vernadel Petersen, SJI Chamber of Commerce Executive Director, to make a presentation. Ms. Petersen explained that Comcast Spotlight Television has available two suitable advertising options for a four month campaign starting in May and continuing through August, with a focus on different areas (zones) each month. Each zone has an approximate cost of \$3,000, so the campaign could be shortened by eliminating a zone. Option A contains eight hundred eight (808) commercials per zone on six (6) network television stations; and internet advertising. Total investment for Option A is \$12,084.00. Option B contains nine hundred twenty (920) commercials per zone on eight (8) network television stations; without internet advertising. Total investment for Option B is \$12,028. Advertising zones include Snohomish, Seattle, Bellevue-Issaquah, and Woodinville-Redmond. Both advertising options are tailored to a target audience age demographic of 25-54. Discussion and inquiry followed regarding the age demographics, fees involved in production of a commercial, and branding associated with Friday Harbor.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by Monin, seconded by de Freitas, to accept the recommendation of the Lodging Tax Advisory Committee and solicit a proposal from the Visitor's Bureau to begin a "one time" 2010 summer advertising campaign in an amount up to \$25,000. Motion passed unanimously.

Moved by de Freitas, seconded by Menjivar, to accept the proposal from the San Juan Island Chamber of Commerce for a Comcast Spotlight Television advertising campaign using Option A with revised age demographics in an amount not to exceed \$15,000.00. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 6:06 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Trihalomethanes (THM) Levels - THM levels measure 76.1 ug/L for the first quarter average of 2010 and 80.35 ug/L for the twelve month average. Town will issue a notification to water users with the Water Quality Consumer Confidence Report.
- Waste Water Treatment Plant - The Plant is experiencing die off of the micro-organisms contained in one of the SBR tanks. Staff believed this may have been a result of seasonal changes; however new evidence now leads to introduction of a toxin into the system. Town is scheduled to receive four tankers of wastewater from the Anacortes Waste Water Treatment Plant in an attempt to recharge the organism population. Discussion followed regarding the forensics needed to identify the cause of the demise of the organisms.
- Martin Street - The sanitary sewer manhole on Martin Street has experienced another surcharge resulting in a spill. Town has cleaned and disinfected the area. Examination of the sewer piping identified in some areas up to six inches of sand and silt in the pipe. Discussion followed regarding how silts enter the system.
- Sewer Replacement Project - A draft Resolution was distributed for Change Order No. 19 of the Sewer Replacement Project. Said Change Order authorizes the installation of a new pressure sanitary sewer pipeline from the intersection of Guard Street and Culver Avenue, along Guard Street and Tucker Avenue to the Waste Water Treatment Plant. Change Order No. 19 is in the amount of \$308,368.37. Discussion followed regarding the construction schedule for the project. **Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1783, authorizing the Mayor to execute Change Order No. 19 on the contract with Strider Construction, Inc. for the Sewer Replacement Project. Motion passed unanimously.**
- Stormwater Detergent Testing - Detergent events have been detected on April 6th, 13th, and 14th, 2010 and were traced to the source. The events originated from a business cleaning equipment in Sunshine Alley. Discussion followed regarding stormwater education. Mayor Lacher noted that the SJC Stormwater Advisory Committee has a vacancy for town representation.
- Waste Water Treatment Plant Improvements - Wayne Haefele Engineering has estimated that design costs will increase by 60% for installation of additional odor filters associated with the proposed enclosure of the headworks and sludge dryer building. Alternative solutions are being sought.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- FCS Fire Cost Allocation Study - Town currently has 239 hydrants system wide with 57 located in unincorporated areas. Said hydrants represent an approximate \$87,000 cost in annual maintenance. The County has been informed that they will be responsible for costs associated with the out of Town hydrants. Said costs represent an approximate \$20,000. Discussions are taking place with the County and Fire District No. 3 regarding funding methodology.
- PFFAP Application - Town has prepared a grant application for a Public Facilities Financing Assistance Program. The total application is in the amount of \$175,000 with \$87,500 match funding from the Town for the replacement of the existing 6" water main in Front Street from the intersection of Spring Street to its northwesterly terminus at the Port of Friday Harbor marina. **Moved by Monin, seconded by Brooks, to submit a grant application for the 2010 Public Facilities Financing Assistance Program. Motion passed unanimously.**
- Crosswalk Request - A request was made for installation of a crosswalk at the intersection of Guard Street and Marguerite Place. The individual requesting said crosswalk is a person that has special needs due to a disability. Discussion followed regarding pedestrian and traffic counts at said intersection and pedestrian safety. **Consensus to add the topic to a future agenda.**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

APPROVAL OF MINUTES

Moved by de Freitas, seconded by Hushebeck, to approve the minutes of **April 1, 2010 as submitted**. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

Mayor Lacher noted that SJC Councilmember Howie Rosenfeld was unavailable to make a presentation. A memorandum from Councilmember Rosenfeld was distributed. Administrator Fitch commented on a recent meeting with Washington State Ferries and Anchor Management personnel regarding traffic control. No discussion followed.

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks stated that she received a noise related complaint against the business residing at 1021 Guard Street by their neighbors. Administrator Fitch stated that he would have code enforcement follow up with the complainant.

Councilmember Brooks requested that the Council entertain meeting with the City Council of Anacortes to discuss placement of parking areas to facilitate foot passenger traffic on the Washington State Ferries. Discussion followed regarding general parking availability and work plans of local transportation organizations. Mayor Lacher requested that the Port of Friday Harbor be invited for a joint meeting to discuss parking and waterfront usage.

Councilmember Hushebeck provided a committee report regarding the Economic Development Council progression in development of a regional transportation planning organization and other small business programs and events.

Administrator Fitch reminded the Town Council of rules regarding quasi-judicial hearings.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher continued the meeting at 7:04 p.m. The continued session is scheduled to reconvene on Friday, April 16, 2010 at 2:00 p.m. The next regular meeting is scheduled for Thursday, May 6, 2010 at 12:00 p.m.

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These minutes were approved on May 6, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Friday, April 16, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

Mayor Lacher reconvened session of the Town Council to order at 2:02 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

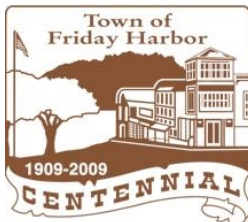
EXECUTIVE SESSION

At 2:05 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding potential litigation in accordance with the provisions of RCW 42.30.110(i) and acquisition of real estate in accordance with the provisions of RCW 42.30.110(b); which was estimated to last 2 hours. Participants: Town Council, Mayor Lacher, Attorney Carol Morris, Administrator Fitch, and Clerk Taylor. The session ended at 3:14 p.m. for an actual session time of 1 hour 9 minutes. No action was taken.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher continued the meeting at 3:15 p.m. The continued session is scheduled to reconvene on Tuesday, April 27, 2010 at 5:30 p.m. The next regular meeting is scheduled for Thursday, May 6, 2010 at 12:00 p.m.

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These minutes were approved on May 6, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Tuesday, April 27, 2010 – Town Council Chambers – Continued Session
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CALL TO ORDER

Mayor Lacher reconvened the session of the Town Council to order at 5:34 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; and Position No. 4, Felix Menjivar.

Position No. 3, Anna Maria de Freitas, joined the meeting at 6:09 p.m. following the scheduled public hearing regarding 2010 amendment requests to the 2002 Town Comprehensive Plan. Councilmember de Freitas wished to be recused from said hearing for the purpose of personal interests. Position No. 4, Felix Menjivar excused himself from the meeting at 5:50 p.m.

Others Present: Mayor, Carrie Lacher; Town Planning Commission and Staff.

Position No. 5, Carrie Brooks and Treasurer Wendy Picinich were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher announced that Councilmember Menjivar may need to excuse himself early for work related purposes. The Council concurred.

ACTION AND DISCUSSION ITEMS

Planning Commission

At 5:34 p.m., Mayor Lacher and the Town Council attended a joint meeting with the Town Planning Commission to hear public testimonies for two scheduled public hearings before the Planning Commission. (Refer to Planning Commission minutes of April 27, 2010 at 5:30 p.m.)

At 5:35 p.m., Council heard testimony regarding proposed 2010 revisions to the 2002 Comprehensive Plan. No action presented or taken.

[Clerk's Note: Councilmember Menjivar excused himself at 5:50 p.m. and Councilmember de Freitas joined the meeting at 6:09 p.m., leaving the Council without quorum and thereby recessed for 19 minutes. During said timeframe, Councilmembers Monin and Hushebeck remained seated at the dais and continued to hear public testimonies regarding comprehensive plan amendment requests.]

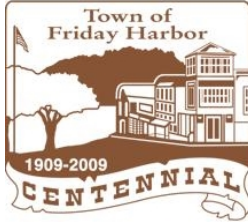
At 6:09 p.m., Council heard testimony regarding a request for Long Subdivision for Country Village Estates - Phase 2, Application No. 11, by Country Village Estates, LLC. No action presented or taken.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 6:29 p.m. The next regular meeting is scheduled for Thursday, May 6, 2010 at 12:00 p.m.

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These minutes were approved on May 6, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, May 6, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 3, Anna Maria de Freitas; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 2, Noel Monin; Position No. 4, Felix Menjivar; and Attorney, Adina Cunningham were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Monin and Menjivar. Council unanimously approved their absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher announced that the Town Council meeting would be recessed early and relocate to the San Juan Island Historical Museum, located at 405 Price Street, for the purpose of a tour of the museum and grounds at approximately 12:20 p.m. No Town business will be discussed.

PUBLIC ACCESS TIME

Jenny Atkinson, Whale Museum Director, updated the Council on the Whale Museum's progress in raising funds to renovate the Museum building, also known as Odd Fellows

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Hall located at 62 First Street, and requested support from the Town as their construction projects move forward.

Ingrid Fabianson, Community Liaison, and Nai Saefong, Executive Director, of Lifecare Center of the San Juan Islands (formerly known as the Islands Convalescent Center) described upcoming events for "Nursing Week" and invited the Council to an open house event.

ACTION AND DISCUSSION ITEMS

National Historic Preservation Month

At 12:09 p.m., Mayor Lacher proclaimed May 2010 as National Historic Preservation Month and urged citizens to promote preservation of our heritage resources by participating in this special observance. The proclamation was presented to David Waldron and Matt Shildneck, Historic Preservation Review Board members. Mr. Waldron described upcoming events that are scheduled for the month of May 2010.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Historic Preservation Review Board Nomination

At 12:20 p.m., Mayor Lacher asked the Council to affirm the appointment of Melanie Rollins to vacant Position No. 4 on the Town Historical Preservation Review Board. Term of appointment begins immediately and expires March 31, 2012. The Council indicated approval of said nomination.

Moved by Brooks, seconded by de Freitas, to affirm the appointment of Melanie Rollins to the vacant position on the Town Historical Preservation Review Board. Motion passed 3-0 with Monin and Menjivar absent.

PAYMENT OF CLAIMS AND PAYROLL

Moved by Hushebeck, seconded by de Freitas, to affirm the payment of Payroll Warrant Nos. 14442 through 14485 in the amount of \$203,648.90 and approve the payment of Claim Warrant Nos. 33991 through 34063 in the amount of \$137,657.98. **Motion passed 3-0 with Monin and Menjivar absent.**

APPROVAL OF MINUTES

Moved by Hushebeck, seconded by de Freitas, to approve the minutes of **April 15, 2010, April 16, 2010 and April 27, 2010 as submitted. Motion passed 3-0 with Monin and Menjivar absent.**

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher stated that Town received a letter from the State Department of Archeology announcing that "King's Barn", circa 1905, has been listed on the State Heritage Barn Register.

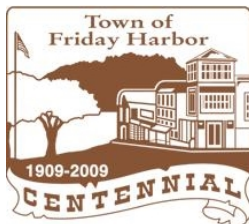
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher recessed the meeting at 12:18 p.m. The Council reconvened the meeting at 12:26 p.m. with adjournment immediately following the tour of the San Juan Island Historical Museum facilities at 1:16 p.m. The next regular meeting is scheduled for Thursday, May 6, 2010 at 5:30 p.m.

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These minutes were approved on May 20, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Thursday, May 6, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 2, Noel Monin was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Councilmember Monin was excused during the afternoon meeting.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include an Executive Session.

PUBLIC ACCESS TIME

Sam Buck, Sr., owner of 301/303 Tucker Avenue which is adjacent to the Town's Wastewater Treatment Plant, requested that a committee of Councilmembers meet with him to address odor emissions coming from the Wastewater Treatment Plant.

Deborah Hopkins, Executive Director for the Visitor Bureau, presented a proposal for the use of \$25,000 of Hotel Motel Tax Funding for an "emergency" summer advertising campaign. Discussion followed regarding adding said issue to future agenda items.

Moved by Hushebeck, seconded by Brooks, to discuss said issue after scheduled business. Motion passed 4-0 with Monin absent.

ACTION AND DISCUSSION ITEMS

National Bike Safety Month

At 5:38 p.m., Mayor Lacher proclaimed May 2010 as National Bike Safety Month and urged citizens to join in a Bicycle Parade to celebrate "Share the Road Day" on May 15, 2010. The proclamation was presented to Liz Illg, Event Coordinator. Ms. Illg explained that the Share the Road event is a community bike ride where, as a large group, they can demonstrate how to responsibly share the road with motor vehicles. The Mayor and Council thanked Ms. Illg.

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

Conditional Use Permit Application No. 65

At 5:42 p.m., Mayor Lacher opened the public hearing to consider Conditional Use Permit Application No. 65; a request by Danmoor, LLC. (Lynn Danaher and Dave Moorhouse), to designate the north wall of the ACE Hardware building, located at 340

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Argyle Avenue, which fronts Nichols Street West [Tax Parcel No. 351358022], as a public art mural; and to install a twelve by forty foot (12' x 40') mural reflecting the fishing history of the San Juan Islands on said wall.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council responded in the affirmative to Mayor Lacher's inquiry regarding communication with opponents or proponents regarding said permit; and disclosed said contact. Mayor Lacher had contact with proponents during the "grand opening" of the business and Councilmember Brooks had contact during the course of regular business hours. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand, to present the staff report. Mr. Bertrand described the background of the application, staff evaluation and recommendation, and applicable permitting process. Staff evaluation and recommendation per the staff report dated April 23, 2010, is that the Town Council should approve Conditional Use Permit No. 65 and allow the proposed mural to be installed on the subject property as conditioned. Said staff report concludes that the application meets the requirements for granting said permit as regulated by Titles 14 and 17 of the Friday Harbor Municipal Code.

Mayor Lacher asked the proponents if they would like to comment. Lynn Danaher, Proponent, urged the Council to approve Conditional Use Permit No. 64 and provided a thorough overview of said project. Ms. Danaher noted that the project has the enthusiastic support of the commercial fishing community and the Port of Friday Harbor; and that every piece of the proposed mural is from an authentic local commercial fishing photograph.

Ann Adams, Project Designer, provided scaled artwork of the murals and explained that said mural consists of fifteen (15) overlapping pieces of art.

At 5:54 p.m., Mayor Lacher opened the public hearing to audience testimony.

Marilyn O'Conner, 100 Ridgedale Road, testified in support for said project and stated that it was an opportunity to celebrate an almost extinct local industry.

Mayor Lacher asked for additional public testimony. Hearing none, she asked if Attorney Cunningham or Staff wished to make additional comments. None were forthcoming. Mayor Lacher opened the hearing to Council questions. Hearing none, Mayor Lacher asked for additional audience comments. Hearing none, Mayor Lacher closed the public input portion of the hearing at 5:56 p.m., reserving the right to reopen if needed, and opened Council deliberations. Councilmembers took turns expressing their views of the application.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by Brooks, by seconded de Freitas, to adopt the staff report dated April 23, 2010; approve Conditional Use Permit No. 65, a request to designate an existing wall owned by Danmoor, LLC, which fronts on Nichols Street, for a public art mural; and direct staff to prepare Facts and Findings and Conclusions of Law. Motion passed 4-0 with Monin absent.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS (cont.)

Country Village Estates - 2nd Addition

At 5:59 p.m., Mayor Lacher introduced Council discussion regarding preliminary plat approval of a fourteen (14) single family lot subdivision known as Country Village Estates - 2nd Addition, located on the north side of Lampard Road [Tax Parcel No. 351421003].

Land Use Administrator, Michael Bertrand, presented the Planning Commission deliberations. Mr. Bertrand noted that the Developer and interested parties have opted to rename the proposed subdivision from Country Village Estates - Phase II to Country Village Estates 2nd Addition. Administrator Fitch explained the process for approving plats. No discussion followed.

Council consensus to direct staff to prepare Findings of Fact and Conclusions of Law for Long Subdivision Application No. 11 for Country Village Estates 2nd Addition; and draft an Ordinance to approve said preliminary plat for Council consideration.

Peace Island Medical Center Project

At 6:02 p.m., Mayor Lacher introduced Jim Barnhart and Charles Anderson, Peace Health representatives, to make a presentation regarding status of the Peace Island Medical Center Project. Mr. Barnhart provided a power point presentation outlining the history of Peace Health and the planning and implementation phases of building and operating the proposed integrated medical facility. Mr. Anderson provided an overview of project goals for 2010, including State certifications, facility planning and design, infrastructure requirements and proposed construction schedule. Peace Island Medical Center anticipates to offer a broader range of services and a net staffing increase of eighteen full time equivalent employees. Discussion followed regarding staffing, employee housing, and certification process. The Council thanked Mr. Barnhart and Mr. Anderson for the presentation. No action was taken.

TGIF Fridays Street Market Proposal

At 6:43 p.m., Mayor Lacher introduced discussion regarding a proposal for private use on Fridays of a portion of First Street by San Juan Island Chamber of commerce for a weekly street market. Administrator Fitch explained that meetings have been scheduled with the Steering Committee of said proposal to discuss logistical issues on May 11, 2010. Said issues include signage, detour of traffic, towing of vehicles, and emergency services. Administrator Fitch inquired if there were other concerns to be addressed at said meeting. Discussion followed with Steering Committee members Vernadel Peterson and Jeff Altman regarding safety, emergency access, vending, ferry traffic and project participation by businesses located on that portion of First Street. Mayor Lacher emphasized that Town is unable to financially contribute to the proposal. No action was taken.

Visitors Bureau - Summer Promotion Campaign

At 6:58 p.m., Mayor Lacher introduced discussion of the proposal from the Visitor's Bureau to begin a "one time" 2010 summer advertising campaign in the amount of \$25,000. Deborah Hopkins, Executive Director of the Visitor's Bureau, presented said

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

proposal which consisted of running television ads on KING5, KONG and NW Cable News from June through August, as well as a June "staycations" promotion on WARM 106.9 FM radio. Discussion and inquiry followed regarding fees involved in production of a commercial, and branding associated with Friday Harbor.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Council consensus that future proposals will be considered by the Lodging Tax Advisory Committee.

Moved by de Freitas, seconded by Hushebeck, to accept the proposal dated May 6, 2010 from the Visitors Bureau for a "one time" 2010 summer advertising campaign in the amount of \$25,000. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 7:06 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Sewer Replacement Project - The construction schedule for the Sewer Replacement Project was reviewed.
- Wastewater Treatment Plant - Lab tests results for trace chemicals resulting from the die off of the micro-organisms contained in one of the SBR tanks were inconclusive. However, diesel gasoline was detected. Population counts for the micro-organisms are recovering. Town will be found in violation of its discharge permit resulting from the temporary change in disinfection process.
- Street striping - Contractors are scheduled to re-stripe Town streets the week of May 17, 2010, weather depending.
- Surplus Sale - The April 2010 surplus sale of equipment and vehicles per Resolution No. 1779 yielded \$8,350. It was reported that one item was believed to be stolen.
- Letter of Complaint - A letter of complaint was distributed from a resident regarding "inappropriate" signage at a local business.
- Work Session - Agenda items for the June 5, 2010 work session were discussed.
- Executive Session - An announcement was made that Council would attend an executive session regarding property acquisition later in the evening.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 7:15 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on recent meetings with Washington State Ferries (WSF), SJC Ferry Advisory Committee, and stormwater issues.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher indicated that she would schedule a meeting with David McCauley, School Board member, to discuss the status of the Friday Harbor Athletic Association ball fields.

CITIZEN RESPONSE

There were no public access items forthcoming.

EXECUTIVE SESSION

At 7:28 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding acquisition of real estate in accordance with the provisions of RCW 42.30.110(b); which was estimated to last 10 minutes. Participants: Town Council,

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

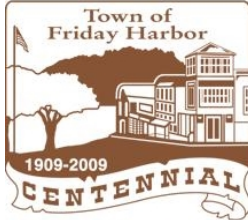
Mayor Lacher, Treasurer Picinich, Administrator Fitch, and Clerk Taylor. The session ended at 7:40 p.m. for an actual session time of 12 minutes. No action was taken.

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ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:41 p.m. The next regular meeting is scheduled for Thursday, May 20, 2010 at 5:30 p.m.

* * * * *

These minutes were approved on May 20, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, May 20, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised due to cancellation and timing constraints. Several items were postponed until the evening session.

PUBLIC ACCESS TIME

Chinmayo, 50-C Malcolm Street, provided an update regarding the public art mural, authorized by Conditional Use Permit No. 64, to be located on the wall fronting the public right-of-way on the east side of Blair Avenue between Spring Street and Elsworth Avenue. Chinmayo informed the Council that proponents of the project may request an event permit for a "block party" to raise funding for said mural. Chinmayo distributed written information.

Deborah Hopkins, Executive Director of the Visitors Bureau, previewed a thirty second commercial for summer tourism promotion authorized by the Council on May 6, 2010.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS

Proclamation - Poppy Days

At 12:09 p.m., Mayor Lacher proclaimed May 15th through May 31, 2010 as Poppy Days in the Town of Friday Harbor and urged citizens to support their Veterans and the efforts of the American Legion Auxiliary. Said proclamation was presented to Nancy Vejvoda of the American Legion Auxiliary.

DEPARTMENT REPORTS

Emergency Management Report

At 12:10 p.m., Emergency Management Director, Brendan Cowan, reported on recent items that the SJC Department of Emergency Management (DEM) has been engaging. Included was an overview of efforts to improve communications between the local emergency responders and earthquake preparedness training. No discussion followed. Mayor Lacher thanked Mr. Cowan.

Community Development

At 12:13 p.m., Land Use Administrator, Michael Bertrand, distributed a compilation of building permits issued in year 2010 to date. Mr. Bertrand noted that fees for the San Juan Community Home Trust were collected in 2009. The Home Trust project was valued at \$1,911,800 and fees paid of \$22,710. Mr. Bertrand reported on upcoming public hearings, Comprehensive Plan review by the Planning Commission and recent meetings regarding the San Juan Island School District ball fields located on Carter Avenue. No discussion followed. Mayor Lacher thanked Mr. Bertrand.

System Administration

At 12:19 p.m., System Administrator, Steven Dubail, distributed a second quarter department report for year 2010. Mr. Dubail reported on the recent string of computer viruses and security, website updates, and system and network maintenance. Discussion followed regarding safe internet usage and links to the Town website. Mayor Lacher thanked Mr. Dubail.

Historic Preservation

At 12:24 p.m., Historic Preservation Coordinator, Sandy Strehlou distributed a second quarter department report for 2010. Ms. Strehlou reported on recent activities, including "Rehab Green", a training seminar for property owners and developers designed to disseminate information on weatherization and other rehabilitation strategies; Historic Preservation (HP) month; HP Manual updates; draft HP ordinance changes; and website and upcoming activities. No discussion followed. Mayor Lacher thanked Ms. Strehlou.

Fire

At 12:28 p.m., Fire Chief, Vern Long, provided an update on the new fire engine. Fire Engine No. 8 is currently being tested by manufacturers and should be available to the Town by June 16th. Chief Long added that the department will hold the annual "emergency flair shoot" at Jackson's Beach on May 22, 2010 and is planning a pancake breakfast on June 20, 2010. Mayor Lacher thanked Chief Long.

Utilities

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At 12:32 p.m., Utilities Superintendent, Mike Wilks, was unavailable to provide a verbal report. Administrator Fitch provided an update regarding flower baskets, **population count of micro-organisms contained in the SRB tank at the Wastewater Treatment Plant**; corresponding reporting and violations to the Department of Ecology for that event; and scheduled road maintenance and line striping. No discussion followed. Mayor Lacher thanked Administrator Fitch.

ACTION AND DISCUSSION ITEMS (cont.)

Presentation - SJC Economic Development Council (EDC) - Annual Report

At 12:16 p.m., Mayor Lacher introduced Victoria Compton, EDC Executive Director, to present a 2010 Economic Overview report. Ms. Compton's presentation included a short economic history of the Town; current demographics; and potential strategies for improving the local economy. Ms. Compton noted that the EDC is offering business classes and encouraging local businesses to enhance their store fronts displays in order to attract business. Discussion followed regarding creation of incentive programs and the economic development element of the Comprehensive Plan. No action was taken. Mayor Lacher thanked Ms. Compton.

Resolution No. 1784

At 12:55 p.m., Mayor Lacher introduced draft Resolution No. 1784, authorizing conditional private use of a portion of First Street by the San Juan Island Chamber of Commerce for a weekly street market from June 18th through September 3rd, 2010. Administrator Fitch explained that stakeholders met to discuss Council concerns including signage, towing of vehicles, traffic, emergency access and parking issues. Administrator Fitch explained that emergency responders have approved the proposed layout. Business owners in the area were not present during said meeting. Mayor Lacher invited comments from the audience.

Gordy Petersen, owner of Friday Harbor Center, stated concerns regarding potential negative impacts that the location of the street market may have on businesses in the Friday Harbor Center including food sales, parking and access.

Vern Howard, owner of King's Market and King's Marine, stated that the proposed location will exasperate the parking in Town as potentially fifty spaces would be eliminated as twenty five spaces are used by vendors and an additional twenty five are blocked for the event.

Jack Cory, 305 Blair Avenue, made note of past public hearings for the annual Jazz Festival event and asked that a way to measure the success of the vents be considered.

Vernadel Petersen, SJI Chamber of Commerce Executive Director, stated that if the proposal is approved, vendors must pre-approve menus and merchandise as to not conflict with businesses located on the portion of Front Street.

Councilmember Brooks inquired how draft Resolution No. 1784 would effect unforeseen changes to the event. Administrator Fitch explained that minor adjustments to the event such as signage would be administrative in nature and that any change to the conditional uses of the public right of way would require return to the Council for

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consideration. Administrator Fitch explained that once granted the Town may not revoke use of the portion of Front Street if the grantees conform to all conditions unless a dangerous situation arises.

Randy and Gail Schnee, owners of Cotton, Cotton, Cotton; stated that they were in favor of the proposal.

Councilmember Menjivar inquired why Court Street was not being considered for the event to mitigate parking and traffic issues. Jeff Altman, Steering Committee, stated that Court Street does not provide the desired visibility or have ample retail to front the event.

Councilmember Hushebeck inquired how many of the proposed vendors have existing retail space. Ms. Petersen stated that of the nineteen proposed vendors so far most have existing businesses. Mayor Lacher suggested that language be added to the Resolution that stipulates a required percentage of vendor participation before proceeding with the event.

Councilmember Brooks inquired about detour of traffic. Ms. Petersen explained the proposed route for detouring traffic around Nichols to A Street. Discussion followed regarding emergency providers response to the proposed blockage of that portion of Front Street and traffic congestion.

Mayor Lacher inquired if the Chamber had a strategy to track the measure of success for the event if approved. Ms. Petersen stated that surveys of vendors and attendees would be conducted.

Councilmember Monin stated concerns regarding traffic circulation and congestion; and stated agreement with Mr. Petersen and Howard's comments regarding parking. Councilmember Monin stated that First Street may be inappropriate location but supports the proposal for a street market in concept. Councilmember Monin stated that he could support the proposal an alternate location or on First Street as a trial event.

Councilmember de Freitas concurred with Councilmember Monin's comments. Councilmember de Freitas stated that she could support an alternate location or a trial event. Per request, Mr. Altman described the Sidney, B.C. street market that the proposed event was modeled after and reason for choosing First Street as the preferred location.

Councilmember Monin stated that approving the proposal would impose a burden on Washington State Ferries and businesses located in the downtown core in the form of traffic flow, parking and congestion.

Councilmember Brooks concurred with Mr. Howard's comments regarding parking and stated that she could support a summer-long street fair located on Court Street.

Councilmember Menjivar concurred with Councilmembers Brooks and Monin.

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Councilmember Hushebeck commented that WSF was present at the stakeholder meeting and they felt that their traffic related issues had been mitigated. Councilmember Hushebeck stated that he would entertain the proposal on a trial basis.

Mayor Lacher requested a motion for draft Resolution 1784, authorizing conditional private use of a portion of First Street by the San Juan Island Chamber of Commerce for a weekly street market from June 18th through September 3rd, 2010 on Friday evenings from 3:00 p.m. to 10:00 p.m. Hearing none, Mayor Lacher requested direction from the Council. Discussion followed regarding alternative street locations for the market.

Council consensus to direct the SJI Chamber of Commerce to draft an alternative location proposal for a weekly street fair located on a secondary street such as Court or Nichols Street.

Town Wastewater Treatment Plant Improvements

At 1:45 p.m., Mayor Lacher introduced discussion regarding proposed improvements to reduce odors at the Town Wastewater Treatment Plant (WWTP). Administrator Fitch explained that neighboring property owners to the WWTP were invited to attend session and summarized the odor issue and mitigation measures that the Town is taking. Administrator Fitch introduced Wayne Haefele, Civil Engineer, to explain the status of the odor control project.

Mr. Haefele explained that the initial scope of work for said project was the simple enclosure of the headworks and sludge dryer building. As design progressed, it became clear that industrial health and safety regulations and other issues prevent enclosure without internal filtering of the air within the building. The air filter and ventilation component has significantly complicated the scope of the project and information from other municipalities was collected to determine the best alternative solutions.

Mr. Haefele explained that two types of foul odors are being emanated from the facility. First is the odor associated with dust particles from the dried sludge material. Second is the odor associated with off-gassing of the headworks. Both types of odors have different treatment processes.

Mr. Haefele is working with Don Reitan, Sewer Department Leadman, and Mike Wilks, Utilities Superintendent. They have been able to design the building additions; identify the minimum volume of air that will need to be treated; and are determining how to mitigate impacts that the separate treatment processes will have, such as cost. The project has been broken into phases. Phase One construction documents for the building additions are approximately sixty percent complete. Upon completion Town may begin the bidding process and construction of said addition as early as June 2010. Phase Two ventilation and treatment system(s) components are in the conceptual and layout stage. Said components will be bid as a separate project.

Mr. Haefele stated that he identified a bio-filter air treatment unit that could be installed by the WWTP employees for the treatment of sludge dryer odors in early summer 2010. Mr. Haefele suggested that Town consider a pilot test using said bio-filter to verify that this is the treatment approach and system it wants before incurring the expense of a

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permanent full sized unit; and to provide temporary relief to the neighboring community. Mr. Haefele stated that he would draft a scope of work for the bio-filter air treatment unit following completion of construction associated with Resolution No. 1783 [Change Order No. 19 to the Sewer Replacement Project] in early June.

Councilmember Hushebeck inquired if the pilot bio-filter could be used in later applications. Mr. Haefele explained the concept, design and media used in said bio-filters.

Mayor Lacher inquired if any Councilmembers wanted to work with Sam Buck, Sr. in a committee setting regarding odor issues at the WWTP. Councilmember Monin volunteered. Mayor Lacher and Council thanked Mr. Haefele for the presentation.

PAYMENT OF CLAIMS

Moved by Monin, second by Menjivar, approve the payment of Claim Warrant Nos. 34064 through 34113 in the amount of \$135,572.98. Motion passed 4-0 with de Freitas abstained.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

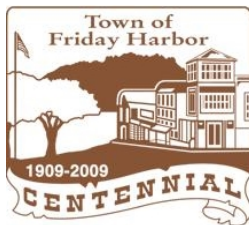
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 2:06 p.m. The next regular meeting is scheduled for Thursday, May 20, 2010 at 5:30 p.m.

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These minutes were approved on June 3, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, May 20, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised due to cancellation and timing constraints during the afternoon session. Several items were postponed until the evening session.

Mayor Lacher proclaimed May 20, 2010 as Eliza Doolittle Day and encouraged all the citizens of our Town to support our arts community by attending the San Juan Community Theatre's current staging of My Fair Lady.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

PUBLIC HEARINGS/MEETINGS/WORK SESSIONS

SSDP No. 88 and SEPA No. 273 - Port of Friday Harbor

At 5:35 p.m., Mayor Lacher opened the public hearing to consider Shoreline Substantial Development Permit Application No. 88 and adopted SEPA Checklist No. 273; a request by the Port of Friday Harbor to 1) construct a stairway that would connect Front Street to an existing waterfront pathway; and 2) create a central location to provide travel information, sell passenger tickets, and direct passengers at the existing Spring Street Landing Terminal.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council answered in the affirmative regarding communication with opponents or proponents regarding said permit. Councilmember de Freitas disclosed that she held a conversation with Johannes Kreiger in which Mr. Krieger stated the whale watch excursion companies were drafting a letter for public testimony. Councilmember Brooks disclosed that her children operate a business in the lower level of the building, however, was not benefitted in any way. Mayor Lacher disclosed that she held a brief conversation with Port Commissioner Greg Hertel regarding said issue and that she and the Council received an email regarding said letter. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand to present the staff report. Mr. Bertrand entered Exhibit A, emailed letter from local whale watch excursion

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companies into the record; and described the background of the application, and staff evaluation and recommendation. Both proposals require the submittal of a Substantial Shoreline Development Permit as defined in FHMC 19.04.

Proposal No. 1 - The Port of Friday Harbor proposes to construct a stairway for public access and safety. The stairway would connect Front Street to an existing waterfront pathway which connects the Spring Street Landing Building/Terminal through Fairweather Park to the Port Administration Offices/Main Pier. It was the opinion of staff that Proposal No. 1 assures safe, convenient and diversified physical access for the public to the water and to and along the shoreline, and assures that intrusions created by such public access will not endanger the quality of life or property of town residents, or have adverse effects on fragile natural features of the shoreline and water areas. Development should not impair or degrade existing or planned public access. And, public shoreline views should be preserved.

Proposal No. 2 - The Spring Street Landing Terminal building already exists and the proposal is to use one of the vacant spaces for seasonal ticket sales. It was the opinion of the staff that Proposal No. 2 of Shoreline Substantial Development Permit Application No. 88 would violate the mitigated restrictions of Shoreline Substantial Development Permit No. 61, which states, "Use of a structure located over water as a meeting/ticketing office would not be compatible with the Town's Shoreline Master Program." Policies also state transportation facilities should not be located over water or on shorelines if they could feasibly and practically be located elsewhere. It is feasible with the uses that are allowed on the shoreline for this to take place on land instead of over the water.

Mr. Bertrand concluded that it is in the best interest of the Town and the general public for the Town Council to accept Proposal No. 1 and to deny Proposal No. 2 of Shoreline Substantial Development Permit Application No. 88 and SEPA Checklist No. 273. All conditions of Shoreline Substantial Development Permit No. 61 should remain in affect concerning ticket sales over the water.

Mayor Lacher asked the proponents if they would like to comment. Marilyn O'Conner, Port of Friday Harbor Director, stated that the proposed stairway was to enhance access and in regard Exhibit A that she was sympathetic to local businesses.

At 5:45 p.m., Mayor Lacher opened the public hearing to audience comments.

Brian Goodremont, owner of San Juan Outfitters, testified in favor of Proposal No. 1 and opposition of Proposal No. 2.

Bill Wright, owner of San Juan Safaris, testified in favor of Proposal No. 1 and opposition of Proposal No. 2.

Roger Bennett, owner of 1 Front Street, testified in favor of Proposal No. 1 and Proposal No. 2.

Mike Close, ____, testified in favor of Proposal No. 1 and requested that visitor information be made available at Proposal No. 2 site.

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Johannas Krieger, owner of San Juan Excursions, testified in favor of Proposal No. 1 and opposition of Proposal No. 2.

Ivan Reife, owner of Western Prince Cruises, testified in favor of Proposal No. 1 and opposition of Proposal No. 2.

Mayor Lacher requested additional public testimony. Hearing none, Mayor Lacher opened hearing to Council questions.

Per Councilmember Hushebeck's inquiry, Ms. O'Connor and Mr. Krieger described business practices of the transportation vessels. Administrator Fitch requested that the Council restrict their questions to the relevant municipal code.

Per Councilmember Monin's inquiry, Mr. Bertrand explained that ticket sales over the water are not water dependant and therefore not in compliance with the Town's shoreline master plan.

At 6:04 p.m., Mayor Lacher closed the public input portion of the hearing, reserving the right to reopen if needed, and opened Council deliberations. Mayor Lacher asked if Attorney Cunningham or Staff wished to make additional comments. Administrator Fitch reminded the Council that they were to refrain from discussing the subject matter for the duration of the appeal period (21 days).

Moved by Menjivar, seconded by de Freitas, to adopt the staff report for the Shoreline Substantial Development Permit Application No. 88 and SEPA Checklist No. 273; and, direct staff to prepare Findings of Fact, Conclusions of Law and Decision for said application. Motion passed unanimously.

ACTION AND DISCUSSION ITEMS

Finding of Fact - Conditional Use Permit Application No. 65

At 6:15 p.m., Mayor Lacher introduced discussion of adoption of Findings of Fact, Conclusions of Law and Decision regarding Conditional Use Permit Application No. 65 requested by Danmoor, LLC. for a mural on the ACE Hardware Building which fronts Nichols Street located at 340 Argyle Avenue. Councilmember Brooks and Monin commented on the merits of the proposal.

Moved by de Freitas, seconded by Brooks to adopt Findings of Fact, Conclusions of Law and Decision regarding Conditional Use Permit Application No. 65 requested by Danmoor, LLC. for a mural on the ACE Hardware Building which fronts Nichols Street located at 340 Argyle Avenue as presented. Motion passed unanimously.

Findings of Fact - Subdivision Application No. 11

At 6:18 p.m., Mayor Lacher introduced discussion of adoption of Findings of Fact and Conclusions of Law regarding Subdivision Application No. 11 requested by Country Village, LLC. to subdivide approximately four (4) acres into a fourteen (14) single family

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residential lot subdivision to be known as Country Village Estates 2nd Addition located on the north side of Lampard Road. No discussion followed.

Moved by Hushebeck, seconded by Monin, to adopt Findings of Fact, Conclusions of Law and Decision regarding Subdivision Application No. 11 requested by Country Village, LLC. to subdivide approximately four (4) acres into a fourteen (14) single family residential lot subdivision to be known as Country Village Estates 2nd Addition located on the north side of Lampard Road. Motion passed unanimously.

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Ordinance No. 1425

At 6:19 p.m., Mayor Lacher introduced draft Ordinance No. 1425, approving the Preliminary Plat known as Country Village Estates 2nd Addition. No discussion followed.

Moved by Monin, seconded by Menjivar, to adopt Ordinance No. 1425, approving the Preliminary Plat known as Country Village Estates 2nd Addition. Motion passed unanimously.

Resolution No. 1785

At 6:21 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1785, authorizing the Mayor to execute a tax exempt installment purchase agreement with Key Government Finance, Inc., for the purchase of fire fighting apparatus. Administrator Fitch explained that said resolution sets the negotiated financing schedule for the new Fire Engine No. 8 authorized by Resolution No. 1772. No discussion followed.

Moved by Menjivar, seconded by de Freitas, to adopt Resolution No. 1785, authorizing the Mayor to execute a tax exempt installment purchase agreement with Key Government Finance, Inc., for the purchase of fire fighting apparatus. Motion passed 4-1 with Monin opposed.

Resolution No. 1786

At 6:22 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1786, authorizing the Mayor to accept a proposal from Bobcat West to provide a new skid steer loader. Administrator Fitch explained the purpose of said equipment and recommended acceptance of the bid. Competitive sealed bids were received from six (6) suppliers after being duly advertised. The supplier known as Bobcat West offered to provide said skid steer loader according to Town specifications for a cost not to exceed Twenty six thousand five hundred three and 63/100 dollars (\$26,503.63), including sales tax. No discussion followed.

Moved by de Freitas, seconded by Menjivar, to adopt Resolution No. 1786, authorizing the Mayor to accept a proposal from Bobcat West to provide a new skid steer loader. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by Brooks, seconded by Hushebeck, to approve the minutes of **May 6, 2010 as submitted** Motion passed 4-0 with Monin abstained.

ACTION AND DISCUSSION ITEMS (cont.)

Council Retreat

At 6:19 p.m., Mayor Lacher introduced discussion of agenda topics for a June 5, 2010 retreat and work session. Discussion followed regarding the amount of time need for each topic of interest.

Council consensus to discuss the following topics at the June 5, 2010 retreat and work session: 1) Town finances and long range budget planning; 2) Solid

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waste utility planning; 3) San Juan Island School District sport fields located on Carter Avenue; and 4) Parking Improvement District.

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SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:36 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferry related issues, recent meetings and request to provide funding for a summer traffic control program. Discussion followed. No action was taken.

ADMINISTRATOR'S REPORT

At 6:53 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Trihalomethane (THM) Levels - A notification letter regarding THM levels will be issued in the next monthly billing to water utility users instead of the Water Quality Consumer Confidence Report. THM levels measure 76.1 ug/L for the first quarter average of 2010 and 80.35 ug/L for the twelve month average.
- Stormwater Detergent Testing - A detergent event has been detected and traced back to the source at 260/270 Spring Street. The event originated from the resident business cleaning its roof. Detergent was flushed from the roof surface during recent rains into a catch basin. Said event measures the highest surfactant level to date.
- Spruce Street - The preliminary report authorized by Resolution No. 1765 by Gray & Osborne Engineering regarding reconstruction of a portion of Spruce Street was distributed for review. Administrator Fitch indicated that the preliminary report warrants discussion by the Council as additional surveying and direction is required by the Engineers to move forward with design of improvements.
- Turn Point / Pear Point Connector Road Status - A stakeholder meeting is scheduled for May 26, 2010. Town's position is that said road shall be designed to meet the minimum functional standards of a minor arterial to encourage traffic to divert from using Warbass Way / Harrison Street exchange.
- Earthquake Preparedness Training - Staff is scheduled to attend an all day emergency earthquake preparedness training workshop on May 27, 2010.
- Front Street Water Main Replacement Project - Town received 50% grant funding through the Public Facilities Financing Assistance Program. Town will issue bidding documents summer 2010 with construction scheduled in fall. Said project will replace the water main in Front Street from Memorial Park located at Spring Street to its terminus located at the Port of Friday Harbor.
- Leasehold Taxes - Treasurer Picinich reported that the Department of Revenue is still issuing refunds for leasehold taxes for boats moored at the Port of Friday Harbor. Town will be required to reimburse the State \$15,000 in June 2010 from the current fund.
- Cable Franchise Agreement - Town received the draft cable franchise renewal agreement from Windjammer Communications (Adelphia). A public hearing will be scheduled.

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- Scenic Byways Meeting - Town received a request for Town project priorities for the Scenic Byways corridor management plan. Said meeting for the Scenic Byways corridor management plan and project list is scheduled for June 9, 2010.
- Sewer Replacement Project - The sewer replacement line authorized by Change Order No. 19 to the Sewer Replacement Project is scheduled to cross Guard Street from Tucker Avenue on May 24, 2010.

ACTION AND DISCUSSION ITEMS (cont.)

Street Market Proposal

At 7:08 p.m., Mayor Lacher invited Vernadel Petersen, SJI Chamber of Commerce Executive Director, to provide an update regarding the weekly street market proposal. Ms. Petersen explained that the Chamber continues to prefer the First Street location for the proposed weekly summer street market. [Refer to May 20, 2010 afternoon session.] Ms. Petersen requested that the Council consider the First Street location for a trial period of three weeks while the Chamber develops a proposal for an alternative street location. In addition, Ms. Petersen requested that Town consider the location permanent pending a successful trial period. Ms. Petersen suggested that locating the market in Memorial Park and the Port of Friday Harbor as an alternative location, pending approval from the Port of Friday Harbor, would compliment the Port's weekly "Music on the Lawn" event. Discussion followed regarding the allowance of the proposal on a trial period; alternative street locations; safety, traffic and parking issues; and writing contingencies in the draft Resolution that would allow termination of said proposal. Councilmembers Brooks and Menjivar stated objection to First Street as a permanent location of the proposed street fair. Councilmembers de Freitas, Monin and Hushebeck stated support of allowing the proposed First Street location on a trial basis and preference that it be conducted at an alternative location. Councilmember Monin stated that no action should be taken without proper notification of the discussion in order to allow the public an opportunity to respond.

Council consensus to consider a revised alternative street location proposal for a weekly street market at the regularly scheduled session of June 3, 2010.

SJI Transfer Station

At 7:32 p.m., Administrator Fitch requested direction regarding scheduling discussion time for the request by the County to finance construction of a building over the tipping floor located at the San Juan Island Solid Waste Transfer Station. San Juan County Administrator Pete Rose addressed Council questions relating to timing constraints. **Council consensus to continue the meeting until May 27, 2010 at 12:00 p.m. to discuss said request.**

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks reported that painting of Cahail Park fence located on Argyle Avenue by Soroptimist, Int. and local Girl Scouts is scheduled for Saturday 22, 2010.

Councilmember Lacher encouraged the Councilmembers to attend the summer 2010 AWC Conference.

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Councilmember Lacher asked that Council consider either August 5th or August 19th as a non-meeting week.

CITIZEN RESPONSE

There were no public access items forthcoming.

EXECUTIVE SESSION

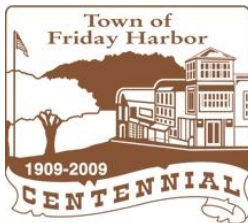
At 7:44 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding acquisition of real estate in accordance with the provisions of RCW 42.30.110(b); which was estimated to last 10 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Administrator Fitch, and Clerk Taylor. The session ended at 7:54 p.m. for an actual session time of 11 minutes. Action was taken following executive session as follows:

Moved by Menjivar, seconded by de Freitas, to approve the purchase and sale agreement for real property located at 425 Marguerite Street. Motion passed unanimously.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher continued the meeting at 7:59 p.m. to Thursday, May 27, 2010 at 12:00 p.m. The next regular meeting is scheduled for Thursday, June 3, 2010 at 12:00 p.m.

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These minutes were approved on June 3, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, May 27, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

Mayor Lacher reconvened the continued meeting of May 20, 2010 of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

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San Juan County Staff: SJC Councilmember Howie Rosenfeld; SCJ Councilmember Lovel Pratt; SJC Administrator, Pete Rose; and SJC Solid Waste Utility Manager, Ed Hale.

Position No. 3, Anna Maria de Freitas; and Attorney, Adina Cunningham, were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Council unanimously approved Councilmember Anna Maria de Freitas' absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher recognized the efforts of local businesses to draw attention to the downtown core; and thanked the Town Street Crew for hanging flower baskets.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

SJI Transfer Station

At 12:02 p.m., Mayor Lacher introduced discussion regarding a request to finance construction of a roof over the San Juan County solid waste tipping floor located at the San Juan Island Transfer Station. Administrator Fitch indicated that the purpose of the discussion was to inform the Council about the current status of negotiations between Town and County staffs, action deadlines, and disseminate information. No action was anticipated.

Administrator Fitch explained that pursuant to the letter received from the San Juan County Council dated May 18, 2010, and in discussions between County and Town staffs, the Town has indicated a desire to try to maintain the operation of the facility as a transfer station and a willingness to consider financing the covered structure that has been partially designed for the facility. Said willingness is a result of the notification by the State Department of Ecology (DOE) to the SJC Solid Waste Utility that DOE will not concur with a variance extension beyond June 30, 2010, which has enabled the Utility to operate the San Juan Island Transfer Station without a cover; unless significant progress is made toward constructing an enclosure.

Administrator Fitch explained that attempts to operate the Transfer Station as a "drop-box" facility authorized by the SJC Council on May 11, 2010 has been suspended for the time being due to the inability of refuse packer trucks to successfully tip into the drop-boxes. Town has since conducted trial runs with the trucks to the Orcas Island Transfer Station to determine overhead costs pending the SJI Transfer Station closure. Transporting and dumping refuse expenses at the Orcas facility includes four hours of staffing time per employee per trip depending on ferry sailing schedules.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Construction of said enclosure and stormwater mitigation, including design and "soft costs" are estimated to cost approximately \$300,000. Administrator Fitch explained the cost spreadsheet provided for discussion.

The SJI Transfer Station currently operates under a twenty year Lease Agreement authorized by Resolution No. 968 that expires November 30, 2014.

Administrator Fitch explained that currently Town and County staff have identified and Council will be asked to consider the following four preliminary options:

Option No. 1 - Town would assume the current agreement with SCS Engineers [SCS No. 04209043] and reimburse the County, thereby purchasing plans, specification and all responsibilities for improvements to said tipping floor and construction of the roof enclosure. Town would then bid and construct the improvements using Town capital reserve funding. Town and County would terminate the current lease agreement and renegotiate an equitable lease with a fifteen year amortization on the building. A preliminary term of the lease for three years followed by a month to month agreement for the duration of County occupancy is being discussed as an option.

Option No. 2 - Town would act as a financial lender to the County at a maximum amount of \$225,000. The County would continue with its current agreements with consultants, bid and construct said improvements to the SJI Transfer Station tipping floor. The Town and County would honor the current lease agreement and Town would continue to act as a customer of the SJI Transfer Station.

Option No. 3 - Decline the financing proposal for the roof enclosure at which time SJC may choose to proceed with a drop-box facility or close the facility. Town would transport and tip refuse at the Orcas Island Transfer Station for an unknown amount of time. Town would be required to purchase additional refuse packer trucks to accommodate its equipment needs.

Option No. 4 - Decline the financing proposal for the roof enclosure at which time SJC may choose to proceed with a drop-box facility or close the facility. Town would explore alternative options such as transporting and tipping refuse to a Skagit County facility for an unknown amount of time. Town would be required to purchase additional refuse packer trucks to accommodate its equipment needs.

Administrator Fitch addressed short-term compliance issues identified by Administrator Rose in his staff report to the County Council dated May 18, 2010. Discussion and inquiry followed regarding advantages and disadvantages of each of the described Options; financing; and long term priorities of the perspective utilities. Mayor Lacher invited County staff in attendance to answer questions. Inquiry followed regarding tipping fees.

Administrator Fitch requested preliminary direction as to whether to move forward with determining feasibility of the identified Options or to seek other alternative solutions.

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Mayor Lacher inquired if any Councilmembers objected to staff development of the above listed options. Brief discussion of Option No. 1 followed.

Council consensus for Town and County staffs to continue to determine the feasibility of Option No. 1., as described above, for Town to finance and construct roof enclosure improvements over the tipping floor at the SJI Transfer Station located at Sutton Road.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

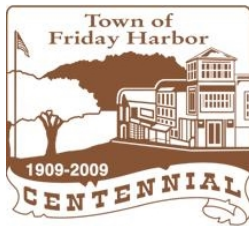
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 12:55 p.m. The next regular meeting is scheduled for Thursday, June 3, 2010 at 12:00 p.m.

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These minutes were approved on June 3, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, June 3, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Proclamation - Orca Awareness Month

At 12:01 p.m., Mayor Lacher proclaimed the month of June 2010 as Orca Awareness Month in the Town of Friday Harbor and urged all citizens to recognize the importance of these magnificent creatures. Said proclamation was presented to Jenny Atkinson, Executive Director of the Whale Museum. Ms. Atkinson distributed event information for the Orca Sing Festival in June 2010.

Resolution No. 1784

At 12:09 p.m., Mayor Lacher introduced consideration of draft Resolution No. 1784, authorizing the Mayor to execute an agreement with Anchor Management Services, Inc. for 2010 limited summer traffic control services. Administrator Fitch explained the particulars of said resolution. Anchor Management Services, Inc. has offered to provide additional staffing to direct both pedestrian and vehicular traffic during the 2010 summer scheduled 10:10 a.m. and 1:00 p.m. ferry arrivals, which includes coverage at Court Street if needed, from June 20, 2010 through September 25, 2010 in the amount of \$1,200. Discussion followed regarding future consolidation of services through Washington State Ferries for said program.

Moved by Brooks, seconded by de Freitas, to adopt Resolution No. 1784, authorizing the Mayor to execute an agreement for limited summer traffic control services from June 20, 2010 through September 25, 2010. Motion passed 4-0 with Menjivar absent.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Resolution No. 1787

At 12:12 p.m., Mayor Lacher introduced consideration of draft Resolution No. 1787, authorizing the conditional private use of a portion of Court Street by Anchor Management Services, Inc. Administrator Fitch explained that said conditional private use is for a temporary parking area to stage vehicles waiting to board Washington State Ferries vessels from June 20, 2010 through September 25, 2010. Discussion followed regarding consolidation of services through Washington State Ferries for the traffic control program. Future requests for financial assistance for summer traffic control services and conditional private use of Court Street for temporary parking and staging of vehicles will likely be made by Washington State Ferries.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1787, authorizing the conditional private use of a portion of Court Street by Anchor Management Services, Inc. for temporary parking area to stage vehicles waiting to board Washington State Ferries vessels from June 20, 2010 through September 25, 2010. Motion passed 4-0 with Menjivar absent.

Scenic Byways - Corridor Management Plan

At 12:16 p.m., Mayor Lacher introduced discussion regarding Town related projects for the Scenic Byways Corridor Management Plan. The purpose of this project is to engage island communities and significant stakeholders in preparing a Plan for the San Juan Islands Scenic Byway "loop". The Plan will make recommendations for expanding stewardship of the Byway, its resources and enhancing visitors' experiences while at the same time preserving the quality of life enjoyed by island residents. Liz Illg, Scenic Byways Coordinator, explained that the Scenic Byways Corridor planning process is coming to the point of asking key stakeholders about potential projects. Ms. Illg invited the Council to attend a focus group discussion on June 9, 2010 to discuss needs of all transportation modalities traveling through the Town. Ms. Illg noted that development of the Scenic Byways Corridor Management Plan could eventually provide federal funding for modal projects that are too large for the Town to accomplish with local funding. Ms. Illg requested that Councilmembers consider what multi-modal transportation improvements should be provided and where.

Sandy Strehlou, Historic Preservation Coordinator, explained that she has been attending Byway meetings as a private individual, outlined the importance of comprehensive transportation planning, and encouraged the Council to consider the following:

- How should Byway info be made available and visible to visitors and residents?
- What information does the Town want made available since it is advertised nationally?
- At what capacity should the Historic Preservation Review Board participate on behalf of the Town?
- Do any additional "loops of interest" through the Town exist that should be added to the Byway?

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Discussion followed regarding regulation and oversight of the Byway, eligibility and criteria, current Byway route, and timeframe for development of the Plan. Mayor Lacher thanked Ms. Illg and Ms. Strehlou for the information provided. No action was taken.

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Resolution No. 1788

At 12:34 p.m., Mayor Lacher introduced consideration of draft Resolution No. 1788, authorizing conditional private use of West Street by the American Lung Association (ALA) in Washington State. Administrator Fitch explained the particulars of the resolution. The ALA has submitted a request for private use and control of a certain portion of the public right-of-way on West Street in the Town from 9:00 a.m. to 6:00 p.m. on September 13, 2010 for an annual picnic and barbeque in celebration of the 2010 "Trek Tri-Island Event". Attorney Cunningham explained that additional provisions were added to the draft Resolution regarding liability. Councilmember Brooks expressed her desire that all events that are held in the public right-of-way prohibit alcohol consumption. Discussion followed regarding the 2009 event. Jack Cory, Rotary Member, offered information relating to the annual "Rock the Dock" event hosted by the Rotary Club of San Juan Island on July 4th. Administrator Fitch requested that Council discuss the policy for issuance of event permits. **Council consensus to add discussion of the policy for issuance of event permits to a future agenda.**

Moved by Monin, seconded by de Freitas, to adopt Resolution No. 1788, to authorize conditional private use of a portion of West Street by the American Lung Association in Washington State on September 13, 2010 from 9:00 a.m. to 6:00 p.m. for the annual 2010 "Trek Tri-Island Event". Motion passed 4-0 with Menjivar absent.

Ordinance No. 1426

At 12:45 p.m., Mayor Lacher introduced consideration of draft Ordinance No. 1426, concerning the applicability of required improvements to the public right-of-way. Administrator Fitch explained that the purpose of the ordinance is to provide an exemption for the value of fire suppression systems to the standards described in FHMC 12.02.010 that applies to all construction, reconstruction and remodeling, where the value of the construction, reconstruction or remodeling exceeds a total cost of \$100,000. Councilmember Monin commented that the proposed exemption was appropriate and encourages the installation of fire suppression systems. No other discussion followed.

Moved by de Freitas, seconded by Hushebeck, to adopt Ordinance No. 1426, concerning the applicability of required improvements to the public right-of-way, amending Ordinance No. 1060 and repealing Ordinance No. 1421 in its entirety. Motion passed 4-0 with Menjivar absent.

ADMINISTRATOR'S REPORT

At 12:47 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Sewer Replacement Project - Contractors are currently replacing the sidewalk along Guard Street and are scheduled to patch the asphalt concrete paving where the sewer line crosses Guard Street on June 8, 2010, weather permitting. Said work is pursuant to Change Order No. 19 to the Sewer Replacement Project.
- House Moving Permit - A house is scheduled to be transported through town on Friday, June 4, 2010 at 9:00 a.m. along Argyle Avenue. The public should

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expect traffic delays between the Hunt Street, Grover Street and Argyle Avenue intersection.

- Sales Tax - Sales Tax revenue year-to-date is down approximately 12% from 2009. Treasurer Picinich noted that sales tax revenues fluctuate.

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- 2010 Forestry Grant Application - The application for \$10,000 submitted by the Town for a Rural Forestry Grant to perform a tree inventory at the Trout Lake Reservoir was awarded \$1,000 by the State Department of Natural Resources. Discussion followed regarding the project and grant criteria. Administrator Fitch stated that it would be difficult to mobilize the volunteer effort needed to off-set the lack of grant funding awarded to perform said project. **Council consensus to decline the award of \$1,000 by the State Department of Natural Resources for a 2010 Forestry Grant Application to perform a tree inventory of the Town watershed.**
- Council Retreat - A Council Retreat is scheduled for June 6, 2010 to discuss the 2010 Town Budget and other topics of interest. Discussion followed regarding AWC webinars regarding budget financing.
- Sutton Road Solid Waste Landfill Site - A webinar and written Sutton Road Site Environmental and Geotechnical Assessment Report dated April 2010 regarding the Sutton Road Solid Waste Landfill Site is available for review on the County website. Said report examines possible environmental contaminants present and other issues at the site.
- Flag Display - Per Mayor Lacher's inquiry, a brief discussion of flag etiquette ensued.

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, second by de Freitas, to affirm the payment of **Payroll Warrant Nos. 14486 through 14530 in the amount of \$200,410.78** and approve the payment of **Claim Warrant Nos. 34114 through 34163 in the amount of \$106,959.82.** Motion passed 4-0 with Menjivar absent.

APPROVAL OF MINUTES

Moved by Brooks, seconded by Monin, to approve the minutes of **May 20, 2010 and May 27, 2010 as submitted.** Motion passed 3-0 with de Freitas abstained and Menjivar absent.

FUTURE AND NON-AGENDA ITEMS

Councilmember Brooks gave a status report regarding improvements by Soroptimist, Int. and local Girl Scouts to the Cahail Park fence located on Argyle Avenue. Painting of the fence has been weather dependent. Councilmember Brooks suggested that the picket fence be replaced in the future with a damage resistant material.

Councilmember Monin requested that an update regarding the Scenic Byways Corridor Management Plan be added to a future agenda.

CITIZEN RESPONSE

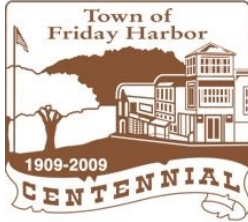
Mr. Cory stated, in regard to the discussion concerning flag etiquette that flags are often indicative to services that an agency provides. For example, the County displays the Washington State flag as it offers services through the State such as licensing; whereas, the Washington State flag is not displayed at the Town Administrative Building as the Town offers no services through the State.

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ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:04 p.m. The next regular meeting is scheduled for Thursday, June 3, 2010 at 5:30 p.m.

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These minutes were approved on June 17, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, June 3, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised due to cancellation.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Street Market Proposal

At 5:32 p.m., Mayor Lacher invited Daren O'Brien, Street Market Committee Member, accompanied by SJI Chamber of Commerce Board of Directors, to provide an update

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regarding the weekly street market proposal. Mr. O'Brien distributed a letter from the Committee respectfully withdrawing the proposal for a weekly street market for the time being. Mr. O'Brien explained that the Committee plans to return with an alternative proposal for a weekly street market accompanied by "mounds of irrefutable evidence and community support for the idea" for a "successful event that will positively benefit all businesses and the entire community." Discussion followed regarding alternative locations and parking issues. Ed Williams, local business owner, described the successfulness of a recent product demonstration over the Memorial Day weekend and requested that the Town take proactive approaches to help small businesses keep the retail spaces in the downtown core occupied. Mayor thanked the Mr. O'Brien and the Chamber.

Ordinance No. 1427

Draft Ordinance No. 1427, amending the Town's Comprehensive Plan Land Use Map and Zoning Designation Map and repealing Ordinance No. 1397 in its entirety; was removed from the agenda per staff recommendation.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Ordinance No. 1428

At 5:50 p.m., Mayor Lacher introduced draft Ordinance No. 1428, establishing the date, time and place for a public hearing for consideration of the Ronald D. Boe petition for annexation at a meeting of the Friday Harbor Town Council. Administrator Fitch explained that State law proscribes that said public hearing be established by Ordinance and that the Council will consider zoning designation and the draft developer agreement in addition to the petition for annexation.

Administrator Fitch explained that he and the Land Use Administrator require general direction from the Council to allow for continuing negotiations of said developer agreement with the Petitioners concerning Equivalent Residential Units (ERU) for water and sewer service and capacity. Unlike the 2009 Buck Property Annexation, where the Town was able to calculate the total maximum allowable ERUs for all future development and buildout, the Petitioners for the Boe Annexation are requesting additional ERUs to accommodate the possible future need to expand the proposed integrated medical facility. Town has calculated that the facility currently envisioned would require twenty seven (27) ERUs for water and twenty two (22) for sewer. Petitioners are requesting an additional nine (9) ERUs for water and eight (8) for sewer. Town engineers have verbally confirmed that Town systems have sufficient capacity and could accommodate the request for additional ERUs but will place Town at the threshold of needing to begin planning and studying for improvements to Town sewer and water facilities. Discussion followed regarding future improvements and maximum capacity of Town systems, population growth, comprehensive planning processes, and the County proposed Friday Harbor Urban Growth Area - Phase II.

Council consensus to continue developer agreement negotiations with Petitioners of the Ronald D. Boe property for the requested additional Equivalent Residential Units (ERU) for water and sewer service and capacity.

Moved by Brooks, seconded by Hushebeck, to adopt Ordinance No. 1428, establishing the date, time and place for a public hearing for consideration of the Ronald D. Boe petition for annexation at a meeting of the Friday Harbor Town Council. Motion passed 4-0 with Menjivar absent.

Finding of Fact - Substantial Shoreline Development Permit (SSDP) No. 88

At 6:05 p.m., Mayor Lacher introduced discussion of adoption of Findings of Fact, Conclusions of Law and Decision for Proposals 1 and 2 of Substantial Shoreline Development Permit No. 88 and SEPA Checklist No. 273 requested by the Port of Friday Harbor 1) to construct a stairway that would connect Front Street to an existing waterfront pathway; and 2) to create a central location to provide travel information and sell passenger tickets at the Spring Street Landing terminal. No discussion followed.

Moved by Brooks, seconded by Monin to adopt Findings of Fact, Conclusions of Law and Decision approving Proposal 1 of 2 of Substantial Shoreline Development Permit No. 88 requested by the Port of Friday Harbor to construct a stairway that would connect Front Street to an existing waterfront pathway. Motion passed 4-0 with Menjivar absent.

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Moved by Brooks, seconded by de Freitas to adopt Findings of Fact, Conclusions of Law and Decision denying Proposal 2 of 2 of Substantial Shoreline Development Permit No. 88 requested by the Port of Friday Harbor to create a central location to provide travel information and sell passenger tickets at the Spring Street Landing Terminal. Motion passed 4-0 with Menjivar absent.

[Clerk's Note: Per inquiry during Future Agenda Items - Attorney Cunningham stated that Councilmembers are prohibited to discuss the Decision for Substantial Shoreline Development Permit No. 88 for the course of the twenty one (21) day appeal period.]

SJI Transfer Station

At 6:07 p.m., Mayor Lacher introduced discussion regarding the request by the County that the Town finance construction of a building over the tipping floor located at the San Juan Island Solid Waste Transfer Station. Administrator Fitch explained that negotiations have been underway for drafting an addendum to the existing Town/County lease agreement. Said proposal and addendum as negotiated to date contains and/or amends the following terms:

- Town, in its capacity of Owner, will control design, engineering, bidding and construction of said building, and would expect the County to release all preliminary design engineering documents that have been prepared to date by the County;
- County, in its capacity of Tenant, will accept process water outside the new building and tipping floor area as a County cost responsibility;
- Term of the current twenty (20) year Lease will expire November 30, 2014 with a right to month-to-month occupancy unless sooner terminated by either party, or by operation of law;
- The Town proposes to lease said property to the County for \$2,500.00 per month, payable by the 5th day of each month which represents a fifteen (15) year amortization of the cost of improvements; and
- The County would be obligated to repair damage to the proposed building that is over and above normal wear and tear.

Administrator Fitch explained that if timely negotiated, the Town and County will approach the State Department of Ecology and local Department of Health to request a deadline extension of the current variance to continue to operate the facility as a transfer station.

Administrator Fitch explained he has had discussions with the Skagit County Solid Waste Manager. It appears possible that in the short term transporting Town refuse to a Skagit facility is a viable alternative at a preliminary tipping rate of \$89.00 per ton until a permanent solution is in place.

Treasurer Picinich explained that if costs for the improvement exceed \$225,000 that the balance would be taken from the Town Landfill closure fund and paid back at a future date. Town has preliminary confirmation from the State that it is an appropriate use of the funding.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Discussion followed regarding scope, timeline and costs associated with the proposal. Administrator Fitch noted that this proposal amounts to a commercial business lease and the Town will not receive preferential tipping fees from the County.

SJC Administrator Pete Rose thanked the Council for considering the proposal and explained that he was seeking a positive statement from the Town that will allow the respective staffs to expediently and efficiently negotiate an addendum to the Lease Agreement pending discussion by the County Council on June 8, 2010. The Mayor thanked Mr. Rose.

Moved by de Freitas, seconded by Hushebeck, to authorize the Town Administrator to negotiate an amendment to the lease agreement, adopted per Resolution No. 968 between the Town of Friday Harbor and San Juan County, for use of a portion of Tax Parcel No. 350234001, commonly known as the Town of Friday Harbor Solid Waste Facility; and to proceed with the development of a structure over the San Juan Island Transfer Station tipping floor. Motion passed 4-0 with Menjivar absent.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:34 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. SJC Councilmember Rosenfeld commented on recent meetings of the SJC Ferry Advisory Committee; and Washington State Ferries sailing schedule. No discussion followed.

FUTURE AND NON-AGENDA ITEMS

Administrator Fitch inquired about scheduling a non-meeting week. Discussion followed regarding scheduling August 17, 2010 (SJC Fair week) as a non-meeting week. **Council consensus to tentatively schedule August 17, 2010 as a non-meeting week.**

Administrator Fitch commented that a local real estate firm has offered to paint the Memorial Park gazebo as part of the company's annual community service tentatively scheduled for June 17, 2010.

Attorney Cunningham stated that Councilmembers are prohibited to discuss the Decision for Substantial Shoreline Development Permit No. 88 for the course of the twenty one (21) day appeal period.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher recessed the meeting at 6:48 p.m. The meeting shall reconvene Saturday, June 5, 2010 at 12:15 p.m. The next regular meeting is scheduled for Thursday, June 17, 2010 at 12:00 p.m.

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MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

These minutes were approved on June 17, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Saturday, June 5, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:15 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich and Town Administrator, C. King Fitch.

Attorney, Adina Cunningham; and Clerk, Amy Taylor were not present.

WORK SESSION

The Council discussed the following items as part of their Retreat:

- Town finances and long range budget planning
- Solid waste utility planning
- San Juan Island School District sport fields located on Carter Avenue
- Parking Improvement District

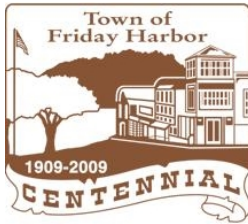
Council consensus to continue the meeting to June 10, 2010 at 12:00 p.m., to consider Addendum No. 1 to the lease with San Juan County regarding the San Juan Island Solid Waste Transfer Station.

ADJOURNMENT – Hearing no objection, Mayor Lacher continued the meeting at 4:42 p.m.

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These minutes were approved on June 17, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, June 10, 2010 – Town Council Chambers – Continued Session

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich and Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Adina Cunningham was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Resolution No. 1789

At 12:02 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1789, authorizing the Mayor to execute Addendum No. 1 to the lease agreement with San Juan County for use of a portion of Tax Parcel No. 350234001, commonly known as the Town of Friday Harbor Solid Waste Facility. Administrator Fitch explained that pursuant to Town Council action on June 3, 2010 and County Council action on June 8, 2010, respective staffs crafted the language in said Addendum to the lease agreement. [Refer to minutes of June 3, 2010.] Since that time, the draft Addendum has been reviewed by respective legal counsels who are advising that the Town and County negotiate further revisions. Aside from the language of the indemnity and termination clauses, Prosecuting Attorney Gaylord recommended negotiation regarding the ability of the County to renew the lease term for a minimum of five years. Administrator Fitch reluctantly recommended postponement of adoption of draft Resolution No. 1789 until the regularly scheduled meeting of June 17, 2010. Administrator Fitch warned that the negotiation process may protract adoption of the lease Addendum thereby missing the opportunity to extend the current DOE variance.

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Discussion and inquiry followed regarding legal fees that will be accumulated through further negotiations; suggested changes; timing limitations; and logistical issues presented by delaying action.

The Town Council expressed their severe disappointment and frustration that the County is attempting to further negotiate the terms of the County's request that the Town finance all aspects of a building over the SJI Transfer Station tipping floor so that the County may begin to come into compliance and continue to operate under the current variance. It was stated that the Addendum was drafted in the spirit of cooperation; that Town has offered to finance said proposal under reasonable terms; that the draft Addendum was crafted in response to the County's sense of urgency; that further delay only serves to burden both solid waste utilities; and that the Town is not required to "negotiate" any aspect of the lease addendum. Administrator Fitch reiterated that SJC Public Works staff and Administrator Rose have been nothing but cooperative throughout the negotiating process to date.

Administrator Fitch stated that worst case scenario is that the County would have to convert the SJI Transfer Station to a drop-box facility, at which time the Town and San Juan Sanitation may be forced to transport its refuse to Orcas Island or Skagit County because packer refuse trucks may not be able to unload refuse at the facility. Treasurer Picinich noted that based on the current tipping fees, the Town could potentially save \$100 per ton by transporting refuse to Skagit County facilities. Discussion followed regarding the political ramifications of transporting refuse to Skagit County on a long term basis.

Administrator Fitch inquired about the extent to which he was authorized to utilize Attorney Cunningham's services regarding said negotiations.

Council consensus that that unless the County is willing to assume the cost of Town legal services, the issue must be resolved before June 17, 2010.

Council consensus that if negotiations appear that they will become drawn out the Town should request a timeline from the County to settle the matter.

Council consensus to postpone consideration of draft Resolution No. 1789 until the regular meeting of June 17, 2010.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

CITIZEN RESPONSE

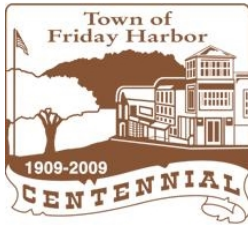
There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 12:36 p.m. The next regular meeting is scheduled for Thursday, June 17, 2010 at 12:00 p.m.

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MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

These minutes were approved on June 17, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, June 17, 2010 – Town Council Chambers - Afternoon Session

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include consideration of draft Ordinance No. 1433.

Mayor Lacher stated that Councilmembers Menjivar and Monin were on-call.

Councilmember Brooks announced her resignation as of the evening July 1, 2010 meeting adjournment. Mayor Lacher stated that the appointment process stands.

PUBLIC ACCESS TIME

Vernadel Petersen, Chamber, announced that the Chamber is taking participant applications for the 4th July parade.

ACTION AND DISCUSSION ITEMS

Proclamation - Amateur Radio Week

At 12:10 p.m., Mayor Lacher proclaimed June 21st through June 28th, 2010 as Amateur Radio Week and in the Town of Friday Harbor and invited residents to join in supporting our local Hams by attending the Field Day exercise at the Cattle Point interpretive center on Saturday, June 26, 2010. The proclamation was presented to Brian Hoyer, President of the local HAM Club.

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Spruce Street Improvements

At 12:15 p.m., Mayor Lacher introduced discussion regard proposed stormwater improvements to a portion of Spruce Street between Rose Lane and Green Way. Tamara Nack, Gray and Osborne Engineering, reported that the scope of work for the proposed Spruce Street improvements provided for the evaluation of the existing stormwater detention pond sizing. The analysis of the pond indicates that it is undersized by 15,505 cubic feet or 120 percent to accommodate the stormwater runoff. Although the pond is undersized, the primary reason water backs up on Spruce Street to Rose Court is due to the discharge elevation located to the south of the stormwater detention pond. Current surveys indicate that the elevation of Spruce Street is below that of the stormwater detention pond outlet. Additional factors for the pooling of water include natural springs located at Alder Court and the relatively low grade of Spruce Street.

Ms. Nack presented the alternatives to address water backing up on Spruce Street as follows: Alternative A to raise the elevation and grade of Spruce Street; Alternative B to remove the existing stormwater detention pond outlet pipe and install a discharge pipe to the east and tie into the Mullis Street ditch; and Alternative C to remove the existing stormwater detention pond outlet pipe and install a pump station to collect the drainage and pump to the nearest **sewer**. Discussion and inquiry followed from the Council and Evergreen Subdivision residents regarding the stormwater detention pond, raising the elevation of Spruce Street, regrading of driveways, and wetland mitigation.

Administrator Fitch explained that Gray and Osborne Engineering require Council direction to proceed further with any of the alternatives presented as additional surveying would be needed to proceed with designs for improvements. Discussion followed regarding costs associated with each of the alternatives. **Council consensus to direct the Town Administrator to obtain cost estimates for the presented alternatives.**

Evergreen Subdivision residents thanked the Council for addressing the issue.

Joint Meeting with the Port Commission

At 12:42 p.m., Mayor Lacher and the Town Council held a joint public meeting with the Port Commission of Friday Harbor to address issues of mutual concern. The Port Commission called their meeting to order. Issues brought forth by the Council and Port Commission (Mike Ahrenius, Barbara Marrett, and Greg Hertel) for discussion were:

- Economic development;
- Future development and expansion of Port of Friday Harbor properties;
- Joint development by the Port and Town of a public parking facility;
- Schedule for replacement of the Front Street water main servicing the Port of Friday Harbor;
- Status of design and installation of the Water Distribution Main Line Replacement Project;
- Allowable uses of Port of Friday Harbor properties;
- Status of assessments for leasehold tax purposes;
- Port security;
- Transportation issues; and

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- Upcoming event schedule for Port activities.

Council consensus to schedule the next joint meeting of the Town Council and Port Commission on September 16, 2010 at 12:00 p.m. The Mayor and Council thanked Port Commissioners Ahrenius, Marrett and Hertel for attending.

ADMINISTRATOR'S REPORT

At 1:37 p.m., Administrator Fitch presented the Town Council with an update of the following:

- 2010 Forestry Grant Application - The application for \$10,000 submitted by the Town for a Rural Forestry Grant to perform a tree inventory at the Trout Lake Reservoir that was thought to be awarded \$1,000 by the State Department of Natural Resources (DNR) was in fact awarded \$10,000. The letter issued by DNR was an error.
- Transportation Improvement Board (TIB) Workshop - Treasurer Picinich attended a recent workshop in which grant opportunities were announced for pavement improvement projects. Applications should be submitted by August 31, 2010. Discussion followed regarding Price Street, Friday Avenue and Blair Street as candidates for the application and grant criteria.
- Wastewater Water Treatment Plant (WWTP) - An additional complaint was received regarding odor at the WWTP.
- Sewer Line Replacement Project - Brown and Caldwell Engineering will present a proposal to design additional improvements for screening of solids at the WWTP and retrofit one of the Town's pump stations.
- Consumer Confidence Report - Said report will be included to all Friday Harbor waster users in the July utility billing.
- Six Year Transportation Improvement Plan (TIP) - The public hearing for the Six Year TIP for years 2010 through 2015 is scheduled for deliberation in August. The current TIP was distributed for review. Discussion followed regarding obtaining the recommendation of the Town Street Department for consideration.
- Transfer Station - The current draft Amended and Restated Lease Agreement for the transfer station located on Sutton Road was distributed for review. Attorney Cunningham summarized the negotiation issues presented by the Town and County.
- Water Distribution Main Line Replacement - Information was distributed for review. Additional surveying and environmental engineering will be required for said project.
- Ordinance No. 1433 - Said draft Ordinance for consideration accepts the Final Plat of the Country Village Estates 2nd Addition - Phase I to the Town of Friday Harbor. Council consensus to postpone draft Ordinance No. 1433 until the evening June 17, 2010 session.

PAYMENT OF CLAIMS

Moved by Monin, second by Menjivar, to approve the payment of Claim Warrant Nos. 34165 through 34219 in the amount of \$214,636.51. Motion passed unanimously.

APPROVAL OF MINUTES

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Moved by Brooks, seconded by Monin, to approve the minutes of **June 3, 2010, June 5, 2010 and June 10, 2010 as submitted.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher provided a San Juan Islands Trail Committee update.

Administrator Fitch reported that Attorney Cunningham has been released by the County to work on behalf of the Town regarding issues relating to the Friday Harbor Landfill and transfer station located on Sutton Road. Discussion followed regarding Attorney Cunningham's participation on ethical grounds. **Council consensus that Attorney Cunningham is approved to provide legal consultation and services regarding issues relating to the Friday Harbor Landfill and transfer station located on Sutton Road.**

Councilmember Monin requested that the Council review the information relating to the formation of Fire Authorities.

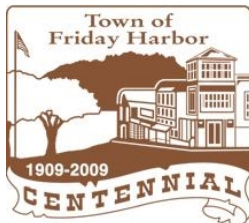
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 2:07 p.m. The next regular meeting is scheduled for Thursday, June 17, 2010 at 5:30 p.m.

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These minutes were approved on July 1, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, June 17, 2010 – Town Council Chambers – Evening Session
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CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

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Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include consideration of draft Ordinance No. 1344 and an Executive Session.

Mayor Lacher announced that Councilmember Brooks submitted her resignation, effective July 1, 2010, to the Town Council at the afternoon session of June 17, 2010. Mayor Lacher explained the appointment process for Councilmember Brooks' successor.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

PUBLIC HEARING

Conditional Use Permit No. 66

At 5:35 p.m., Mayor Lacher opened the public hearing to consider Conditional Use Permit Application No. 66; a request by Community Properties, LLC. for construction and operation of a Large On-site Sewer System (LOSS) on Tax Parcel No. 351392515 located on Turn Point Road, which is approximately 10.30 acres in size.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council answered in the negative regarding communication with opponents or proponents regarding said permit. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand to present the staff report. Mr. Bertrand entered the following exhibits into the record: Exhibit A - Map; Exhibit B - Revised LOSS site plan for Staff Report; Exhibit C - Letter from John and Fabia Schreiber, neighboring property owners; Exhibit D - Email communication from Washington State Department of Health dated June 16, 2010. Mr. Bertrand described the background of the application, staff evaluation and recommendation.

Community Properties, LLC. (Applicant) is requesting a Conditional Use Permit to construct and operate a LOSS system with a capacity to serve 230 dwelling units on multi-family residential zoned property. Friday Harbor Municipal Code Chapter 17 allows for consideration of the proposed private utility in a residential zone by a Conditional Use Permit.

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Mr. Bertrand concluded that said proposal, as submitted, conforms to the comprehensive plan for land use. The proposal would be compatible with the surrounding community based on the preliminary drawings that were provided, except they are not allowed to construct anything in the shoreline setback, either above or below ground. Granting of the right to construct a LOSS system for a private utility on the subject property would not impact health welfare safety, lands, and rights within the comprehensive plan, if constructed and approved by the Washington State Department of Health. Said proposal would not impose excessive demands upon public services or utilities since it is not connecting into the Town's wastewater facility. The Town will have no involvement for the maintenance of, or any future operation of the facility, in case of default by the Homeowner's Association.

Mr. Bertrand recommended that the Town Council approve Conditional Use Permit Application No. 66 and allow a private utility facility known as a LOSS, to be constructed on Tax Parcel No. 351392515 subject to the following conditions:

1. The building/facility shall be constructed and located as shown on the attached site plan, and drawings, except for those areas that encroach on the shoreline setback. No construction above or below ground, within the 200 foot shoreline setback, will be allowed with this system without going through a Shoreline Substantial Development Permit application process.
2. No Occupancy Permits for dwellings using this facility shall be issued until the Town receives certification from the Washington State Department of Health, that this LOSS facility is approved for use.
3. The construction and use shall conform to all Town regulations and permitting requirements.
4. The construction of the building/facility, which is the subject of this conditional use permit approval, must commence on the subject property within a period of two years from the date of granting this permit, or it will become null and void.

Mayor Lacher asked the proponents if they would like to present additional information. Richard Hobbs, on behalf of Community Properties, LLC., described the proposed construction schedule if the application is approved; and technology used in the proposed infrastructure. Mr. Hobbs noted that the application is to accommodate the total 230 unit build-out of dwellings units but installation will be phased. The first phase of infrastructure will accommodate thirty (30) dwelling units and will serve 473 Grover Street East, commonly known as the San Juan Community Home Trust Sunrise Development, which is currently being constructed. Mayor Lacher allowed Council questions pertaining to the engineering and operation of the LOSS system. Per inquiry from Councilmember Monin, Mr. Hobbs explained that the proposed drain field would be used as backup infrastructure subject to the State Department of Health's approval to use reclaimed water for toilet flushing and irrigation.

At 6:01 p.m., Mayor Lacher opened the public hearing to audience comments.

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Dorothy Stone, 740 Hunt Street, read a list of concerns into the record. In summary, Ms. Stone inquired what guarantees are in place that the Town will not be mandated by the State to connect the proposed development to Town utilities should the proposed LOSS system fail; what are the terms of the agreement between Skagit County Sewer District No. 2 and Community Properties, LLC. for maintenance of said system; and if other portions of the Buck Annexation Developers Agreement regarding other required improvements have been scheduled. Said letter was entered as Exhibit E.

Virginia Beaudoin, 520 Maple Street, stated concerns. In summary and addition to above stated concerns, Ms. Beaudoin inquired how the Town can guarantee that the Applicants will have funding available for future improvements and maintenance to the proposed system; and how the Applicants can guarantee that odor will not become an issue for the surrounding area.

Keith Keiser, 460 Kanaka Bay Road, spoke in favor of the proposal and LOSS system low impact development technology as being cost effective and ecologically friendly.

Virginia Beaudoin, 520 Maple Street, inquired if the future homeowners will be educated to insure that materials toxic to the system will not be introduced into the system.

Mayor Lacher inquired if there was additional public testimony. Hearing none, Mayor Lacher inquired if staff or Attorney Cunningham had anything to add.

Mr. Bertrand stated that Town, to the best of its legal ability, negotiated in said Developer Agreement that the Town shall have no short or long term involvement or maintenance of this private utility facility and that a regulatory municipal agency other than the Town shall assume responsibility for the proposed system. The proposed LOSS system is subject to the review and approval by the State Department of Health's LOSS program, together with the joint review and approval of the Reclaimed Water sections by the State Department of Ecology. No occupancy permits shall be granted for any development on the subject parcel until approved as final by the State. Administrator Fitch explained that the County Health Officer continues to have the authority to supercede said Developer Agreement for reasons of public health and safety and could order Town to assume sewerage responsibilities under certain extreme circumstances.

Mayor Lacher opened the hearing to Council questions.

Per inquiry, Mr. Bertrand explained that Conditional Use Permit Application No. 66 determines the location of the proposed system and that the activity approved by the conditional use permit must begin on the subject property within two years from the date of the permit and may continue as additional infrastructure to accommodate build-out is needed.

Per inquiry, Mr. Hobbs explained that future maintenance of the proposed system shall be financed through Homeowner Association dues.

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Per inquiry, Mr. Bertrand explained that lot coverage requirements for the proposed system are yet to be determined and shall be determined at the time the Applicants submit an application for long subdivision.

Mayor Lacher asked if Attorney Cunningham or Staff wished to make additional comments.

Mr. Bertrand reiterated that the purpose of the public hearing is for consideration of the location of the system as proposed on Exhibit A - Map, per the criteria as listed in FHMC 17.80.030.

Per comment from Councilmember Monin regarding terms of the Developer's Agreement, Attorney Cunningham reminded the Council that they are to only consider facts that are relevant to applicable Municipal Code.

Mayor Lacher inquired if there was additional public testimony.

Nancy DeVaux, SJC Home Trust Executive Director, stated that participants in the Sunrise Development program will be required to attend training on the proposed LOSS system and other planned low impact development features.

Virginia Beaudoin, 520 Maple Street, inquired if the Council reviewed the LOSS Management and Maintenance Guidelines revised June 29, 2004 by the State Department of Health which therein states **sewerage** responsibilities. Said guidelines were entered into the record as Exhibit F.

Mayor Lacher requested additional public testimony. Hearing none, Mayor Lacher requested additional Council questions.

Councilmember Menjivar inquired why the Petitioners for Annexation were not required to connect to the Town **sewer** system as a condition of annexation; and requested clarification that consideration of the stated risk that the local or State Health Departments could require Town to assume **sewerage** responsibilities is relevant to the criteria as listed in FHMC 17.80.030. Attorney Cunningham answered in the affirmative. Administrator Fitch summarized past negotiations and public hearing for said Annexation and Developer Agreement.

At 6:29 p.m., Mayor Lacher closed the public input portion of the hearing, reserving the right to reopen if needed, and opened Council deliberations.

Councilmember Brooks suggested that the Council examine the written information submitted as Exhibit F - Department of Health LOSS Maintenance Guidelines.

Councilmember Monin requested deliberation of criteria set forth in FHMC 17.80.040(D) as it pertains to the long-term operation of the system. Councilmember Monin inquired if there was support of any other conditions reasonably necessary to insure that Town's **wastewater** utilities cannot be negatively impacted. Councilmember Menjivar suggested that Community Properties, LLC. be required to bond for the proposed system to assure

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fiscal responsibility for future maintenance and operation of the system should either party default.

Councilmember Monin inquired if State regulations pertaining to the monitoring of **sewerage**, particularly Nitrate levels, continue to evolve like potable drinking water regulations; and if so, how will that impact the proposed system. Councilmember Monin used the continual lowering of the total allowable level of Trihalomethanes in potable drinking water as an example. Mr. Hobbs stated that the State will continue to monitor the quality of **sewerage**.

Mayor Lacher acknowledged the Council and public's recurring concerns regarding the management of the proposed LOSS system. Mayor Lacher inquired if the Town would have an avenue to recoup costs in the hypothetical situation that the Town be required to assume **sewerage** responsibilities in the event of a LOSS system failure and/or default by both parties. Attorney Cunningham stated that a definitive answer was unavailable until all agreements were examined. Mayor Lacher reminded the Council that they will be required to take some form of action at the conclusion of the public hearing despite the emotional aspects of the approved Buck Annexation and Developers Agreement.

Councilmember Hushebeck inquired if the Developers Agreement could be amended to require bonding of the proposed LOSS system. Attorney Cunningham stated that without thoroughly examining the Developers Agreement a definitive answer was unavailable, however speculated that bonding would likely be made a condition of Conditional Use Permit Application No. 66. Councilmember Brooks requested that action be postponed until concerns regarding the maintenance agreement and bonding issues for the LOSS system are addressed. Mayor Lacher inquired if said requests for additional conditions and information were appropriate of the public hearing. Attorney Cunningham answered that said considerations are appropriate for this public hearing.

Councilmember Brooks inquired about the cost of the proposed LOSS system in respect to envisioning an appropriate bond amount if required. Mr. Hobbs stated that the infrastructure for the first phase will cost approximately \$700,000 and will accommodate 30 dwelling units with each subsequent module costing approximately \$450,000.

Councilmember Monin stated that he was in favor of the proposed LOSS system as long as the permit could be adequately conditioned to make certain that Town utilities are not negatively impacted in the event that Community Properties, LLC and/or Skagit County **Sewer** District No. 2 fail to maintain the LOSS system and Town is required by regulatory agencies to assume **sewerage** responsibilities. Mayor Lacher referred to Staff Report Attachment 10 - Letter of Intent from Skagit County **Sewer** District No. 2 dated March 20, 2009. Councilmember Monin stated that said letter gives no assurances as they have only agreed to provide said services pending financial and contractual negotiations. Discussion and inquiry followed regarding the terms of the pending maintenance agreement for the LOSS system.

Mayor Lacher requested that Council clarify its position and direct staff appropriately. Discussion followed regarding obtaining the terms of the pending maintenance agreement for the LOSS system. Mr. Bertrand explained that the parties are in the

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process of negotiating an agreement similar to Exhibit F. Discussion followed regarding whether to require Council approval of the maintenance agreement between Community Properties, LLC. and Skagit County **Sewer** District No. 2 and whether to require that said parties indemnify the Town of all future costs and **sewerage** responsibilities as conditions to Conditional Use Permit Application No. 66.

Moved by Monin, seconded by Hushebeck, to direct staff to continue to work with Community Properties to obtain additional information regarding the letter of intent and proposed agreement between Community Properties, LLC. and Skagit County **Sewer District No. 2 for management and maintenance of the proposed LOSS system. Motion passed unanimously.**

Mayor Lacher inquired if Councilmember Hushebeck wished to make a motion regarding the other suggested conditions. Councilmember Hushebeck declined. Discussion followed regarding continuation of the public hearing until a time certain at which staff and Applicants can present the additional requested information.

Consensus to continue the public hearing at 5:52 p.m. on June 17, 2010 until July 1, 2010 at 5:35 p.m. for consideration of Conditional Use Permit Application No. 66.

Mayor Lacher continued the public hearing at 5:52 p.m. until July 1, 2010 at 5:35 p.m. for consideration of Conditional Use Permit Application No. 66. Mayor Lacher reminded the Council that the subject hearing is quasi-judicial in nature and that the Council is to refrain from discussing the subject matter.

ACTION AND DISCUSSION ITEMS

Resolution No. 1790

At 5:54 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1790, authorizing conditional private use of Front Street by the Rotary Club of San Juan Island for a street dance on July 4, 2010. Per Councilmember Brooks' inquiry, Attorney Cunningham explained relevant law pertaining to consumption of alcohol as related to the public right-of-way. Discussion followed regarding event permits for liquor licenses.

Moved by Monin, seconded by de Freitas, to authorize conditional private use of a portion of Front Street by the Rotary Club of San Juan Island for a street dance on July 4, 2010 from 3:00 p.m. to 11:30 p.m. for an annual street dance. Motion passed 4-1 with Brooks opposed.

Ordinance No. 1433

At 6:57 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1433, accepting the Final Plat of the Country Village Estates 2nd Addition - Phase I to the Town of Friday Harbor. Administrator Fitch summarized the provisions of said ordinance. The Town Council of Friday Harbor by passage of Ordinance No. 1425 on May 20, 2010 granted approval to the Preliminary Plat of Country Village Estates 2nd Addition subject to certain conditions. In accordance with Friday Harbor Municipal Code 16.04.160(C), the owners of the Plat of Country Village Estates 2nd Addition - Phase I

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have furnished a Irrevocable Letter of Credit in the amount of Twenty seven thousand and 00/100 dollars (\$27,000) to guarantee the installation of approximately five hundred fifty (550) lineal feet of concrete sidewalk constructed to Town standards. No discussion followed. Bill Gendron, Homes for Islanders Project Manager, thanked the Council.

Moved by de Freitas, seconded by Menjivar, to adopt Ordinance No. 1433, accepting the Final Plat of the Country Village Estates 2nd Addition - Phase I to the Town of Friday Harbor. Motion passed unanimous.

Resolution No. 1789

At 7:02 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1789, authorizing the Mayor to execute an amended and restated lease agreement with San Juan County for use of a portion of Tax Parcel No. 350234001, commonly known as the Town of Friday Harbor Solid Waste Facility. Administrator Fitch explained that the Town and County further revised the lease presented on June 10, 2010. Attorney Cunningham explained the terms of the presented lease agreement. Discussion followed regarding further negotiation of said lease. SJC Administrator Rose commented on the mutual indemnity clause of said draft agreement and thanked the Town for considering a restated lease.

Move by Menjivar, seconded by Monin, to adopt Resolution No. 1789, authorizing the Mayor to execute an amended and restated lease agreement with San Juan County for use of a portion of Tax Parcel No. 350234001, commonly known as the Town of Friday Harbor Solid Waste Facility. Motion passed unanimously.

Ordinance No. 1427

At 7:48 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1427, amending the Town's Comprehensive Plan Land Use Map and Zoning Designation Map and repealing Ordinance No. 1427 in its entirety. Councilmember de Freitas and Councilmember Brooks recused themselves from participation and left the podium. Attorney Cunningham explained the nature and ethics of Councilmember de Freitas' participation in the discussion and concurred with her recusal. Councilmember de Freitas has a business interest in a parcel under consideration for rezone from the multi-family to commercial zone. Councilmember Brooks was not present at the public hearing for consideration of changes. Land Use Administrator Mike Bertrand explained the recommendations of the Town Planning Commission per their public hearings of April 27, 2010 for changes to the Comprehensive Plan Land Use Map and Zoning Designation Map. Administrator Fitch commented on the suggested method to create a General Planning Map, as required by the Growth Management Act, to consist of primarily of four major classifications in lieu of nine. The Planning Commission has recommended denying the requests to reclassify Tax Parcel No. 351360005 from single family residential to multi-family residential zoning and Tax Parcel No. 351356205 from multi-family residential to commercial zoning; and accept new designations for the Comprehensive Land Use Map as recommended in the staff report dated April 17, 2010. Discussion followed regarding the request to reclassify Tax Parcel No. 351356205 from multi-family residential to commercial zoning.

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Council consensus that the proposal to reclassify Tax Parcel No. 351356205 from multi-family residential to commercial zoning concurs with existing zoning and to amend the proposed Land Use Map to accept said request.

Moved by Monin, seconded by Menjivar, to adopt Ordinance No. 1427, amending the Figure 3-2 of the 2002 Town of Friday Harbor Comprehensive Plan Land Use Map dated September 1, 2009 and replace with the amended 2002 Town of Friday Harbor Comprehensive Plan Land Use Map dated July 1, 2010 as depicted as Exhibit A; and repeal Ordinance No. 1397 in its entirety. Motion passed 3-0 with de Freitas and Brooks abstained.

Ordinance No. 1429

At 8:10 p.m., Mayor Lacher introduced draft Ordinance No. 1429, fixing the date, time and location of the public hearing for consideration of renewal of the franchise to Windjammer Communications, LLC. for use of the public right-of-way to operate a cable television system. Administrator Fitch explained the purpose of franchise agreements. No discussion followed.

Moved by Hushebeck, seconded by de Freitas, to adopt Ordinance No. 1429, setting a public hearing for consideration of an application for renewal of the franchise to Windjammer Communications, LLC. for use of the public right-of-way to operate a cable television system before the Town Council at 5:35 p.m. on August 5, 2010 at the Town Council Chambers, located at 60 Second Street, Friday Harbor, Washington. Motion passed unanimously.

Ordinance 1432

At 8:11 p.m., Mayor Lacher introduced draft Ordinance No. 1432, amending Ordinance No. 1093 and Chapter 13.28 of the Friday Harbor Municipal Code concerning refuse rate tables and repealing Ordinance No. 1359 in its entirety. Administrator Fitch explained that it is necessary to increase refuse fees to offset County tipping fee increases. The current tipping cost to the Town will increase from \$197.00 per ton to \$225.00 per ton and may experience additional increases in 2010. Town has internalized cost increases for the refuse utility since 2008. Discussion followed regarding the proposed rates. The final reading of said ordinance will be schedule on July 1, 2010. No action was taken.

Ordinance No. 1430

At 8:22 p.m., Mayor Lacher introduced draft Ordinance No. 1430, amending Ordinance No. 1212 and Friday Harbor Municipal code 13.05, regarding water connection charges and Ordinance No. 1213 and Friday Harbor Municipal Code 13.21. Administrator Fitch explained that said ordinance provides for Town and property owners to equitably calculate charges for changes to water meter and sewer connections. If a property owner that is connected to the water system requests an increase in the size of the water meter or sewer connection serving the property, the Town shall require the owner to pay a fee in an amount that is the difference between the price then charged and now charged based on the size. Discussion followed regarding crediting of water and sewer connection fees.

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Moved by Brooks, seconded by de Freitas, to adopt Ordinance No. 1432, amending Ordinance No. 1212 and Friday Harbor Municipal code 13.05, regarding water connection charges and Ordinance No. 1213 and Friday Harbor Municipal Code 13.21. Motion passed unanimously.

Ordinance No. 1431

At 8:25 p.m., Mayor Lacher introduced draft Ordinance No. 1431, amending Ordinance No. 1088 and Friday Harbor Municipal Code 13.20, regarding sewer service disconnections. Administrator Fitch explained that said ordinance provides for Town and property owners to equitably calculate reconnection of parcels to Town sewer service. The owner of a property may, upon disconnecting from the Town sewer system, request the issuance of a Reconnection Certificate. The Certificate will authorize the owner to reconnect to the Town sewer system at any time within ten years from the date of issuance by paying a reconnection fee in an amount that is the difference between the price charged as a sewer connection fee on the date of disconnecting and price now charged. Discussion followed regarding the ten year time limitation and value of the Certificate.

Moved by Monin, seconded by de Freitas, to amending Ordinance No. 1088 and Friday Harbor Municipal Code 13.20, regarding sewer service disconnections. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

SJC Councilmember Howie Rosenfeld was unavailable to provide an update on issues of mutual concern. A memorandum was distributed.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher announced that the Council would not meet August 19, 2010 at 5:30 p.m.

Per inquiry, Administrator Fitch announced that SCS Engineering will be scheduled for a presentation regarding solid waste.

The Council discussed scheduling the next Council Retreat on Saturday, August 31, 2010 to discuss formation of a Fire Authority between District No. 3 and Town of Friday Harbor.

Mayor Lacher requested that Clerk Taylor draft a press release for the announcement of Councilmember Brooks' resignation.

Councilmember Brooks stated that a Marine Resources Committee update will be provided on July 1, 2010.

EXECUTIVE SESSION

At 8:39 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding potential litigation in accordance with the provisions of RCW 42.30.110(i); which was estimated to last 10 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Administrator Fitch, and Attorney Cunningham. The

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

session ended at 8:51 p.m. for an actual session time of 12 minutes. No action was taken.

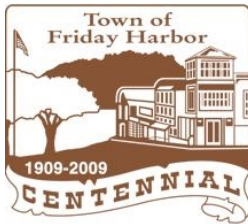
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 8:51 p.m. The next regular meeting is scheduled for Thursday, July 1, 2010 at 12:00 p.m.

* * * * *

These minutes were approved on July 1, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, July 1, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Proclamation - Summer Reading Month

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 12:01 p.m., Mayor Lacher proclaimed July 2010 as Summer Reading Month in the Town of Friday Harbor and urged all residents to visit the San Juan Island Library and discover a good book to read on a beautiful summer day.

DEPARTMENT REPORTS

Fire

Fire Chief Long was unavailable to provide a report.

Utilities

At 12:05 p.m., Utilities Superintendent Mike Wilks reported on various scheduled construction and maintenance projects. Mr. Wilks indicated that the Trout Lake Reservoir water level is currently 5 ½" below the spillway. No discussion followed. Mayor Lacher thanked Mr. Wilks.

Community Development

At 12:08 p.m., Land Use Administrator, Michael Bertrand, distributed a report of building permits issued in year 2010 to date. Mr. Bertrand reported on upcoming public hearings, current development within the Town and Friday Harbor playing fields located on Carter Avenue. Inquiry followed regarding water usage for landscaping at the Park Plaza development located at 1014 Guard Street. Mayor Lacher thanked Mr. Bertrand.

Historic Preservation

At 12:14 p.m., Historic Preservation Coordinator, Sandy Strehlou, Ms. Strehlou reported on Historic Preservation (HP) reviews, HP Manual update and HP Review Board recommendation for the Scenic Byway Corridor Management Plan. Ms. Strehlou requested that the Council assign a representative to the Scenic Byway Steering Committee. Discussion followed regarding the Board's recommendations. Mayor Lacher thanked Ms. Strehlou.

ACTION AND DISCUSSION ITEMS (cont.)

Resolution No. 1791

At 12:23 p.m., Mayor Lacher introduced draft Resolution No. 1791, authorizing the Mayor to execute a grant agreement with Washington State Department of Ecology for a comprehensive Shoreline Master Program update. Administrator Fitch and Mr. Bertrand explained the particulars of said Resolution. The Town is required to update the Shoreline Master Program by December 1, 2012. The Department of Ecology has offered to provide a no-match grant in the amount of \$125,000 to assist with the update. A request for proposals will be issued for consultants based on the funding distribution schedule of grant. Discussion followed regarding the structure of the grant, Trout Lake watershed and Critical Areas Ordinance being considered by the County.

Moved by Monin, seconded by de Freitas, to adopt Resolution No. 1791, authorizing the Mayor to execute Grant Agreement No. G1100002, in the amount of one hundred twenty five thousand and 00/100 with the Washington State Department of Ecology to prepare a Comprehensive Shoreline Master Program update. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Resolution No. 1792

At 12:30 p.m., Mayor Lacher introduced draft Resolution No. 1792, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the engineering firm of Brown and Caldwell to prepare technical memorandums evaluating the extent of modifications needed at Sewer Pump Station No. 2 and replacement of the solids screening device at the Wastewater Treatment Plant. Administrator Fitch explained that Sewer Pump Station No. 2 requires retrofitting due to the improvements completed for the Sewer Replacement Project. Construction of the Sewer Replacement Project diverted a significant portion of flow from Sewer Pump Station No. 2 and as a result the Town has received odor complaints at the Station that appear to be related to long pump cycle times. Administrator Fitch explained that staff has made a preliminary selection of a mechanically cleaned screen, grinder and compactor system to replace the existing drum screen at the Wastewater Treatment Plant. Brown and Caldwell Engineering will evaluate the screening system selected by the Town. Compensation for services shall be on a time and material basis not to exceed \$39,988. Discussion followed regarding the services provided by Brown and Caldwell Engineering for design of the Sewer Replacement Project.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1792, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the engineering firm of Brown and Caldwell to prepare technical memorandums evaluating the extent of modifications needed at Sewer Pump Station No. 2 and replacement of the solids screening device at the Wastewater Treatment Plant. Motion passed unanimously.

Resolution No. 1793

At 12:34 p.m., Mayor Lacher introduced draft Resolution No. 1793, authorizing the Mayor to execute a purchase agreement to provide liquid propane gas. Administrator Fitch explained the particulars of said purchase agreement. Town received competitive sealed bids from two firms on June 27, 2010 after being duly advertised. Vander Yacht Propane was the lowest cost proposal and has offered to provide said propane gas fuel according to Town specifications for an initial cost of \$1.444 per gallon from August 1, 2010 through July 31, 2011. Discussion followed regarding cost.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1793, authorizing the Mayor to accept the proposal of and execute a purchase agreement with Vander Yacht Propane to provide propane fuel for an initial cost of \$1.444 per gallon. Motion passed unanimously.

Resolution No. 1794

At 12:39 p.m., Mayor Lacher introduced draft Resolution No. 1794, authorizing the Mayor to execute a purchase agreement to provide motor fuels. Administrator Fitch explained the particulars of said purchase agreement. Town received a competitive sealed bid from one firm on June 27, 2010 after being duly advertised. Island Petroleum Services was the lowest cost proposal and has offered to provide said B-20 bio-diesel motor fuel according to Town specifications for an initial cost of \$3.248 per gallon from August 1, 2010 through July 31, 2011. Discussion followed regarding use of the product in Town equipment.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1794, authorizing the Mayor to accept the proposal of and execute a purchase agreement with Island Petroleum Services to provide B-20 bio-diesel motor fuel for an initial cost of \$3.248 per gallon. Motion passed unanimously.

Resolution No. 1795

At 12:41 p.m., Mayor Lacher introduced draft Resolution No. 1795, authorizing the Mayor to execute a purchase agreement to provide motor fuels. Administrator Fitch explained the particulars of said purchase agreement. Town received competitive sealed bids from two firms on June 27, 2010 after being duly advertised. Petro San Juan was the lowest cost proposal and has offered to provide said unleaded and diesel motor fuels according to Town specifications for an initial cost of \$2.4739 per gallon for unleaded gasoline, \$2.5253 per gallon for No. 2 diesel fuel, and \$2.5303 per gallon for off-road diesel from August 1, 2010 through July 31, 2011. Discussion followed regarding cost of bio-diesel compared to regular and off-road diesel.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1794, authorizing the Mayor to accept the proposal of and execute a purchase agreement with Petro San Juan to provide unleaded and diesel motor fuels for an initial cost of \$2.4739 per gallon for unleaded gasoline, \$2.5253 per gallon for No. 2 diesel fuel, and \$2.5303 per gallon for off-road diesel. Motion passed unanimously.

Ordinance No. 1432

At 12:44 p.m., Mayor Lacher introduced the second reading of draft Ordinance No. 1432, amending Ordinance No. 1093 and Chapter 13.28 of the Friday Harbor Municipal Code concerning refuse rate tables and repealing Ordinance No. 1359 in its entirety. Administrator Fitch explained the particulars of said Ordinance. Ordinance No. 1432 revises the refuse rate tables by increasing user charges effective August 1, 2010. The purpose of the increase to user and base charges are to off-set the anticipated rise in County refuse tipping fees. The current tipping cost to the Town will increase from \$197.00 per ton to \$225.00 per ton and may experience additional increases in 2010. Town has internalized cost increases for the refuse utility since 2008. Discussion followed regarding the pick up cost per can.

Moved by Menjivar, seconded by de Freitas, to adopt Ordinance No. 1432, amending Ordinance No. 1093 and Chapter 13.28 of the Friday Harbor Municipal Code concerning refuse rate tables and repealing Ordinance No. 1359 in its entirety. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 1:47 p.m., Administrator Fitch presented the Town Council with an update of the following:

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- Fireworks Ban - Ordinance No. 1363 banning unpermitted fireworks became effective July 3, 2010. Discussion followed regarding the county-wide referendum to repeal the ban on "safe and sane" fireworks.
- Six Year Transportation Improvement Plan (TIP) - Staff recommendations for the 2011 through 2016 TIP was distributed for Council review. Addition of bike lanes on Tucker Avenue was added while all other priorities remained the same as the 2010 through 2015 TIP.
- Association of Washington Cities (AWC) - The adopted AWC 2010-2011 Statement of Policy and Resolutions was distributed for Council review. The Council was encouraged to attend the AWC meetings telephonically. The Council was reminded that training for elected officials is mandatory. Discussion followed regarding state-wide legislative priorities, proposed reforms and upcoming conferences.
- Asphalt Concrete Overlay - A grant is available through the Transportation Improvement Board for A/C overlay. The candidate streets are Friday Avenue and Price Street. Discussion followed regarding which street to improve. **Council consensus to apply for said grant for A/C overlay improvements on Price Street.**
- Touch-A-Truck Event - Island Rec has inquired if Town would participate in the annual Touch-A-Truck event in October 2010 at the SJI Elementary School. **Council consensus to participate in said event.**
- DNR Forestry Grant - Staff and/or Councilmembers will be attending a meeting with Department of Natural Resources regarding the grant recently received to perform a tree inventory within the Trout Lake Watershed. Discussion followed regarding Council availability.
- Nichols / Web Street - Town received a letter of concern and petition requesting that Town abandon the suggestion to make Nichols and Web Street one-way.
- SJI Transfer Station - Administrator Fitch requested authorization to begin making test runs for hauling the Town's solid waste to Skagit County for disposal. [Clerk's Note: This item became a discussion item with action. See below.]

ACTION AND DISCUSSION ITEMS (cont.)

SJI Transfer Station

At 2:15 p.m., Administrator Fitch requested authorization to begin making test runs for hauling the Town's solid waste to Skagit County for disposal. Now that the San Juan Island transfer station operated by SJC has been converted to a drop box facility, the Town is faced with the choice of hauling its solid waste to the Orcas Island transfer station for \$225 per ton, or to a Skagit County transfer station for \$89 per ton. Discussion and inquiry followed. The Council expressed interest in exploring the feasibility of transferring Town's solid waste to Skagit's facility in Mount Vernon. **Council consensus to authorize the test hauling of Town's solid waste to Skagit County for disposal.**

Mayor Lacher explained that SJC Council Chair Richard Fralick has requested that the negotiating team meet to discuss the County's proposed changes to the amended and restated lease agreement for the transfer station located on Sutton Road. The Town approved said agreement pursuant to Resolution No. 1789 adopted June 17, 2010. The

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County Council rejected said agreement on June 22, 2010 following an executive session. Reasons known for the County's rejection include concern over the indemnification and renewal clauses contained in the draft. Mayor Lacher explained that Mr. Fralick was informed that the Town negotiating team could not meet without Council approval as the Council clearly expressed disinterest in further negotiation without County reimbursement of Town legal services. Mayor Lacher requested that the Council provide direction. SJC Administrator Pete Rose explained that the County desires to negotiate a longer than month-to-month tenancy after November 30, 2014.

Mayor Lacher questioned what incentive there is for Town to continue negotiation for placement of a roof over the tipping floor and extended lease now that Town and local commercial haulers are required to transfer refuse off island with the conversion of the Transfer Station to a drop box facility. Discussion followed regarding flow control.

Mayor Lacher requested that the Council determine if the negotiating team should convene. Discussion followed regarding conversion to the drop-box facility and determining the viability and advantages and disadvantages of hauling refuse off-island. **Council consensus to convene the negotiation team without legal representation to report back to the Town the County's suggested changes to the current draft agreement.**

PAYMENT OF CLAIMS AND PAYROLL

Moved by Brooks, seconded by de Freitas, to affirm the payment of Payroll Warrant Nos. 14531 through 14617 in the amount of \$221,969.26 and approve the payment of Claim Warrant Nos. 34220 through 34254 in the amount of \$44,532.16 Motion passed 4-0 with Menjivar abstained.

APPROVAL OF MINUTES

Moved by Monin, seconded by Hushebeck, to approve the minutes of **June 16, 2010 as submitted.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

There were no non-agenda items forthcoming.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:47 p.m. The next regular meeting is scheduled for Thursday, July 1, 2010 at 5:30 p.m.

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These minutes were approved on July 15, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, July 1, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Carrie Brooks.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Treasurer, Wendy Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

David Baughn, owner of Island Wine Company located at 100 Front Street, requested that Council not approve the request by the SJI Chamber of Commerce to hold a weekly Friday night street fair at the currently proposed location on First Street. Mr. Baughn stated that he supported the proposal of a street market but doubted downtown revitalization could be achieved by disrupting traffic, eliminating parking spaces and establishing temporary vendors during peak days of the summer peak season. The Council thanked Mr. Baughn.

PUBLIC HEARINGS

Conditional Use Permit No. 66

At 5:35 p.m., Mayor Lacher opened the continued public hearing of June 17, 2010 to consider Conditional Use Permit Application No. 66; a request by Community Properties, LLC. for construction and operation of a Large On-site Sewer System (LOSS) on Tax Parcel No. 351392515 located on Turn Point Road, which is approximately 10.30 acres in size.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

answered in the negative regarding communication with opponents or proponents regarding said permit. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand to report any additional information. Mr. Bertrand entered the following exhibits into the record: Exhibit G - Revised cover sheet and addendum information to the Staff Report, and Exhibit H - Memorandum from Town Attorney Cunningham dated July 1, 2010. Mr. Bertrand explained that as requested management agreements to the LOSS were included in Exhibit G.

Mayor Lacher asked the proponents if they would like to present additional information. Richard Hobbs, on behalf of Community Properties, LLC., entered Exhibit I - LOSS Management Agreement and Exhibit J - Water & Wastewater Services (WWS) Agreement into the record and introduced representatives of WWS and Skagit County Sewer District No. 2 (SSD2) and Aquacare Environmental, Inc. (LOSS system designer). Mr. Hobbs stated that he was available for questions.

Henning Gatz, designer/builder for Aquacare Environmental (representative of the "Living Machine" system) provided an overview of the proposed LOSS system and stated that he was available for questions.

Kelly Wynn, District Manager of SSD2, listed example systems that SSD2 maintains across the State and stated that he was available for questions.

At 5:47 p.m., Mayor Lacher opened the public hearing to audience comments.

Virginia Beaudoin, 520 Maple Street, read a letter of concern into the record. Said letter is entered as Exhibit K. Ms. Beaudoin inquired how the Town can guarantee that the Applicants will have funding available for future improvements and maintenance for the proposed system; and how the Applicants can guarantee that odor will not become an issue for the surrounding area.

Deb Laning, 460 Kanaka Bay Road, spoke in favor of the proposal and LOSS system low impact development technology as being cost effective and ecologically friendly.

Butch Rishell, 740 Hunt Street, stated concerns over the proposal by anecdotally comparing it to the former incinerator at the Friday Harbor Landfill.

Mayor Lacher inquired if there was additional public testimony. Hearing none, Mayor Lacher inquired if staff or Attorney Cunningham had anything to add.

Attorney Cunningham recommended that the Council consider four new conditions for the conditional use permit to mirror the conditions that the Town agreed to in the Development Agreement dated June 3, 2009 for the subject property. The recommended conditions as stated in her memorandum (Exhibit H) are as follows: 1) No right to connect to Town sewer system; 2) No management by the Town of the LOSS system; 3) Notice to future owners via recorded covenant that all rights to connect to

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

the Town **sewer** system have permanently been waived; and 4) Unconditional approval from all applicable government agencies that location, design and capacity of LOSS shall meet needs as if fully developed in accordance with the developer's long range plan.

Mayor Lacher inquired if there was additional public testimony.

Larry Soll, Petitioner, stated that Mark Buehrer, 2020 Engineering, Inc., was now available to answer Council questions.

At 6:03 p.m., Mayor Lacher opened the hearing to Council questions.

Councilmember Hushebeck inquired how the reserve amount of \$15,000 was determined for the LOSS Management Agreement (Exhibit I). Mr. Wynn stated that said amount was determined on a pro-rata basis and that the amount would increase proportionately as the LOSS is expanded to accommodate build-out.

Councilmember de Freitas inquired about the pending emergency response and flood plan portion of the **Wastewater** Management Agreement (Exhibit J). Mr. Wynn stated that the emergency response and flood plan portion of the document are general documents not necessary for negotiations.

Councilmember Brooks inquired about the phasing of the proposed LOSS. Mr. Bertrand explained that Conditional Use Permit Application No. 66 determines the location of the proposed system and that the activity approved by the conditional use may continue as the predetermined additional infrastructure to accommodate build-out is needed.

Councilmember Monin inquired about the concern regarding **odor** emanations. Mr. Wynn explained that the risk of **odor** is eliminated due to the anaerobic conditions and nature of the system. Councilmember Brooks inquired about methane emissions. Mr. Wynn stated that there are none due to other functions of the system.

Councilmember Menjivar inquired about damage that can occur to the system if significant levels of toxins are introduced. Mr. Wynn stated that "Living Machine" systems are resilient and relatively self-healing, but easily replenished if the micro-organism populations experience sudden decline without regeneration. Per inquiry, Mr. Wynn explained that the systems are designed to accommodate certain thresholds of normal household chemicals, but could experience issues should industrial chemicals be introduced.

Councilmember Brooks inquired if the **sewer** pipe and other infrastructure will allow for up-sizing should the developers find that water usage was underestimated. Mr. Bertrand stated that testimony was received previously that treated water would be recycled and that the drain field will be used as a backup should the system become taxed. Mr. Buehrer explained the engineering process for sizing the initial phase of the system and that studies of the initial phase are required before installing subsequent infrastructure and phases.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmember de Freitas inquired how SSD2 or WWS would respond to a system failure as they are based in Skagit County. Mr. Wynn stated that WWS monitors and treats other systems from long-distances and in the event of system failure, maintenance and treatment costs would be levied back to the homeowners.

Councilmember Hushebeck inquired about the cost of the system. Mr. Hobbs stated that the infrastructure for the first phase to accommodate 30 dwelling units will cost approximately \$560,000 with each subsequent module costing approximately \$450,000. Mr. Hobbs noted that the reserve amount of the LOSS Management Agreement would increase with subsequent infrastructure.

At 6:21 p.m., Mayor Lacher closed the public input portion of the hearing, reserving the right to reopen if needed, and opened Council deliberations.

Councilmember Monin suggested that the additional recommended conditions be added to the face of the forthcoming subdivision plat. Attorney Cunningham stated that the conditions shall be added to the plat as a condition of the approved Developer Agreement.

Councilmember de Freitas and Hushebeck stated concern regarding the reserve amount of \$15,000. Councilmember Menjivar suggested that a condition be added to the Conditional Use Permit or LOSS Management Agreement to include creation of a reserve amount to safeguard the Town should parties default. Administrator Fitch explained that such clauses would be inappropriate; however separate agreements could be negotiated. Per inquiry, Administrator Fitch explained that, by nature, requiring fiscal assurances imply that if the parties were to default that the Town will assume some degree of responsibility for the system. Discussion followed. Mayor Lacher requested direction to staff.

Moved by Menjivar, seconded by Monin to approve the staff report as revised July 1, 2010; approve the application for Conditional Use Permit No. 66 as conditioned per the recommendations of the Town Attorney submitted July 1, 2010; and direct staff to develop Finding of Fact, Conclusions of Law and Decision. Motion passed 4-1 with Hushebeck opposed.

ACTION AND DISCUSSION ITEMS

Resolution No. 1789

At 6:35 p.m., Mayor Lacher introduced draft Resolution No. 1796, authorizing conditional private use of a portion of First Street by the San Juan Island Chamber of Commerce for a street market on July 30th, August 27th and September 24th, 2010. Administrator Fitch explained that said Resolution is a modified version of the original proposal and limits conditional use to three Friday evenings with a termination clause allowing for discontinuance of activities. Discussion followed regarding the location.

Moved by Monin, seconded by de Freitas, to deny Resolution No. 1796, authorizing conditional private use of a portion of First Street by the San Juan Island Chamber of Commerce for a street market on July 30th, August 27th and September 24th, 2010. Motion passed 4-1 with Hushebeck opposed.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:47 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on recent meetings with the SJC Ferry Advisory Committee, draft WSF Fall Sailing Schedule and SJI Transfer Station issue. Discussion followed.

FUTURE AND NON-AGENDA ITEMS

Administrator Fitch noted information regarding AWC training will be forwarded to Councilmembers.

CITIZEN RESPONSE

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Recognition of Service - Councilmember Carrie Brooks

At 6:57 p.m., Mayor Lacher presented Councilmember Brooks with a plaque in recognition of her tenure as Town Councilmember. Mayor Lacher announced that the Town Council had drafted a Resolution for consideration as follow: to add Councilmember Brooks' name to the list of names associated with the naming of public places and shall be issued as the next available naming of a street, trail, park or other public place. Councilmember Brooks thanked the Mayor, Council, staff, public and her family for their respect, support and warm regards.

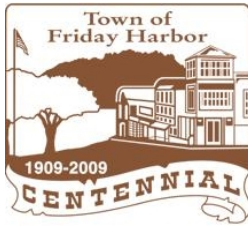
Moved by Monin, seconded Hushebeck, to adopt Resolution No. 1797, to add Councilmember Brooks' name to the list of names associated with the naming of public places and shall be issued as the next available naming of a street, trail, park or other public place. Motion passed 4-0.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:20 p.m. The next regular meeting is scheduled for Thursday, July 15, 2010 at 12:00 p.m.

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These minutes were approved on July 15, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, July 15, 2010 – Town Council Chambers – Afternoon Session
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CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 4, Felix Menjivar.

Council Position No. 5 is vacant.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include an Executive Session during the evening session regarding potential litigation. The scheduled Administrator's Report was postponed until the evening session.

PUBLIC ACCESS TIME

Laura Tretter, SJI Library Director, distributed a financial report for the SJI Library. Mr. Tretter thanked the Town for their support and announced that the SJI Library Board of Trustees is screening applications for a new Library Director. Ms. Tretter's last day of employment was July 14, 2010.

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Susan Key, 515 Spruce Street, on behalf of the Evergreen Subdivision neighborhood, thanked the Town for their consideration of improvements to Spruce Street and encouraged the Town to seek grant opportunities that may be available.

ACTION AND DISCUSSION ITEMS

Proclamation - Relay for Life

At 12:04 p.m., Mayor Lacher proclaimed that July 24th and 25th, 2010 be observed as RELAY FOR LIFE DAYS in the Town of Friday Harbor, and encouraged Friday Harbor business owners to help promote awareness of the event by "Painting the Town Purple" on July 24th, 2010. The proclamation was presented to Chris Hallock, local Relay for Life Committee Chairman.

Association of Washington Cities (AWC)

At 12:10 p.m., Mayor Lacher introduced Mike McCarty, AWC Chief Executive Officer, to give a presentation regarding AWC's role as an advocate for issues affecting towns and cities. Mr. McCarty described AWC's historical background, mission statement, and subscriber services. AWC is a private non-profit, non-partisan corporation that represents Washington's cities and towns before the State legislature, the State executive branch and with regulatory agencies. AWC's mission is to serve its members through advocacy, education and services. AWC's staff focuses its work in five service areas: 1) Legislative representation; 2) Educational training; 3) Publications and resources; 4) Technical assistance in personnel and labor relations, energy, transportation, budgeting, planning, risk management and employee wellness; and 5) Member programs, such as municipal liability and property insurance, employee drug and alcohol testing, and employee benefits. Discussion followed regarding the current legislative priorities and monthly City Vision publication. The Mayor and Council thanked Mr. McCarty.

Marine Resources Committee (MRC) - Rain Garden Presentation

At 12:35 p.m., Mayor Lacher introduced Johannes Krieger, MRC Member, to make a presentation regarding construction of rain gardens on lower Spring Street. Mr. Krieger noted that at present, untreated stormwater from the street surfaces in Town discharge directly into the harbor. Mr. Krieger explained the benefits of rain garden filtration. The proposed rain gardens and tree well bio-filtration systems could treat an estimated 15,000 square feet of the lower section of Spring Street and First Street run-off. Funding for installation of rain gardens would be provided through a Department of Ecology grant via the MRC that must be used by June 2011. Plantings in said rain gardens would be selected to ensure low maintenance. Mr. Krieger requested approval to move forward with full development of the proposal. Discussion and inquiry followed regarding parking, garden maintenance, and best available science. **Council consensus to continue to develop the proposal for presentation to the Council on August 5, 2010.** The Mayor and Council thanked Mr. Krieger for the presentation.

Spruce Street Improvements

At 1:04 p.m., Mayor Lacher introduced discussion regarding estimated project costs for drainage and street improvements on a portion of Spruce Street. Administrator Fitch explained that the preliminary cost estimate for street improvements is \$471,400. The project estimate is based on bid item costs from other recent street projects and does

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

not address issues identified with the stormwater detention pond. Administrator Fitch explained that the roadway is not a candidate for federal funding and that as an alternative short-term solution Town has opted to gravel other roadways, as was the case for Nash Street. Per inquiry, Richard Petersen, neighborhood resident, explained that approximately thirty homes are served by the portion of roadway. Discussion followed regarding development of a Local Improvement District (LID) and the estimated project costs. **Council consensus to direct staff to identify procedures and feasibility for development of a LID.**

Findings of Fact - Conditional Use Permit No. 66

At 1:17 p.m., Mayor Lacher introduced consideration of Findings of Fact, Conclusions of Law and Decision regarding Conditional Use Permit No. 66 by Community Properties, LLC. for construction and operation of a Large On-Site **Sewer** System on Tax Parcel No. 351392515 located on Turn Point Road. Administrator Fitch noted that a final draft was forwarded to the Council by Attorney Cunningham. No discussion followed.

Moved by de Freitas, seconded by Menjivar, to approve Findings of Fact, Conclusions of Law and Decision regarding Conditional Use Permit No. 66 by Community Properties, LLC. for construction and operation of a Large On-Site **Sewer System on Tax Parcel No. 351392515 located on Turn Point Road dated July 14, 2010. Motion passed 4-0.**

Resolution No. 1798

At 1:19 p.m., Mayor Lacher introduced draft Resolution No. 1798, authorizing the Mayor to execute an interlocal agreement with San Juan Island Park and Recreation District for participation in the "Touch a Truck" event. Administrator Fitch explained that the purpose of the agreement is for the District to organize the third annual special event for children and families and for the Town to participate in the event by providing trucks, other vehicles and personnel from the Utilities Department, Fire Department and Parking Enforcement. No discussion followed.

Moved by Hushebeck, seconded by Menjivar to adopt Resolution No. 1798, authorizing the Mayor to execute an interlocal agreement with San Juan Island Park and Recreation District for participation in the "Touch a Truck" event. Motion passed 4-0.

Town Council (Vacant) Position No. 5

At 1:22 p.m., Mayor Lacher welcomed the applicants for vacant Town Council Position No. 5 to the meeting. The applicants for said position are as follows: Peggy Long, Linda Browne, Dorothy Stone and Barbara Starr. Applicants explained why they wished to be appointed to the vacant position. The Council entered into Executive Session to discuss the qualifications of the Applicants. [See Executive Session below.]

PAYMENT OF CLAIMS

Moved by de Freitas, second by Hushebeck to approve the payment of Claim Warrant Nos. 34255 through 34335 in the amount of \$264,144.22. Motion passed unanimously.

APPROVAL OF MINUTES

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by Monin, seconded by de Freitas, to approve the minutes of **July 1, 2010 as submitted**. Motion passed unanimously.

EXECUTIVE SESSION

At 1:41 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding to evaluate qualifications of applicants in accordance with the provisions of RCW 42.30.110(g); which was estimated to last 10 minutes. Participants: Town Council and Mayor Lacher. The session ended at 1:52 p.m. for an actual session time of 11 minutes. The following action took place after Executive Session:

Moved by Monin, seconded by Menjivar, to appoint Barbara Starr to fill the unexpired term of Council Position No. 5. Motion passed 4-0.

Mayor Lacher and the Council expressed appreciation for the caliber of applicants for said position. The unsuccessful Council applicants were requested to consider serving on other Town boards and committees; including the Town Planning Commission; and to run for Council Positions in this year's election.

FUTURE AND NON-AGENDA ITEMS

No future or non-agenda items were forthcoming.

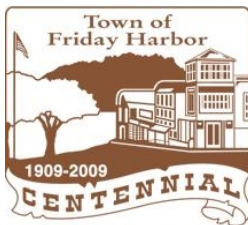
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:55 p.m. The next regular meeting is scheduled for Thursday, July 15, 2010 at 5:30 p.m.

* * * * *

These minutes were approved on August 5, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, July 15, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; and Position No. 3, Anna Maria de Freitas.

Barbara Starr was appointed to Council Position No. 5 during the afternoon session and is scheduled to take her oath of office following the scheduled 5:35 p.m. and 6:10 p.m. public hearings.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar was not present.

EXCUSED ABSENCE

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include an Executive Session regarding possible litigation.

PUBLIC ACCESS TIME

David Dehlendorf, SJI Trails Committee, thanked the Council for considering the petition for annexation and urged the Council to enact necessary changes to the current street standards to allow for alternative low-impact development and trails in lieu of curb, gutter and sidewalk.

PUBLIC HEARINGS

Annexation Request Application No. 23 - Marie K. Boe Trust

At 5:35 p.m., Mayor Lacher opened the public hearing relating to the petition for annexation of approximately 20 acres of land [Tax Parcel No. 351431004] known as the Marie K. Boe Trust Property [Annexation Request Application No. 23] located in the Friday Harbor Urban Growth Area (FHUGA); and to consider the provisions of a proposed Developer Agreement as a condition to any approval of land annexation into Town boundaries.

Mayor Lacher read the rules for public conduct of said hearing; and explained that because both matters were legislative in nature, the appearance of fairness doctrine did not apply.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

answered in the negative regarding communication with opponents or proponents regarding said application. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

At 5:38 p.m., Mayor Lacher requested that Michael Bertrand, Land Use Administrator, present the staff report. Mr. Bertrand entered Exhibit A - Site Map into the record; explained the analysis of "need" to annex said property; and staff recommendation based on the attachments contained therein. In summary, this proposal is being considered for annexation based on the proposed use as a hospital and new location for emergency medical services. The Town and Developers have worked diligently to resolve the issues surrounding this annexation request. The result of their work is the draft Development Agreement. The main issues of concern for both parties have been addressed in the draft Development Agreement. Because the Town's infrastructure has limits, it was necessary for the Town to determine the Town's current service capacities. Studies were prepared for traffic, water, sewer and stormwater analysis. These are all on file with the Town and any deficiencies that resulted were addressed in the draft Development Agreement.

Conditions for annexation and zoning include the land acquisition deadline of November 1, 2010, after which date, if the Developer has failed to purchase a fee simple interest in the Subject Property, the Agreement becomes null and void.

Staff recommends approval of Annexation Application No. 23 and its associated Development Agreement if the conditions of the Agreement are followed. Staff further recommends that the zoning designation of Light Industrial be conditionally approved for the subject property known as Tax Parcel No. 351431004.

At 5:53 p.m., Mayor Lacher invited the proponents to give a presentation.

Jim Barnhart, (future) Executive Officer of "Peace Island", explained the vision of the proposed integrated medical facility.

Gary Hall, Peace Health representative, described the proposed facility development in respect to grounds and wetland buffers. Mr. Hall explained the need for the additional water and sewer capacity per Section D of the Developer Agreement for future expansion.

Charles Anderson, SJ Community Foundation Chair, described benefits to the Town and County to allow the proposed integrated medical facility.

At 6:05 p.m., Mayor Lacher opened to public comment.

Dr. Lauren Johnson, 545 MacDonald Street, testified in favor of the annexation and proposed integrated medical facility.

At 6:08 p.m., Mayor Lacher inquired if there was additional public testimony. Hearing none, Mayor Lacher inquired if staff had anything to add.

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Land Use Administrator Bertrand and Administrator Fitch had no further comment.

Attorney Cunningham summarized conditions contained in the Developer Agreement.

At 6:10 p.m., Mayor Lacher inquired if there was additional public testimony. Hearing none, Mayor Lacher opened the public hearing to Council questions.

Councilmember de Freitas inquired if the agreed amount of additional service capacity would sufficiently accommodate future expansion. Land Use Administrator Bertrand answered in the affirmative.

Councilmember Hushebeck inquired if the studies preformed accounted for the "no impact" of **sewerage** services by the Buck Property Annexation. Land Use Administrator Bertrand answered in the affirmative.

Councilmember Hushebeck requested that Attorney Cunningham explain Section 12 of the draft Development Agreement. Attorney Cunningham and Administrator Fitch explained that the Section identifies and recognizes voluntary infrastructure contributions by the Developer. Discussion followed regarding utility capacity.

At 6:17 p.m., Mayor Lacher hearing no other public testimony or comments from staff closed the public testimony portion of the hearing and opened the hearing to Council deliberations.

Each Councilmember concurred that the request for annexation has been thoroughly analyzed and staff recommendation was appropriate.

Moved by Hushebeck, seconded by de Freitas, to adopt Resolution No. 1799, approving a Development Agreement concerning a Petition for Annexation of certain real property to be used by Peace Health for a healthcare facility, and authorizing the Mayor to execute said agreement. Motion passed 3-0 with Menjivar absent.

Zoning of Conditional Marie K. Boe Annexation

At 6:21 p.m., Mayor Lacher opened the public hearing relating to the zoning of the conditional annexation of approximately 20 acres of land [Tax Parcel No. 351431004] known as the Marie K. Boe Property [Annexation Request No. 23] located in the Friday Harbor Urban Growth Area (FHUGA).

Mayor Lacher read the rules for public conduct of said hearing; and explained that because the matter was legislative in nature, the appearance of fairness doctrine did not apply.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council answered in the negative regarding communication with opponents or proponents regarding said application. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

At 6:21 p.m., Mayor Lacher requested that Michael Bertrand, Land Use Administrator, present the staff report. Mr. Bertrand stated that as explained during the public hearing for Annexation Application No. 23, staff recommends that the subject property be zoned light industrial. Per inquiry, Attorney Cunningham cited relevant municipal code.

At 6:25 p.m., Mayor Lacher invited the Proponents to give a presentation. Hearing none, Mayor Lacher opened the public testimony portion of the hearing. Hearing none, Mayor Lacher opened the hearing to Council questions.

Councilmember de Freitas inquired how staff determined the zoning of light industrial. Mr. Bertrand explained that the zoning of light industrial is most appropriate given the proposed installation of an emergency helicopter pad.

At 6:27 p.m., Mayor Lacher hearing no other public testimony or comments from staff closed the public testimony portion of the public hearing and opened the hearing to Council deliberations. No deliberations were heard.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1800, conditionally approving a zoning district of light industrial for certain real property, known as Tax Parcel No. 351431004, being proposed for annexation into the Town. Motion passed 3-0 with Menjivar absent.

ACTION AND DISCUSSION ITEMS

Oath of Office

At 6:30 p.m., Clerk Taylor administered the oath of office to newly appointed Councilmember Barbara Starr. Councilmember Starr's appointment will expire December 31, 2011.

ADMINISTRATOR'S REPORT

At 6:31 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Regional Transportation Planning Organization (RTPO) - The local informal RTPO met on July 8, 2010 to discuss nominations for the allocation of approximately \$88,000 for roadway improvements within the County. The RTPO has decided to recommend pedestrian trail improvements along Mt. Baker Road on Orcas Island for said funding.
- Annual Town Audit - The State Auditors are currently auditing the Town's financial statements and accountability for public resources and compliance with applicable laws for the period of January 1, 2009 through December 31, 2009. The Town Council has been invited to attend an exit interview.
- Granulated Activated Carbon (GAC) filters - Town has received the preliminary report from Brown & Caldwell Engineering for installation of GAC filters at the

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Water Treatment Plant to reduce the levels of trihalomethanes in the drinking water. The Council will receive the report following review by Staff.

- Water Main Distribution Line Replacement - Additional professional services in the form of surveying are required for said project. A change order will be presented in the approximate amount of \$32,000 to the agreement with Brown & Caldwell Engineering authorized by Resolution No. 1707.
- Fire Department Training Officer - Town staff will meet with representatives of Fire District No. 3 to discuss the contracting of training services due to the currently vacant Fire Department Training Officer position.
- Code Compliance Services - The budget for code compliance professional services has been depleted and therefore the Land Use Administrator will be assuming the responsibilities of the Code Compliance Officer until further notice. No recommendation is available at this time.
- GEM Electric Vehicle - The Electric Vehicle is in need of repairs in the estimated amount of \$2,500.
- SJI Transfer Station - Refuse tipping - Trial transfer of refuse to Skagit County are yielding successful results. Average cost, including all incidentals, for roundtrips to Skagit County cost approximately \$178 per ton and for trips to Orcas Island approximately \$260 per ton. Skagit County has expressed that while they are amiable to the arrangement on a short-term basis to determine feasibility, they have no desire to be involved regarding political disputes between the Town and County regarding solid waste issues.
- SJI Transfer Station - Amended Lease Agreement - The County Negotiating Team met with the Town Administrator to discuss the County's counter terms to the draft Amended and Restated Lease Agreement. An alternate draft agreement was distributed. No action was requested.
- Council Retreat - Informational materials regarding formation of regional fire authorities was distributed for the Council Retreat scheduled July 31, 2010. Discussion followed regarding solid waste issues. **Council consensus to add discussion of Solid Waste Issues to the Council Retreat Agenda.**
- Six Year Transportation Improvement Plan (6YTIP) - A memo and draft 6YTIP was distributed for review. The public hearing for said plan is scheduled August 5, 2010. Discussion followed regarding non-motorized transportation improvements.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 7:02 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries (WSF) issues. Discussion followed regarding the issuance of a letter of appreciation to WSF from the Town for additional non-scheduled sailings that were made available to San Juan Island to accommodate additional capacity on July 4, 2010. **Council consensus to issue said letter.**

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher listed upcoming public hearings.

CITIZEN RESPONSE

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Liz Illg, Scenic Byway Coordinator, commented on transportation enhancement funding for non-motorized transportation through the RTPD and Scenic Byways Programs and provided an update on meetings of the Farmhouse Gang.

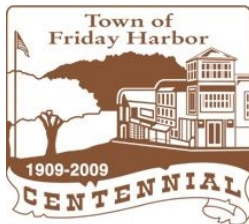
EXECUTIVE SESSION

At 7:17 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding potential litigation in accordance with the provisions of RCW 42.30.110(i); which was estimated to last 30 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Administrator Fitch, Attorney Cunningham and Clerk. The session ended at 8:02 p.m. for an actual session time of 45 minutes. No action was taken.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 8:03 p.m. The next regular meeting is scheduled for Thursday, August 5, 2010 at 12:00 p.m.

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These minutes were approved on August 5, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Saturday, July 31, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

The Town Council met in continued session with Mayor Lacher presiding. Mayor Lacher called the continued session to order at 12:16 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; Town Attorney, Adina Cunningham; and Land Use Administrator, Mike Bertrand.

Councilmembers Menjivar and Starr were excused from portions of the meeting due to other scheduled commitments.

WORK SESSION

The Council discussed the following items as part of their Retreat:

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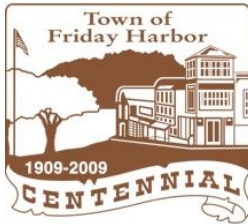
- Presentation by Town Attorney Cunningham regarding the State Municipal Ethics Code;
- Development of a joint Town and County fire authority;
- Discussion of community play fields located on Carter Avenue; and
- Discussion of solid waste issues

No action was required or taken.

ADJOURNMENT – Hearing no objection, Mayor Lacher continued the meeting at 4:38 p.m.

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These minutes were approved on August 5, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, August 5, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Attorney, Adina Cunningham was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

Mike Kaill, 244 Blake Way, apologized to the Town Council and Mayor if he had offended the Town regarding stormwater related issues. Mr. Kaill urged the Council to consider the numerous sources of documentation that rain gardens strain pollutants from stormwater run-off, especially silt that surfactants attach themselves to that flow directly

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

into our harbor. Mr. Kaill urged the Council to consider the merits of the proposal to install rain gardens at various locations on lower Spring Street.

Treasurer Picinich presented a plaque for the Town "City Slickers" Softball Team.

Susan Key, 515 Spruce Street, thanked the Council for considering improvements to a portion of Spruce Street and distributed information

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher announced that she received a letter from the Washington Finance Officers Association (WFOA) stating that Treasurer Picinich has earned the Washington Professional Finance Officer Award from the WFOA for excellence and best accounting practices.

Administrator Fitch thanked Town Shop employees Joe Cheyney, Gary Hanson and Bill Crosby for saving the Town funds by repairing the electric vehicle. Administrator Fitch noted that the cost savings was approximately \$2,500.

ACTION AND DISCUSSION ITEMS

Marine Resources Committee (MRC) - Rain Garden Presentation

At 12:09 p.m., Mayor Lacher introduced Johannes Krieger, MRC Member, to make a continued presentation regarding construction of rain gardens on lower Spring Street. Mr. Krieger explained that the proposed rain gardens and tree well bio-filtration systems could treat an estimated 15,000 square feet of the lower section of Spring Street and First Street run-off. Funding for installation of rain gardens would be provided through a Department of Ecology grant via the MRC that must be used by June 2011. Plantings in said rain gardens would be selected to ensure low maintenance. Mr. Krieger noted that the WSU Master Gardeners, MRC and other partners have committed to maintaining the gardens and that there is a positive interest in them because of the educational, visual and safety benefits to the Town. Mr. Krieger noted that the MRC requires a commitment from the Town to move forward with the proposal or the MRC will have to seek an alternative project as time to utilize the grant funding is running out. Mayor Lacher thanked Mr. Krieger for taking the time from his busy schedule to visit the site and explain the proposal further.

Administrator Fitch described concerns relating to execution of the grant and proposal. The \$35,000 grant requires matching funds and the proposal, if approved, requires management. Mary Knackstead, MRC Coordinator, has requested that Town oversee construction and installation of the proposed rain gardens. Administrator Fitch explained that doing such would require a discussion regarding Town Administrator priorities. Mr. Krieger noted that the proposal will not burden the Town in the form of grant funding and that he and other volunteers would be available to help implementation of the proposal. Discussion and inquiry followed regarding stormwater mitigation and maintenance of the proposed rain gardens.

Council consensus to continue to move forward with the proposal.

Spruce Street Improvements

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 12:24 p.m., Mayor Lacher introduced discussion regarding estimated project costs for drainage and street improvements on a portion of Spruce Street. Administrator Fitch explained that in order to proceed with further design for stormwater and/or street improvements the Council needs to give staff direction. Administrator Fitch distributed draft scopes of work and other information regarding the stormwater drainage basin. Discussion followed regarding wetland mitigation, cost estimates and alternatives to the previous scope of work. The Council stated concerns that repairing Spruce Street without mitigating the stormwater and wetland issues would result in eventual failure of the roadbed. Councilmember Monin noted that Alternative No. 3 is the most comprehensive solution for the situation. Discussion followed regarding formation of a local improvement district and short term maintenance of the portion of Spruce Street. No action was taken.

Resolution No. 1801

At 12:48 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1801, authorizing the Mayor to execute Amendment No. 1 to the contract with Brown & Caldwell Engineering to provide construction design services for replacement of the water transmission line. Administrator Fitch explained that by adoption of Resolution No. 1707 the Town secured the services of Brown and Caldwell Engineering to design and develop construction plans and specifications for the Water Transmission Line Replacement Project. On March 31, 2010 the Town received a Technical Memorandum describing several alternative routes for the replacement pipeline and on April 15, 2010 the Town Council selected Alternative No. 2. The alternative will require additional survey information to be collected and Brown and Caldwell has offered an amendment to the agreement in an amount not to exceed \$19,004 to perform said service. No discussion followed.

Moved by de Freitas, seconded by Menjivar, to adopt Resolution No. 1801, authorizing the Mayor to execute Amendment No. 1 to the contract with Brown & Caldwell Engineering to provide construction design services for replacement of the water transmission line. Motion passed unanimously.

Ordinance No. 1434

At 12:50 p.m., Mayor Lacher introduced draft Ordinance No. 1434, adopting the 2009 State Building Code regulations and fee schedule. Administrator Fitch explained that the State Building Codes are routinely amended from time to time and said Ordinance updates the International Building Codes for building, residential, plumbing, mechanical, energy and fire to the 2009 Edition and amends the current permit fee schedule. No discussion followed.

Moved by Monin, seconded by de Freitas, to adopt Ordinance No. 1434, adopting State Building Code regulations and repealing Ordinance No. 1337 in its entirety. Motion passed unanimously.

Resolution No. 1802

At 12:52 p.m., Mayor Lacher introduced draft Resolution No. 1802, designating the Journal of the San Juans, formally known as Sound Publishing, Inc., as the source for legal printing and other official publications for the Town of Friday Harbor. Clerk Taylor

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

explained that the agreement provides for legal advertising at a rate of \$6.49 per column inch; classified advertising at a rate of \$1.69 per line; and display advertising at a rate of \$8.74 per column inch for the period of August 1, 2010 through July 31, 2011. No discussion followed.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1802, designating the Journal of the San Juans, formally known as Sound Publishing, Inc., as the source for legal printing and other official publications for the Town of Friday Harbor. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 12:53 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Waste Water Treatment Plant - A copy of a letter to four parties in neighborhood regarding Town's planned improvements to help control any plant odor was distributed for review. The engineering firm of Wayne Haele & Associates will phase the design of the project in an attempt to expedite the construction schedule.
- Trihalomethane Levels (THM) - The notification for THM levels was mailed with the monthly utility billing. The current twelve month average is 81.98 ug/L.
- Scenic Byways - Historic Preservation Coordinator, Sandy Strehlou, updated the Council regarding recent Scenic Byways meetings. Discussion followed regarding bicycle lanes and general priorities.
- Sales Tax - A spreadsheet was distributed outlining sales tax revenue year-to-date. Treasurer Picinich explained that several variables effect the tracking of collection of sales tax. Inquiry followed regarding collection of taxes on internet sales.
- SCS Engineering - SCS Engineering has been invited to make a presentation on September 2, 2010 regarding evaluation of Town's solid waste utility and developing an independent solid waste management plan.
- SJC Transfer Station / Skagit - To date Town has made twenty one (21) trips to Skagit County for disposal of refuse. Currently, each trip averages approximately \$150 per ton for disposal including overhead costs. The Town is still using the SJC Transfer Station on Orcas Island to dispose of some of its refuse.
- SJC Transfer Station / Restated Lease - Administrator Fitch inquired if the Council wanted to issue a response to respond to the County Council regarding their proposed revisions to the amended and restated lease agreement. Discussion followed. **Consensus to draft a letter for consideration.**

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, second by de Freitas, to affirm the payment of Payroll Warrant Nos. 14618 through 14662 in the amount of \$207,421.00 and approve the payment of Claim Warrant Nos. 34336 through 34403 in the amount of \$164,890.19 Motion passed unanimously.

APPROVAL OF MINUTES

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by de Freitas, seconded by Monin, to approve the minutes of **July 15, 2010 and July 31, 2010 as submitted.** Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

Councilmember Monin requested that the Council begin holding retreats regarding the 2011 budget. Discussion followed regarding conversion of the current accounting software and budgeting processes.

Councilmember Hushebeck updated the Council on the proposed SJC Parks, Trails and Natural Areas Plan for years 2011 through 2016. Discussion followed regarding involvement of the Town in development of said plan. **Council consensus to draft a letter of comment to the County Parks Department.**

Councilmember Hushebeck updated the Council on recent SJI Chamber of Commerce Parking Committee meetings with the owner's of 330 Spring Street (former Browne Lumber site).

Councilmember Menjivar requested an excused absence for August 19, 2010. Council consensus to excuse the absence of Councilmember Menjivar on August 19, 2010.

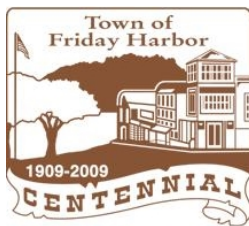
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:31 p.m. The next regular meeting is scheduled for Thursday, August 5, 2010 at 5:30 p.m.

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These minutes were approved on August 19, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, August 5, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher announced that Councilmember Menjivar was responding to an emergency at the Roche Harbor Airport.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 5:31 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on the Washington State Ferries' (WSF) grant for enhanced parking. Said grant may require a memorandum of understanding with WSF. Additionally, Mr. Rosenfeld commented on the draft SJC Parks and Recreation Plan proposal, WSF draft fall and winter sailing schedule, 2010 County Fair and solid waste utility issues.

PUBLIC HEARINGS

Franchise Agreement

At 5:45 p.m., Mayor Lacher opened the public hearing relating to an application for renewal of the franchise to use the Town's public right of way to operate and maintain a cable television system.

Mayor Lacher read the rules for public conduct of said hearing; and explained that because the matters was legislative in nature, the appearance of fairness doctrine did not apply.

Administrator Fitch recused himself from the communications because he has remote interest in the property.

At 5:48 p.m., Mayor Lacher requested that Attorney Cunningham explain the nature of the draft franchise agreement. Attorney Cunningham explained that Windjammer Communications, LLC wishes to renew its franchise rights. Windjammer presently operates a cable television system within the Town and is the present holder of the franchise rights granted to its predecessor under Ordinance No. 1254. No other persons or corporations have given the Town any indication of interest in obtaining the franchise. Granting Windjammer's request will provide for a non-exclusive franchise to

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

install, operate and maintain a cable television system within the public streets and rights of way of the Town and repeal Ordinance No. 1254 in its entirety. Attorney Cunningham summarized other conditions contained in the draft Franchise Agreement.

Conditions for renewal of the franchise include Windjammer paying to the Town an amount equal to five percent per year of Windjammer's annual gross revenues; and to designate a minimum of one channel for governmental and educational access and one separate channel for public and leased access. Windjammer has constructed its system so to provide return programming capabilities for governmental and educational access purposes from Town Hall and Friday Harbor High School, and has provided the necessary electronics so that any two locations will have the capability to be active at one time. Town shall pay for only those costs or expenses for future upgrades or improvements that are requested in writing by the Town or duly approved by the Council.

Attorney Cunningham entered Exhibit A - Draft Franchise Agreement; Exhibit B - Letter from the Mullis Senior Center; and Exhibit C - email from Windjammer Communications, LLC. into the record.

At 5:59 p.m., Mayor Lacher invited the proponents to give a presentation.

Pamela Burgess, Western Regional Manager for Windjammer Communications, LLC., thanked the Council for considering the application for renewal. Ms. Burgess entered Exhibit D - List of activities and contributions by Windjammer Communications into the record. Ms. Burgess explained Windjammer's commitment and long-term investment in the community. Ms. Burgess commented on the terms of the agreement.

At 6:06 p.m., Mayor Lacher opened to public comment.

Howie Rosenfeld, 40 Web Street, commented on Windjammer's programming.

At 6:11 p.m., Mayor Lacher inquired if there was additional public testimony. Hearing none, Mayor Lacher opened the public hearing to Council questions. Hearing none, Mayor Lacher inquired if Staff had anything to add.

Attorney Cunningham stated that Town and Windjammer Communications, LLC anticipate finalizing negotiations in the upcoming week.

At 6:13 p.m., Mayor Lacher hearing no other public testimony, comments from staff or Council closed the public testimony portion of the hearing.

Consensus to continue the public hearing to consider the application by Windjammer Communications, LLC for renewal of the franchise to use the Town's public right of way to operate and maintain a cable television system until the time certain of Thursday, September 2, 2010 at 12:05 p.m. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

2011-2016 Six Year Transportation Improvement Plan (TIP)

At 6:14 p.m., Mayor Lacher opened the public hearing for the 2011-2016 Six-Year Transportation Improvement Plan (TIP).

Mayor Lacher read the rules for public conduct of said hearing; and explained that because the matter was legislative in nature, the appearance of fairness doctrine did not apply.

Administrator Fitch explained that State law requires that all cities, towns, counties, and transit agencies create and adopt a Six Year Transportation Improvement Program (TIP) every year outlining all the major transportation-related projects that Town plans to accomplish over the next six years. The draft TIP lists various improvements to: Tucker Avenue from Guard to Larson Street; Grover Street from the elementary school to Islanders Subdivision; First Street from East Street to Spring Street; and the Spring Street/Argyle Avenue Intersection.

At 6:24 p.m., Mayor Lacher opened the hearing to public comment. Hearing none, Mayor Lacher opened the hearing to Council questions.

Councilmember Monin inquired about funding of the listed street improvements. Administrator Fitch stated that the Town continues to set aside monies so it can eventual acquire the necessary grant.

At 6:24 p.m., Mayor Lacher hearing no other public testimony, comments from staff or Council closed the public testimony portion of the hearing and opened the hearing to Council deliberations.

Resolution No. 1803

Moved by Hushebeck, seconded by de Freitas, to adopt Resolution No. 1803; providing for a Six-Year Transportation Improvement Program for the years 2011 through 2016. Motion passed 4-0.

ACTION AND DISCUSSION ITEMS

Ordinance No. 1435

At 6:27 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1435, approving the Petition For Annexation, filed with the Town of Friday Harbor on October 20, 2009, concerning Tax Parcel No. 351431004, known as the Ronald Boe Property Annexation. Said Petition for Annexation was approved at the public hearing of July 15, 2010. Attorney Cunningham noted the effective date of the annexation. No discussion followed.

Moved by Monin, seconded by Starr, to adopt Ordinance No. 1435, approving the Petition For Annexation, filed with the Town of Friday Harbor on October 20, 2009, concerning Tax Parcel No. 351431004, known as the Ronald Boe Property Annexation. Motion passed 4-0.

Ordinance No. 1436

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Concurrently with Ordinance No. 1435, Mayor Lacher introduced draft Ordinance No. 1436, establishing zoning for Tax Parcel No. 351431004, known as the Ronald Boe Property Annexation and amending the Town's Zoning Designation Map. Said Ordinance designates the zoning for the parcel as light industrial. No discussion followed.

Moved by de Freitas, seconded by Starr, to adopt Ordinance No. 1436 establishing zoning for Tax Parcel No. 351431004, known as the Ronald Boe Property Annexation and amending the Town's Zoning Designation Map. Motion passed 4-0.

Administrator Fitch requested that Attorney Cunningham be directed to begin the process for adjusting the boundary line for annexation abutting Tax Parcel No. 351431004 to include the public right of way. Administrator Fitch and Attorney Cunningham explained the process. The Council concurred.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

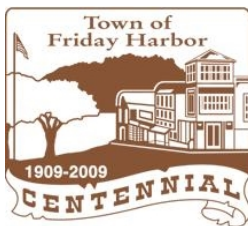
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 6:35 p.m. The next regular meeting is scheduled for Thursday, August 19, 2010 at 12:00 p.m.

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These minutes were approved on August 19, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, August 19, 2010 – Town Council Chambers – Afternoon Session
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CALL TO ORDER

Mayor Pro-tem Hushebeck called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Others Present: Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 2, Noel Monin; Mayor, Carrie Lacher; and Attorney, Adina Cunningham were not present.

FLAG SALUTE

Mayor Pro-tem Hushebeck conducted the flag salute.

EXCUSED ABSENCES

Mayor Pro-tem Hushebeck asked the Council if they wished to excuse Councilmember Monin. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Resolution No. 1804

At 12:02, Mayor Pro-tem Hushebeck introduced discussion of draft Resolution No. 1804, authorizing the Mayor to execute Change Order No. 20 on the contract with Strider Construction, Inc. for the Sewer Replacement Project. Administrator Fitch explained the particulars of said change order. Change Order No. 20 is the final change order to the Sewer Replacement Project. The contract is in the amount of \$13,752.67 for additional work related to the new pressure sewer pipeline along Guard Street and Tucker Avenue to the Wastewater Treatment Plant. No discussion followed.

Moved by Menjivar, seconded by de Freitas, to adopt Resolution No. 1804, authorizing the Mayor to execute Change Order No. 20 on the contract with Strider Construction, Inc. for the Sewer Replacement Project. Motion passed 4-0 with Monin absent.

ADMINISTRATOR'S REPORT

At 12:05 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Wastewater Treatment Plant - Wayne Haeefe & Associates, Inc. has submitted an addendum cost proposal for completion of the odor control improvement designs at the Town wastewater treatment plant. Mr. Haeefe submitted documentation of recent activities that exhausted the approved design budget for odor control improvements. Mr. Haeefe has proposed an additional lump sum fee of \$37,750 to complete all designs. Administrator Fitch indicated that said amount was in addition to the original amount of \$29,970 authorized by Resolution No. 1784 and later amended in the amount of \$17,910. Discussion followed regarding the budget for capital improvements. **Moved by Menjivar, seconded by Starr to amend the contract between the Town of Friday**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Harbor and Wayne Haefele and Associates to include the additional lump sum expenditure of \$37,750 for completion of odor control improvement designs at the Wastewater Treatment Plant.

- Fire Department Inventory - A draft letter of appreciation to the Friday Harbor Fire Fighter's Association (FHFFA) was distributed for review. FHFFA has offered to donate two pieces of emergency rescue equipment to the Town Fire Department. **Moved by de Freitas, seconded by Menjivar to accept the gift of two emergency rescue saws from the Friday Harbor Fire Fighters Association. Motion passed 4-0 with Monin absent.**
- Transfer Station / Restated Lease - A draft letter to the San Juan County Council regarding discontinuation of negotiations for the Amended and Restated Lease Agreement was presented for review. **Council consensus to forward the letter to the County.**
- Transfer Station / Skagit County - To date Town has made thirty one (31) trips to Skagit County for disposal of refuse. Currently, each trip averages approximately \$146 per ton including overhead costs for disposal. The same 31 trips were calculated as if it were transported to Orcas Island and shows a consistent average of approximately \$100 per ton savings by transporting refuse to Skagit County. Discussion followed regarding the budget, current arrangement with Skagit County and staffing. Administrator Fitch noted that SCS Engineering is scheduled to make a presentation regarding Town's solid waste utility and solid waste management planning on September 2, 2010.
- Friday Harbor Sports Fields - A formal response was received from SJI School District No. 149 in relation to the recent meetings with Town staff regarding status of the sports fields located on Carter Avenue. The District expressed its eagerness to work with the Town to resolve issues at the sports fields.
- Friday Harbor Fire Department - The Fire Chief is on administrative/medical leave and Town has received letters of resignation from several volunteers of the Department. For the time being, incident command services will be assisted by Fire District No. 3 until internal staffing issues can be resolved.
- SJC Parks and Recreation Plan - Councilmember Hushebeck presented draft written testimony for review for the SJC Parks and Recreation Plan. Discussion followed regarding Town participation in the Plan. **Council consensus to submit the letter as public testimony for the SJI Parks and Recreation Plan.**

PAYMENT OF CLAIMS

Moved by Starr, second by Menjivar to approve the payment of Claim Warrant Nos. 34404 through 34454 in the amount of \$114,529.41. Motion passed 4-0 with Monin absent.

APPROVAL OF MINUTES

Moved by de Freitas, seconded by Starr to approve the minutes of August 5, 2010 as submitted. Motion passed 4-0 with Monin absent.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

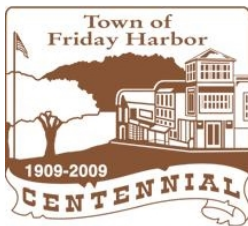
CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Pro-tem Hushebeck adjourned the meeting at 12:24 p.m. There is no evening meeting scheduled for Thursday, August 19, 2010. The next regular meeting is scheduled for Thursday, September 2, 2010 at 12:00 p.m.

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These minutes were approved on September 2, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, September 2, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Council Position No. 4, Felix Menjivar was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCE

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

PUBLIC ACCESS TIME

Liz Illg, 365 Spruce Street, requested that the Town Council draft a letter of support for 150 Nichols Street project, aka Permanent Farmers Market proposal, to the SJC Council

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

regarding the Land Bank preservation easement for the Erickson Property. Ms. Illg stated that the preservation easement would ensure open space in the downtown core.

Paul LeBaron, local realtor, stated support of the 150 Nichols Street project and requested that the Town Council draft a letter of support for 150 Nichols Street Project to the SJC Council regarding the Land Bank preservation easement for the Erickson Property.

Roger Bennett, 1 Spring Street, requested that the Council address parking concerns before considering public support of the 150 Nichols Street project.

Sandy Strehlou, Historic Preservation Coordinator, listed reasons why the 150 Nichols building and property have historical significance and why a historical preservation easement would be appropriate.

Sharon Kivisto, San Juan Islander, stated that visitors and residents that don't have vehicular transportation would be benefited by additional open space within the downtown core.

No action was taken.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PUBLIC HEARINGS

Franchise Agreement

At 12:13 p.m., Mayor Lacher opened the continued public hearing relating to an application by Windjammer Communications, LLC. for renewal of the franchise to use the Town's public right of way to operate and maintain a cable television system.

Mayor Lacher read the rules for public conduct of said hearing; and explained that because the matter was legislative in nature, the appearance of fairness doctrine did not apply.

Administrator Fitch recused himself from participation because he has remote interest in the issue.

At 12:14 p.m., Mayor Lacher requested that Attorney Cunningham explain the nature of the revised draft franchise agreement.

Attorney Cunningham explained that pursuant to the public hearing of August 5, 2010, Windjammer Communications, LLC. and the Town have continued to negotiate the verbiage of the draft agreement for renewal of its franchise rights. Attorney Cunningham summarized the conditions contained in the document.

Conditions for renewal of the franchise include Windjammer paying to the Town an amount equal to five percent per year of Windjammer's annual gross revenues; and to designate a minimum of one channel for governmental and educational access and one separate channel for public and leased access. Windjammer has constructed its system so to provide return programming capabilities for governmental and educational access purposes from Town Hall and Friday Harbor High School, and has provided the necessary electronics so that any two locations will have the capability to be active at one time. Any costs or expenses for future upgrades or improvements for return capability shall not be paid by Windjammer Communications, LLC.

At 12:18 p.m., Mayor Lacher invited the proponents to give a presentation.

Pamela Burgess, Western Regional Manager for Windjammer Communications, LLC., thanked the Council for considering the application for renewal and requested that the effective date of the agreement be November 1, 2010 for the purpose of Windjammer Communications following the regulatory process of notifying its customer base in accordance with State and Federal law.

At 12:20 p.m., Mayor Lacher opened to public comment.

Roger Bennett, 1 Spring Street, inquired about the "Call Before You Dig" process for locating underground utilities. Ms. Burgess stated that Windjammer Communications complies with the law to locate underground utilities upon request.

At 12:24 p.m., Mayor Lacher hearing no public testimony, comments from staff or Council closed the public testimony portion of the hearing and opened the hearing to Council deliberations.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by de Freitas, seconded by Monin, to approve the application by Windjammer Communications, LLC. for renewal of the franchise to use the Town's public right of way to operate and maintain a cable television system and direct staff to draft an ordinance for consideration at the regularly scheduled meeting of September 16, 2010. Motion passed 4-0 with Menjivar absent.

2010 Town Budget Amendments

At 12:25 p.m., Mayor Lacher opened the public hearing on the amendments to the 2010 Town Budget. No public input was forthcoming. Administrator Fitch and Treasurer Picinich gave an explanation of said amendments and year-to-date balances which were listed as "Attachment A" to draft Ordinance No. 1437. Discussion followed regarding miscellaneous adjustments to the 2010 budget.

At 12:28 p.m., Mayor Lacher inquired if any public input was forthcoming. Hearing none, Mayor Lacher closed the public hearing on amendments to the 2010 Town Budget. Council thanked Treasurer Picinich and Administrator Fitch for their due diligence when planning and administering the Town's finances.

Ordinance No. 1437

Moved by Hushebeck, seconded by Starr, to adopt Ordinance No. 1437, amending certain beginning balances, revenue estimates, expenditure appropriations, and ending cash balances in the 2010 Budget for the Town of Friday Harbor. Motion passed 4-0 with Menjivar.

WORK SESSION

Budget Planning Work Session

At 12:37 p.m., Mayor Lacher introduced the work session to discuss budget expectations and priorities for the 2011 Town budget cycle. Mayor Lacher explained that the outcome of the discussion would assist administration in preparing a preliminary draft 2011 budget for consideration during the budget process and funding priorities for the remainder of 2010. Councilmember listed their priorities as follows:

Councilmember Monin - 1) Examine long term funding strategies, in particular and if able, establishing a permanent and dedicated funding source for the Street Fund; 2) Eliminate employee furlough days; 3) Prioritize essential services, such as safety and law enforcement; and 4) Examine benefits of merging Town and San Juan Island Fire Districts.

Councilmember Hushebeck - 1) Eliminate employee furlough days; 2) Prioritize essential services, such as safety and law enforcement; and 3) Examine long term funding strategies, in particular and if able, establishing a permanent and dedicated funding source for the Street Fund.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Councilmember Starr - 1) Examine short term funding strategies to keep the Town finances "solvent" until the local economy improves; 2) Prioritize essential services, such as safety and law enforcement; and 3) Eliminate employee furlough days.

Councilmember de Freitas - 1) Examine long term use of hotel/motel funding for economic development; and 2) Examine long term funding strategies.

In general, the Council concurred with each others funding priorities. Discussion and inquiry followed regarding temporary elimination of non-essential services, leasehold tax assessments, utility rate structure, and potential impacts of the proposed State initiatives for the privatization of liquor sales.

Treasurer Picinich suggested postponement of some capital projects scheduled in year 2011 until 2012 as a short-term funding gap. Administrator Fitch requested that the Council continue to consider said items for discussion and adjustment during future work sessions. No action was taken.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADMINISTRATOR'S REPORT

At 12:50 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Resolution No. 1805 - Authorizing the Mayor to execute Change Order No. 21 on the contract with Strider Construction, Inc. for the Sewer Replacement Project. The engineering firm of Wayne Haelele & Associates, Inc. has indicated that improvements associated with Change Order No. 19 required reconciliation of actual quantities to quoted quantities and a balancing change order to formalize mutual acceptance by all parties. Change Order No. 21 has a zero valuation. **Moved by Monin, seconded by Starr, to adopt Resolution No. 1805, as stated above. Motion passed 4-0 with Menjivar absent.**
- Transfer Station - San Juan County passed an ordinance to implement fees for recycling and other solid waste services. Said ordinance is an attempt to close the projected funding deficit of approximately \$317,000. Current fees for tipping refuse of \$225 per ton will remain in effect until further notice.
- FHMC Title 17 - Land Use Administrator Mike Bertrand will present draft municipal code changes for consideration regarding kennels and other items in October 2010.
- Mullis & Market Street Intersection - Town received an additional request to install a crosswalk at the intersection of Mullis and Market Street. Discussion followed regarding holding of a work session relating to additional traffic control in the area.
- Shoreline Master Plan Update / Consultant Selection Committee - Land Use Administrator Bertrand has requested that a Councilmember sit on the interview committee that will review proposals and select a consultant to update the Town Shoreline Master Plan. Councilmember Starr volunteered to sit on said committee. Discussion followed regarding extending an invitation to a Port of Friday Harbor representative.
- Spruce Street Reconstruction Project - Current concerns regarding wetland mitigation have complicated the original scope of work authorized by Resolution No. 1765, an agreement with Gray & Osborne for design of improvements to a portion of Spruce Street. Administrator Fitch requested that Gray & Osborne be directed to fulfill its original scope of work for design of roadway reconstruction in the hopes of receiving a favorable bid for improvements. **The Council concurred.**
- Fire Department - Four volunteers are attending training services at the North Bend Burn Facility. Chief Long continues to be on medical leave. Fire District No. 3 continues to provide incident response coverage. Joint meetings with Fire District No. 3 will be scheduled September 16th and October 21st regarding benefits and feasibility of a fire department merger.
- Spring Street Rain Gardens - Administrator Fitch requested a motion to reprioritize his workload priorities to manage the proposed rain garden project on Spring Street at the request of the SJC Marine Resources Committee; or, to allow him to decline administrative participation. Discussion followed regarding Town Administrator priorities. The nuances of using public funding for municipal projects were explained. **Council consensus to decline managerial**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

participation of the proposed rain gardens project on Spring Street but continues to support the project.

PAYMENT OF CLAIMS AND PAYROLL

Moved by de Freitas, second by Starr, to affirm the payment of Payroll Warrant Nos. 14663 through 14707 in the amount of \$205,240.13 and approve the payment of Claim Warrant Nos. 34455 through 34494 in the amount of \$91,392.09. Motion passed 4-0 with Menjivar absent.

APPROVAL OF MINUTES

Moved by Hushebeck, seconded by Starr, to approve the minutes of **August 19, 2010 as submitted**. Motion passed 3-0 with Monin abstained and Menjivar absent.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher inquired if the Council wished to discuss the request to draft a letter in support of the 150 Nichols Street project, aka Permanent Farmers Market. Council discussed the timeline of events by the Town, County and Agricultural Guild. Mayor Lacher accepted comments from the audience. **Council consensus to discuss during the evening session.**

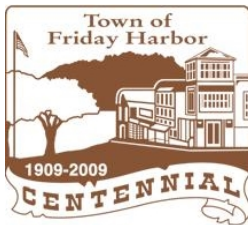
CITIZEN RESPONSE

No citizen response was forthcoming

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:47 p.m. The next regular meeting is scheduled for Thursday, September 2, 2010 at 5:30 p.m.

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These minutes were approved on September 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records.
Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, September 2, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include an additional Executive Session.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS

Town Solid Waste Management Plan

At 5:32 p.m., Mayor Lacher introduced Michelle Nichols, SCS Engineer, to make a presentation regarding consideration of the Town's development of an independent Solid Waste Management Plan. Administrator Fitch stated that the purpose of the presentation was informational only to identify options and process for updating of the Town's Plan in order to come into compliance with the State requirements. Ms. Nichols explained that the last update of the 1996 San Juan County Solid Waste Management Plan in 2002 was never finalized, leaving the Town out of compliance for the last eight years. Ms. Nichols identified options available to the Town; reasons to consider a joint plan versus an independent plan; and elements and financing of an individual Plan. Discussion and inquiry followed regarding the process for development of an independent plan, and objectives that would be included. The Town Council and Mayor thanked Ms. Nichols for her presentation and asked that her firm consider submitting a proposal.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:45 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on the Washington State Ferries (WSF) fall and winter sailing schedules, status of WSF touring watches and reservation system, current business of the SJC Ferry Advisory Committee, SJC Solid Waste Utility, and SJC Council action for the proposed SJC Land Bank preservation easement for 150 Nichols Street (Permanent Farmers Market proposal). Discussion followed. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher inquired if Council wished to add the 150 Nichols Street, aka Permanent Farmer's Market and/or Lodging Tax Advisory Committee's recommendation for a procedure for use of hotel/motel tax funding to a future agenda. **Council consensus to add discussion of procedure for use of hotel/motel tax funding to a future agenda in November 2010.**

CITIZEN RESPONSE

There were no public access items forthcoming.

EXECUTIVE SESSION

At 6:51 p.m., Mayor Lacher announced that the Council would be holding two executive session regarding 1) potential litigation in accordance with the provisions of RCW 42.30.110(i); which was estimated to last 30 minutes; and 2) evaluate complaints brought against a public employee in accordance with the provisions of RCW 42.30.110(f); which was estimated to last 45 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Administrator Fitch, Attorney Cunningham and Clerk. The session ended at 7:56 p.m. for an combined actual session time of 1 hour and 5 minutes . No actions were taken.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:57 p.m. The next regular meeting is scheduled for Thursday, September 16, 2010 p.m.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

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These minutes were approved on September 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records.
Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, September 9, 2010 – Town Council Chambers – Special Session

CALL TO ORDER

Mayor Pro-tem Hushebeck called the special session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; and Position No. 4, Felix Menjivar.

Others Present: Clerk, Amy Taylor.

Position No. 3, Anna Maria de Freitas; Position No. 5, Barbara Starr; Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Attorney, Adina Cunningham were not present.

EXCUSED ABSENCES

Excused absences are not required for special meetings.

FLAG SALUTE

Mayor Pro-tem Hushebeck conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Ordinance No. 1438

At 12:02 p.m., Mayor Pro-tem Hushebeck introduced draft Ordinance No. 1438, establishing the date, time, and place for a meeting of the Friday Harbor Town Council, to take place at a location other than that specified by Ordinance No. 1135. Mayor Pro-tem Hushebeck explained that the Town Council is scheduled to hold a joint meeting

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

with the SJI Fire District No. 3 on September 16, 2010 for the purpose of receiving information regarding merging of fire department and resources.

Moved by Monin, seconded by Menjivar, to adopt Ordinance No. 1438, authorizing the regular meeting of the Town Council at 12:00 p.m. on September 16, 2010 at the San Juan Island Fire District No. 3, located at 1011 Mullis Street, Friday Harbor, Washington for the purpose of a joint public to receive information regarding merging fire departments. Motion passed 3-0 with de Freitas and Starr absent.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Pro-Tem Hushebeck adjourned the meeting at 12:06 p.m. The next regular meeting is scheduled for Thursday, September 16, 2010 at 12:00 p.m.

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**These minutes were approved on September 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records.
Attest: Amy Taylor, Town of Friday Harbor Clerk**



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, September 16, 2010 – 1011 Mullis Street – Afternoon Session
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CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Fire District No. 3 Commissioners: Albert Olson, John Jensen and Bob Jarman.

Attorney, Adina Cunningham was not present.

FLAG SALUTE

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

PUBLIC ACCESS TIME

Paul Dossett, former County Assessor, commented on junior taxing district rate increases.

ACTION AND DISCUSSION ITEMS

Fire Department Consolidation

At 12:02 p.m., Mayor Lacher and the Town Council of Friday Harbor held a joint meeting with San Juan Island Fire District No. 3 to discuss consolidation of services by the Town and San Juan Island Fire District No. 3 departments. Commissioner Olson introduced Joseph F. Quinn, "the Firehouse Lawyer", to present information on the various options for cooperating and consolidating, or merging, as between adjacent jurisdictions such as the Town and Fire District No. 3, in the State of Washington.

Mr. Quinn explained that three of four of practiced models apply to the local situation for merging or consolidation of services as follows: 1) consolidation by contract; 2) formation of a regional fire authority; and 3) annexation of territory.

Mr. Quinn explained that most commonly, this can be accomplished by merger or consolidation of fire districts under RCW 52.06 and by annexation of cities or towns to adjacent fire districts pursuant to RCW 52.04, as well as through cities annexing unincorporated land into the city by annexations. Alternatively, the agencies can contract for services, such as fire protection and/or emergency medical services (EMS). Mr. Quinn noted that either the party can "take the lead" in such a contract.

Mr. Quinn explained that the two options of consolidation and merger are not mutually exclusive, but can be effectively used one after the other. In other words, the combination may be as minor as joint training or sharing a Training Officer, or by contrast, it may mean combining the two work forces by cross-staffing and in effect ignoring jurisdictional boundaries with regard to operations. Then after a few years of successful and ever-widening cooperation, a merger is not such a huge step. Moreover, if merger is not feasible for political or other reasons, some of the same economies or efficiencies can be attained through consolidation anyway.

Mr. Quinn explained that a Regional Fire Authority is a municipal corporation in Washington and a separate taxing district. Its boundaries are coextensive with those of the two or more fire protection jurisdictions (e.g. a fire district or districts and/or a city) that want to cooperate and form such an authority. The entity is created by a vote of the people. Mr. Quinn described different methodologies for formulating ad valorem taxes involved with formation of an authority.

Discussion and inquiry followed with Mr. Quinn between the Mayor, Town Council, Fire Commissioners, Staff and audience regarding logistics and methodology of

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

consolidation, financing, and ad valorem taxes. The Fire District No. 3 Commissioners and Mayor thanked Mr. Quinn for his presentation.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:35 p.m. The next regular meeting is scheduled for Thursday, September 16, 2010 at 5:30 p.m.

* * * * *

These minutes were approved on October 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, September 16, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include an executive session.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ADMINISTRATOR'S REPORT

At 5:31 p.m., Administrator Fitch presented the Town Council with an update of the following:

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- State Auditor Report - The annual Financial Statement and Accountability Audit Reports for the Town for the period of January 1, 2009 through December 31, 2009 were distributed for review.
- SJC Administration Fees - Treasurer Picinich reported that the County has notified the Town that they will be charging for administrative fees at rate of 1.0% for the processing of Real Estate Excise Taxes in accordance with RCW 82.46.030. The fees will be charged retroactively from year 2006 to present. The total charges will amount to \$4,394.
- Leasehold Tax - The SJC Assessor has reported that all Port property has been reassessed.
- Employee Benefits - Premiums for employee benefits through the AWC Employee Trust are anticipated to increase 12% for year 2011.

PUBLIC HEARINGS

Shoreline Substantial Development Permit No. 89

At 5:35 p.m., Mayor Lacher opened the public hearing to consider Shoreline Substantive Development Permit No. 89 & SEPA Checklist No. 275; a request by the Town of Friday Harbor to replace approximately eight hundred (800) lineal feet of water main and other related work in the Front Street right-of-way between Spring Street and the Port of Friday Harbor Maintenance Office. The property is located within the shoreline as defined by the Shoreline Master Program of the Town of Friday Harbor.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council responded in the negative to Mayor Lacher's inquiry regarding communication with opponents or proponents regarding said permit. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand, to present the staff report. Mr. Bertrand entered Exhibit A - Water Main Alignment, into the record; and described the background of the application, staff evaluation and recommendation, and applicable permitting process.

The existing six inch cast iron water main in Front Street is beyond its useful life. The interior of the pipe has scaled up and has reduced the amount of fire flow needed to supply the Port of Friday Harbor Marina and other businesses in the area. The proposed project consists of reconstructing eight hundred lineal feet of new eight inch PVC water distribution main along the alignment depicted in Exhibit A from the point of connection at Spring Street and terminating in front of the Port of Friday Harbor Maintenance Office located at 204 Front Street. The work includes change-over of thirteen existing metered water services of varying sizes along the route as well as two existing fire services, one existing fire hydrant, abandonment of one existing fire hydrant, disinfection and testing of the work and restoration of concrete flatwork and asphalt paving.

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Staff evaluation and recommendation per the staff report dated September 8, 2010, is that the Town Council should approve Shoreline Substantial Development Permit No. 89 as it is in the best interest of the Town and the general public to replace said water distribution main. Said staff report concludes that the application meets the requirements for granting said permit as regulated by Title 19 of the Friday Harbor Municipal Code.

Mayor Lacher asked if there were additional comments from Staff. Administrator Fitch stated that said project is listed as a priority in the adopted Capital Facilities Improvement Plan.

At 5:52 p.m., Mayor Lacher opened the public hearing to audience testimony.

Marilyn O'Conner, Port of Friday Harbor Executive Director, testified in support for said project.

Roger Bennett, 1 Spring Street, requested that the fire hydrant located directly in front of his business entrance be relocated, if possible, during the course of the replacement project. Mr. Bennett explained that the location of the hydrant is within close proximity to the entrance of his building and hinders his long term plans for remodeling the entrance of the building.

Mayor Lacher asked for additional public testimony. Hearing none, she asked if Attorney Cunningham or staff wished to make additional comments. Hearing none, Mayor Lacher opened the hearing to Council questions.

Councilmember Hushebeck inquired if the existing line would remain functional during the reconstruction project. Administrator Fitch answered in the affirmative.

Mayor Lacher asked for additional audience comments. Hearing none, Mayor Lacher closed the public input portion of the hearing at 5:45 p.m., reserving the right to reopen if needed, and opened Council deliberations.

Councilmembers took turns expressing their views of the application. Discussion ensued regarding the relocation of the fire hydrant located at 1 Spring Street that was identified by Mr. Bennett.

Council consensus to acquire a cost estimate for the relocation of the fire hydrant located at 1 Spring Street to the adjacent sidewalk.

Mr. Bennett requested that he be allowed to supplement the project by installing paver brick in lieu of concrete sidewalk if the Town does opt to relocate the fire hydrant located at 1 Spring Street.

Finding of Fact - SSDP Permit No. 89

Moved by Menjivar, seconded by de Freitas, to adopt the staff report dated September 8, 2010; and approve Findings of Fact, Conclusions of Law and

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Decision regarding Shoreline Substantial Development Permit No. 89 & SEPA Checklist No. 275, a request by the Town of Friday Harbor to reconstruct approximately eight hundred lineal feet of water main and other related work in the Front Street right of way. Motion passed unanimously.

ACTION AND DISCUSSION ITEMS

Resolution No. 1806

At 5:51 p.m., Mayor Lacher introduced draft Resolution No. 1806, authorizing the Mayor to execute a contract with Mike Carlson Enterprises, Inc. for construction of the Front Street Water Main Replacement Project. Administrator Fitch explained that Mike Carlson Enterprises, Inc. submitted the lowest responsive unit price with a base bid contract amount of \$92,777.93. Discussion followed regarding the potential relocation of the fire hydrant located at 1 Spring Street. Administrator Fitch explained that relocation of the hydrant would require a change order to said contract.

Moved by de Freitas, seconded by Starr, to adopt Resolution No. 1806, authorizing the Mayor to execute a contract with Mike Carlson Enterprises, Inc. for construction of the Front Street Water Main Replacement Project. Motion passed unanimously.

PUBLIC HEARINGS (cont.)

Rezone Request No. 59

At 5:54 p.m., Mayor Lacher opened the public hearing to consider Rezone Application No. 59 dated July 2, 2010; a request for a zoning designation change from multi-family residential to commercial by DAM Enterprises, LLC. The subject property is approximately .25 acres in size and identified as Tax Parcel No. 351356205 located at 260 B Street.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Councilmember de Freitas recused herself from the public hearing for reasons of personal interest in the property and application. Councilmember de Freitas is a owner of DAM Enterprises, LLC. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit. Council responded in the negative to Mayor Lacher's inquiry regarding communication with opponents or proponents regarding said permit. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand, to present the staff report. Mr. Bertrand described the background of the application, staff evaluation and recommendation, and applicable municipal code. Staff evaluation and recommendation is that the Town Council approve the application based on the following criteria: 1) the request is consistent with the adopted 2002 Comprehensive Plan; 2) the request is consistent with the classification of the subject property on the Amended 2002 Comprehensive Plan Land Use Map; 3) the parcel meets all requirements of the

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commercial zone; and 4) the proposal meets all criteria of the FHMC that are most applicable to this proposal.

Mayor Lacher asked if the proponents or their agent would like to comment. David Pass, Applicant, testified that it was the intention of DAM Enterprises, LLC. to continue to operate the bed and breakfast currently located on the property.

At 6:04 p.m., Mayor Lacher opened the public hearing to audience testimony. Hearing none, Mayor Lacher opened the hearing to Council questions. Hearing none, Mayor Lacher asked if there was additional comment from staff or audience. Hearing none, Mayor Lacher closed the public input portion of the hearing at 6:07 p.m., reserving the right to reopen if needed, and opened Council deliberations. Councilmembers took turns expressing their views of the application.

Councilmember Starr and Hushebeck stated that the zoning was appropriate for the property, noting that the current use of the property for a bed and breakfast facility is allowed (grandfathered) by a conditional use permit.

Moved by Hushebeck, seconded by Starr to adopt the staff report dated August 30, 2010; approve Rezone Application No. 59, a request for a zoning designation change from Multi-family Residential to Commercial; and direct staff to prepare Facts and Findings and Conclusions of Law. Motion passed 4-0 with de Freitas recused from the public hearing.

ACTION AND DISCUSSION ITEMS (cont.)

Ordinance No. 1439

At 6:07 p.m., Mayor Lacher introduced draft Ordinance No. 1439, granting a non-exclusive franchise to Windjammer Communications, LLC., to install, operate and maintain a cable television system within the Town's public rights of way. Administrator Fitch stated he had a remote interest in the subject and recused himself from the conversation. Attorney Cunningham explained that the ordinance under consideration was the draft presented at the continued public hearing dated September 2, 2010. No discussion followed.

Moved by Hushebeck, seconded by de Freitas to adopt Ordinance No. 1439, granting a non-exclusive franchise to Windjammer Communications, LLC., to install, operate and maintain a cable television system within the Town's public rights of way. Motion passed unanimously.

Resolution No. 1807

At 6:09 p.m., Mayor Lacher introduced draft Resolution No. 1807, authorizing the Mayor to execute an agreement with the engineering firm of Kennedy/Jenks Engineering Consultants to provide optimization services at the Wastewater Treatment Plant. Administrator Fitch explained that a proposal was submitted by Brad Musick of Kennedy/Jenks Engineering Consultants for energy, treatment and other optimization services; two day on-site training; preparation of technical memorandums and implementation assistance for the lump sum fee of \$15,700. Discussion and inquiry

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followed regarding previous consulting and savings for the Wastewater Treatment Plant Reclaimed Water Project.

Moved by Starr, seconded by Menjivar, to adopt Resolution No. 1807, authorizing the Mayor to execute an agreement with the engineering firm of Kennedy/Jenks Engineering Consultants to provide optimization services at the Wastewater Treatment Plant. Motion passed unanimously.

Ordinance No. 1440

At 6:17 p.m., Mayor Lacher introduced draft Ordinance No. 1440, amending Ordinance No. 1080 and Friday Harbor Municipal Code 13.04 regarding water service disconnections. Administrator Fitch explained that said ordinance provides for Town and property owners to equitably calculate reconnection of parcels to Town water service. The owner of a property may, under certain circumstances, disconnect from the Town water system, and request the issuance of a Reconnection Certificate. The Certificate will authorize the owner to reconnect to the Town water system at any time within ten years from the date of issuance by paying a reconnection fee in an amount that is the difference between the price charged as a water connection fee on the date of disconnection and price charged as a water connection fee on the date of reconnection. Discussion followed regarding the ten year time limitation and value of the Certificate.

Moved by de Freitas, seconded by Monin, to adopt Ordinance No. 1440, amending Ordinance No. 1080 and Friday Harbor Municipal Code 13.04 regarding water service disconnections. Motion passed unanimously.

ADMINISTRATOR'S REPORT

At 6:22 p.m., Administrator Fitch presented the Town Council with an update of the following:

- State Initiatives 1100 & 1105 - Information from AWC regarding the proposed State initiatives to privatize the sale of alcohol were distributed for review.
- Granulated Activated Carbon Filters - The drawings and specifications for the Granulated Activated Carbon System at the Water Treatment Plant are 90% complete and have been forwarded to the State Department of Health for review.
- Odor Control Improvements - The drawings and specifications for odor control improvements resulting from sludge drying and other processes at the Wastewater Treatment Plant are 90% complete and being reviewed by staff.
- AWC Risk Management Service Agency (RSMA) - Administrator Fitch will be attending the annual AWC RMSA meeting in Olympia the week of September 20, 2010.

PAYMENT OF CLAIMS

Moved by Monin, second by Starr, approve the payment of Claim Warrant Nos. 34550 through 34602 in the amount of \$162,365.51. Motion passed unanimously.

APPROVAL OF MINUTES

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Moved by Monin, seconded by de Freitas, to approve the minutes of **September 2, 2010 and September 9, 2010**. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:35 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on the following topics: SJI Solid Waste Utility; Governor's Passenger Vessel Association Study; State Ferry Advisory Committee Executive Council recommendations; WSF draft winter sailing schedule and reservation system proposal; and County legislative priorities. Mr. Rosenfeld requested that the Council consider a resolution endorsing the State Ferry Advisory Committee Executive Council priorities relating to construction of additional vessels. Discussion and inquiry followed. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Councilmember Hushebeck provided an update on the status of the draft SJC Parks, Trails and Natural Areas Plan for 2011 through 2016 and requested that the Council schedule discussion of the topic to determine the priorities of the Town in regard to said Plan.

CITIZEN RESPONSE

Roger Bennett, 1 Spring Street, inquired if Ordinance No. 1440 (above) will accommodate parcel owners who do not have damaged infrastructure. Administrator Fitch explained that Ordinance No. 1440 as written, provides for in the event that the structures on any property connected to the Town water system are so damaged by fire or other casualty that the property is no longer habitable, or if the structures are abandoned or neglected to such an extent that they are taken down or removed in response to a notice from the Town, the owner of the property may request disconnection and request a Reconnection Certificate.

Roger Bennett, 1 Spring Street, stated that he did not foresee a decrease in sales tax regardless of the outcome of the State Initiatives for the privatization of liquor sales.

EXECUTIVE SESSION

At 6:59 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding 1) potential litigation in accordance with the provisions of RCW 42.30.110(i); labor negotiations in accordance with RCW 42.30.110(g) and RCW 42.30.140(4); and complaints brought against public employee in accordance with RCW 42.30.110(f); which was estimated to last 45 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Administrator Fitch, Attorney Cunningham and Clerk Taylor. The session ended at 8:45 p.m. for a combined actual session time of 1 hour 46 minutes. No actions were taken.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 8:45 p.m. The next regular meeting is scheduled for Thursday, October 7, 2010 at 12:00 p.m.

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These minutes were approved on October 7, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, October 7, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr (arrived late).

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Town Administrator, C. King Fitch was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

Val Veirs, Whale Museum Board President, updated the Council on the progress of Whale Museum building renovations. Mr. Veirs requested that the Town consider a contribution to the "Give a Lift to the Whale Museum" campaign from hotel motel excise tax revenue. The campaign is an effort to raise approximately \$150,000 for capital improvements including replacement of the existing porch and construction of a ramp and elevator to provide access for people with disabilities. No discussion followed. The Council thanked Mr. Veirs.

DEPARTMENT REPORTS

Emergency Management Report

At 12:08 p.m., Emergency Management Director, Brendan Cowan, reported on recent items that the SJC Department of Emergency Management (DEM) has been engaging. Included was an overview of efforts to improve communications between the local emergency responders and inventory of current apparatus. Mr. Cowan distributed information regarding earthquake preparedness. Inquiry followed regarding compatibility of communication equipment. Mayor Lacher thanked Mr. Cowan.

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Community Development

At 12:14 p.m., Land Use Administrator, Michael Bertrand, distributed a compilation of building, mechanical and plumbing permits issued in year 2010 to date. Mr. Bertrand noted that there were approximately twenty seven residential dwelling permits issued in 2010 to date. Mr. Bertrand reported on the status of ongoing affordable housing projects and other anticipated development; upcoming public hearings; and suggested revisions to Friday Harbor Municipal Code. Discussion followed regarding the long range plan for the proposed PeaceHealth medical facility. Mayor Lacher thanked Mr. Bertrand.

Historic Preservation

At 12:23 p.m., Historic Preservation Coordinator, Sandy Strehlou distributed a third quarter department report for 2010. Ms. Strehlou reported on the progress of the volunteer summer intern; draft HP ordinance changes, website and upcoming activities. Ms. Strehlou provided an update on recent Scenic Byway meetings. No discussion followed. Mayor Lacher thanked Ms. Strehlou.

System Administration

At 12:31 p.m., System Administrator, Steven Dubail, distributed a third quarter department report for year 2010. Mr. Dubail reported on the recent string of computer viruses, website updates, and system maintenance. Discussion followed regarding safe internet usage and quarterly utility summary report. Mayor Lacher thanked Mr. Dubail.

Utilities

At 12:37 p.m., Utilities Superintendent, Mike Wilks, reported on various scheduled construction and maintenance projects and summarized the third quarterly Utilities Report. Mr. Wilks commented on the granulated activated carbon filter system at the Water Treatment Plant, **odor improvements at the Wastewater Treatment Plant**, trial runs for refuse disposal to Skagit County and that the Refuse Department is researching the replacement of the aged refuse vehicles. Discussion and inquiry followed regarding replacement of the refuse packer truck and roll-off truck and status of trial runs to Skagit County. Mayor Lacher thanked Mr. Wilks.

COMMITTEE REPORTS

At 12:46 p.m., Mayor Lacher and Councilmembers provided an update on the following committees:

- Solid Waste Advisory Committee - Mayor Lacher had no recent activity to report.
- Lodging Tax Advisory Committee - Councilmember Hushebeck reported that discussion of recommendations for disbursement of hotel motel excise tax funding is scheduled for the evening session.
- Board of Health - Councilmember de Freitas had no recent activity to report. Mayor Lacher noted that annual flu shots and other immunizations are currently available through the County Health Department.
- Housing Bank Commission (HBC) - Councilmember Monin reported that the HBC is currently in the process of adopting new legislation to define rural residential clustering within the County and refining processes for distribution of HB-2060

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funding. The County has issued a request for proposals for projects eligible for HB-2060 funding.

ACTION AND DISCUSSION ITEMS

Resolution No. 1808

At 12:55 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1808, accepting the Sewer Replacement Project constructed by Strider Construction, Inc. The engineering firm of Brown and Caldwell, Inc. has determined that the work for the Town Sewer Replacement Project has been completed in accordance with all contract documents. Upon Notice of Completion to the Contractor, the Town will proceed with releasing the 5% performance retainage for the project. No discussion followed.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1808, accepting the Sewer Replacement Project constructed by Strider Construction, Inc. Motion passed unanimously.

Resolution No. 1809

At 12:57 p.m., Mayor Lacher introduced draft Resolution No. 1809, authorizing the Mayor to execute a contract with Brown & Caldwell Engineering to perform a wastewater collection system inflow and infiltrator evaluation. The Town has a need to renew its NPDES Municipal Wastewater Discharge permit issued by the State Department of Ecology (DOE) for its wastewater treatment plant. DOE requires as part of the renewal process that an inflow and infiltration study be performed. Brown and Caldwell have offered to perform said study on a time and material basis, not to exceed \$4,530.00. No discussion followed.

Moved by de Freitas, seconded by Starr, to adopt Resolution No. 1809, authorizing the Mayor to execute a contract with Brown & Caldwell Engineering to perform a wastewater collection system inflow and infiltrator evaluation. Motion passed unanimously.

Resolution No. 1810

At 12:58 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1810, authorizing the Mayor to execute Amendment No. 1 to the agreement between the Town of Friday Harbor and the engineering firm of Wayne Haefele and Associates to provide construction inspection services for improvements to the water distribution system in Front Street. By adoption of Resolution No. 1701 on February 9, 2009 the Town authorized the design and inspection services for said improvements. The project was subsequently offered to Mike Carlson Enterprises to construct and Town now needs to secure the services of an engineer to inspect its installation. Wayne Haefele and Associates has offered to furnish said professional services on a time and material basis, not to exceed \$8,640 over the original contracted amount. Discussion followed regarding the need for an amendment.

Moved by Monin, seconded by de Freitas, to adopt Resolution No. 1810, authorizing the Mayor to execute Amendment No. 1 to the agreement between the Town of Friday Harbor and the engineering firm of Wayne Haefele and Associates to provide construction inspection services for

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improvements to the water distribution system in Front Street. Motion passed unanimously.

Liaison Assignments

At 1:01 p.m., Mayor Lacher introduced discussion of Town representation on regulated boards, committees and commissions. Mayor Lacher inquired if Council wished to adjust or trade their current assignments. Council answered in the negative. Councilmember Starr volunteered to fill the vacant position on the Lodging Tax Advisory Committee. Mayor Lacher informed the Council that Town has been invited to participate on the San Juan Action Agenda Oversight Committee which is a coalition of tribal, environmental and local government representation that roles and responsibilities include evaluating priorities and demand on local resources as determined by scientific information. Mayor Lacher offered to participate on said committee. No discussion followed.

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, second by de Freitas to affirm the payment of Payroll Warrant Nos. 14708 through 14790 in the amount of \$224,046.57 and approve the payment of Claim Warrant Nos. 34603 through 34659 in the amount of \$141,343.22. Motion passed unanimously.

APPROVAL OF MINUTES

Moved by Hushebeck, seconded by Starr, to approve the minutes of **September 16, 2010 as amended**. Motion passed unanimously.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher requested that an update regarding the proposed rain gardens on Spring Street by Johannes Krieger, Marine Resources Committee representative, be added to the October 21, 2010 agenda.

CITIZEN RESPONSE

Dave Smith, Street Department Leadman, reported that no stormwater detergent events have been detected in October 2010.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:14 p.m. The next regular meeting is scheduled for Thursday, October 7, 2010 at 5:30 p.m.

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These minutes were approved on October 21, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, October 7, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Town Administrator, C. King Fitch was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Finding of Fact - Rezone Application No. 59

At 5:31 p.m., Mayor Lacher introduced discussion of adoption of Findings of Fact, Conclusions of Law and Decision regarding Rezone Application No. 59 by DAM Enterprises, LLC., a request to rezone real property currently zoned as Multi-family residential to the Commercial zone located at 260 B Street. Said parcel is identified as Tax Parcel No. 351356205. Staff was directed to prepare Findings of Fact, Conclusions of Law and Decision for Rezone Application No. 59 per the public hearing of September 16, 2010. No discussion followed. Councilmember de Freitas recused herself as she has a financial interest in the subject property.

Moved by Menjivar, seconded by Hushebeck, to adopt Findings of Fact, Conclusions of Law and Decision regarding Rezone Application No. 59 by DAM Enterprises, LLC. to rezone real property currently zoned as Multi-family residential to the Commercial zone located at 260 B Street. Motion passed 4-0 with de Freitas recused.

Ordinance No. 1441

Concurrently with adoption of Findings of Fact, Conclusions of Law and Decision for Rezone Application No. 59, Mayor Lacher introduced draft Ordinance No. 1441,

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

approving the rezone of 260 B Street from Multi-family residential to Commercial. Councilmember de Freitas recused herself as she has a financial interest in the subject property. No discussion followed.

Moved by Starr, seconded by Monin, to adopt Ordinance No. 1441, approving the rezone of 260 B Street [Tax Parcel No. 351356205] from Multi-family residential to Commercial. Motion passed 4-0 with de Freitas recused.

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Resolution No. 1811

At 5:35 p.m., Mayor Lacher introduced draft Resolution No. 1811, endorsing actions of the State Ferry Advisory Committee Executive Council (FAC). The State Ferry Advisory Committee Executive Council unanimously adopted the priority to construct two 144-car ferries after completion of the third 64-car ferry; and adopted for the upcoming legislative session the priority to develop a dedicated and ongoing funding source for capital construction on June 17, 2010. The Town was requested to join the County in endorsing these priorities. No discussion followed.

Moved by Hushebeck, seconded by Starr, to adopt Resolution No. 1811, endorsing actions of the State Ferry Advisory Committee Executive Council. Motion passed unanimously.

SJC Parks, Trails and Natural Areas Plan

At 5:38 p.m., Mayor Lacher introduced discussion of the draft SJC Parks, Trails and Natural Areas Plan for 2011 through 2016. Councilmember Hushebeck explained that the Plan will provide for a "long-term vision and six-year guide for investment" in outdoor spaces and facilities overseen by the County. Main goals for the Plan include identifying open areas, planning and developing trails, land protection and stewardship, and securing sustainable funding. The preliminary draft of the Plan did not incorporate parks, trails and open spaces within Town limits or note the Town as a stakeholder. Councilmember Hushebeck is working with the County to identify those areas within the Town to be included within the Plan. No discussion followed. No action was taken.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 5:44 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on the following topics: SJI Solid Waste Utility; State Ferry Advisory Committee (FAC) Executive Council recommendations; WSF draft winter sailing schedule and reservation system proposal; Friday Harbor Ferry Terminal improvements; County FAC meeting schedule; and County budget and priorities. Discussion and inquiry followed. No action was taken.

ACTION AND DISCUSSION ITEMS (cont.)

2011 Hotel Motel Tax Disbursements

At 6:05 p.m., Mayor Lacher introduced discussion regarding the Lodging Tax Advisory Committee (LTAC) recommendation for disbursement of the second two percent (2%) Hotel Motel Tax Grant funding for year 2011. Councilmember de Freitas disclosed that she is a voting member of the Visitors Bureau Board of Directors. Councilmember Hushebeck and Starr described the process that the LTAC used for their determination and recommended that the Council approve the LTAC's recommendation for the distribution of \$100,000 from said fund.

Moved by Monin, second by Starr, to approve the recommendation of the Lodging Tax Advisory Committee for the disbursement of \$100,000 for the year 2011 as follows:

- **SJI Chamber of Commerce, Center - \$10,457**
- **SJI Chamber of Commerce, Promotion - \$3,214**
- **SJI Visitors Bureau - \$80,285**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- SJ Historical Museum - \$1,271
- Whale Museum - \$3,000
- Artstock - \$1,028.57
- Art Studio Tour - \$742

Motion passed 4-0 with de Freitas abstaining.

WORK SESSIONS

Budget Planning Work Session

At 6:15 p.m., Mayor Lacher introduced the work session to discuss budget expectations and priorities for the 2011 Town budget cycle. Treasurer Picinich distributed a preliminary draft document dated October 1, 2010. Discussion and inquiry followed regarding line items and fiscal priorities of interest.

Treasurer Picinich explained that the draft budget included line item expenditures for a new refuse packer truck in the amount of \$200,000 and used refuse roll-off truck in the amount of \$100,000. Discussion followed regarding tipping refuse at the Orcas Island Transfer Station, Town Landfill Closure fund and refurbishing of the current refuse vehicles.

Treasurer Picinich explained that the draft budget eliminates reduction of hours for employees and includes a 2.5% cost of living increase (COLA) for all employees. The Council expressed their approval of extending the 2.5% COLA to unrepresented employees.

Treasurer Picinich explained that the draft budget did not include a cost increase to utility users. No discussion followed.

Treasurer Picinich explained that all non-essential programs and expenditures were eliminated from the draft budget; and that the balance of unused funds remain with departments for future use. Discussion followed regarding the inventory of radios, renewing of the Town broadband license and calendar for budget adoption.

Councilmember Monin inquired about developing a sustainable funding source for the street utility. Mayor Lacher suggested holding a separate work session. The Council concurred.

Councilmember Hushebeck inquired about the establishment of a local improvement district (LID) with the Evergreen Subdivision to fund the Spruce Street Reconstruction Project. Treasurer Picinich commented that involving the neighborhood in a LID would be difficult.

Councilmember Starr and Monin inquired about making the Town Parking Enforcement Program self-sustainable. Discussion followed about raising fines for infractions amounts that are not proscribed by State law.

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Mayor Lacher concluded the work session with discussion of dates for future work sessions. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher commented on Robert's Rules of Order regarding the Council's policy for Public Access.

Treasurer Picinich requested clarification in regard to the purchase of equipment to replace the aged refuse vehicles. **Council consensus obtain cost estimates for a new refuse packer truck and a used refuse roll-off truck to replace the current aged vehicles.**

CITIZEN RESPONSE

There were no public access items forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

EXECUTIVE SESSION

At 7:00 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding potential litigation in accordance with the provisions of RCW 42.30.110(i) which was estimated to last 10 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Attorney Cunningham and Clerk Taylor. The session ended at 7:21 p.m. for an actual session time of 21 minutes. No actions were taken.

At 7:22 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding labor negotiations in accordance with RCW 42.30.110(g) and RCW 42.30.140(4) which was estimated to last 15 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Attorney Cunningham and Clerk Taylor. The session ended at 7:30 p.m. for an actual session time of 8 minutes. The following action was taken:

Resolution No. 1812

Moved by Hushebeck, seconded by de Freitas, to adopt Resolution No. 1812, authorizing the Mayor to execute a Memorandum of Understanding with Washington State Council of County & City Employees, AFSCME, AFL-CIO Local 1849F. Motion passed unanimously.

At 7:31 p.m., Mayor Lacher announced that the Council would be holding an executive session regarding complaints brought against public employee in accordance with RCW 42.30.110(f) which was estimated to last 15 minutes. Participants: Town Council, Mayor Lacher, Treasurer Picinich, Attorney Cunningham and Clerk Taylor. The session ended at 7:44 p.m. for an actual session time of 13 minutes. No action was taken.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:45 p.m. The next regular meeting is scheduled for Thursday, October 21, 2010 at 12:00 p.m.

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These minutes were approved on October 21, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, October 21, 2010 – Town Council Chambers - Afternoon Session

CALL TO ORDER

Mayor Pro-tem Hushebeck called the regular session of the Town Council to order at 12:00 p.m.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

Position No. 4, Felix Menjivar arrived late.

Others Present: Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Fire District No. 3 Commissioners: Albert Olson, John Jensen and Bob Jarman; and Fire Chief Steve Marler.

Mayor, Carrie Lacher and Attorney, Adina Cunningham were not present.

FLAG SALUTE

Mayor Pro-tem Hushebeck conducted the flag salute.

EXCUSED ABSENCES

Mayor Pro-tem Hushebeck explained that Councilmember Menjivar had a work conflict and may not make the meeting. He asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

At 12:03 p.m., the Town Council held a joint meeting with San Juan Fire District No. 3 to discuss consolidation of services by the Town and San Juan Island Fire District No. 3 departments. Mayor Pro-tem Hushebeck introduced Peter Moy, Financial Consulting Solutions (FCS) Group, to make a presentation.

Mr. Moy described the scope of work and task plan involved to develop an analysis of consolidation of fire departments services as follows:

- Task 1, Conduct meetings with the Town and District to review the background of the departments and needs;
- Task 2, Develop the organizational and operational consolidation framework;
- Task 3, Determine and analyze the consolidated cost of service;
- Task 4, Identify the costs and financing for different governance and organizational alternatives; and
- Task 5, prepare and issue the draft analysis for comments and finalization.

Mr. Moy explained that the financing portion of analysis is straightforward after completion of Task 2. Mr. Moy speculated that the analysis, including separate alternative funding models, could be completed by January 2011. Discussion followed

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

regarding contracting for law enforcement services, cost benefit analysis, and consolidations of other municipalities.

At 12:39 p.m., Mayor Pro-tem Hushebeck opened the meeting to comments from the audience. Discussion and inquiry followed with Mr. Moy between the Town Council, Fire Commissioners, Staff and audience regarding logistics and methodology of consolidation, financing, and fire insurance ratings.

The Fire District No. 3 Commissioners and the Town Council thanked Mr. Moy for his presentation. No action was taken.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Pro-tem Hushebeck adjourned the meeting at 1:09 p.m. The next regular meeting is scheduled for Thursday, October 21, at 5:30 p.m.

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These minutes were approved on November 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, October 21, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Pro-tem Hushebeck called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Mayor Lacher arrived late.

FLAG SALUTE

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Mayor Pro-tem Hushebeck conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

There were no announcements forthcoming.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Spring Street Rain Gardens Proposal

At 5:33 p.m., Mayor Pro-tem Hushebeck introduced Johannes Krieger, SJC Marine Resources Committee (MRC) Member, to provide an update on the Spring Street Rain Gardens proposal. Mr. Krieger explained that the MRC is currently advertising a request for proposals to design and construct the rain garden project. Per inquiry, Mr. Krieger explained that the scope of work for the project continues to remain sustainable with the available grant funding. Mayor Pro-tem Hushebeck thanked Mr. Krieger. No action was taken.

Resolution No. 1813

At 5:35 p.m., Mayor Pro-tem Hushebeck introduced draft Resolution No. 1813, authorizing the Mayor to execute a contract with Financial Consulting Solutions (FCS) Group, Inc. for consulting services regarding consolidation of fire departments. Administrator Fitch explained that FCS has will perform the services described at the afternoon session of October 21, 2010 on a time and material basis not to exceed \$14,940. Per inquiry, Administrator Fitch explained that the San Juan Fire District No. 3 is not participating in reimbursement of said agreement as they assumed the costs for services of Joseph Quinn, Firehouse Lawyer, at the session of October 7, 2010. No discussion followed.

Moved by Starr, seconded by de Freitas, to adopt Resolution No. 1813, authorizing the Mayor to execute an agreement on a time and material basis not to exceed \$14,940 with Financial Consulting Solutions Group, Inc., for a fire department consolidation and financial analysis per the proposal dated October 14, 2010. Motion passed unanimously.

Resolution No. 1814

At 5:36 p.m., Mayor Pro-tem Hushebeck introduced discussion of draft Resolution No. 1814, adopting a policy for the procurement of architectural, engineering and consultant services. Administrator Fitch explained that at the 2009 audit exit interview on July 28, 2010, the State Auditor recommended that the Town adopt policies and procedures to ensure contracts are competitively procured for said services. The State Auditor has confirmed that the draft document meets the criteria of the exit recommendations. Per the recommendation of Attorney Cunningham, Administrator Fitch recommended that the Council postpone the adoption of draft Resolution No. 1814 to include additional policy language. No action was taken.

ADMINISTRATOR'S REPORT

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 5:36 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Signage Grant - County Public Works has invited the Town to jointly submit an application for a federal grant opportunity. Town would apply for funding to replace existing traffic signage with reflective traffic signage. The Streets department has identified 270 candidate signs at approximately \$200 per sign that would enhance safety if replaced. **Council consensus to jointly submit a grant application with County Public Works for the replacement of traffic signage.**
- Water Transmission Line Replacement Project - The Town received a letter from the Port of Friday Harbor dated October 2, 2010 requesting that Town prioritize the replacement of the water transmission line located near Franklin Drive where it encumbers portions of the airport property. The Port of Friday Harbor continues to develop a master plan for improvements to the airport facilities. Discussion followed regarding design and phasing of the project.
- County Solid Waste Utility Work Session - Administrator Fitch attended the October 18, 2010 County Council workshop representing the Town.
- Refuse Transfer - Trial runs for tipping Town refuse, including all overhead costs, at Skagit County facilities averages \$145 per ton and Orcas Island facility averages \$280 per ton. Administrator Fitch will begin discussions the Skagit County Solid Waste Manager and report information regarding an on-going relationship with their consortium. The proposal from SCS Engineers for a Town Solid Waste Management Plan is anticipated early November 2010.
- Trihalomethanes Levels (THM) - THM levels measured 119.5 ug/L for the third quarter of year 2010, with a twelve month average of 86.0 ug/L. Town will issue a notification letter to water users in the next monthly utility billing.
- Granulated Activated Carbon (GAC) Filter System - A request for bids has been issued for construction of the GAC Filter System Project. The purpose of the project is to improve water quality by reducing THM levels and other impurities.
- Homes for Islanders (HFI) - HFI has requested that Town issue a letter of support for their request for a USDA 523 Technical Assistance Grant to promote self-help housing in Friday Harbor. Discussion followed regarding the current affordable housing projects. **Council consensus to sign said letter.**
- Payment of Claims - The definition of "multiplier" as it applies to various invoices for professional, architectural and engineering services was explained.

APPROVAL OF MINUTES

Moved by de Freitas, seconded by Starr, to approve the minutes of **October 7, 2010 as submitted**. Motion passed unanimously.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ACTION AND DISCUSSION ITEMS (cont.)

Right of Way Access - Martin Street

At 5:54 p.m., Mayor Pro-tem Hushebeck introduced discussion of current accessibility through the unopened westerly portion of the Martin Street public right-of-way located. Mayor Pro-tem Hushebeck stated that the discussion was not public hearing however comments from the audience would be accepted later in the evening. Photographs were displayed depicting the portion of Martin Street with various outdoor storage including two tents, cars, boat and existing fence line. Administrator Fitch explained to all in attendance that the discussion was for informational purposes only, and that no action was required or anticipated at this point in time. Administrator Fitch explained the history of Martin Street, and current use and concerns of abutting property owners of the subject right-of-way. Attorney Cunningham explained the Town policy and appropriate uses of unopened public right-of-ways.

Martin Street, formerly known as Jensen Street, was platted in 1905. The public right-of-way area is not opened or developed due to topographical issues, including a large rock outcropping located in the center of the right-of-way. Currently no through access exists.

It has been the Town's policy to allow property owner's to make some limited uses of any unopened portion of a street right-of-way that directly abuts their property. This policy is based on the understanding that under State law abutting property owners are entitled to fee title ownership to the middle of any abutting street right-of-way if that right-of-way is vacated by the local government. In that sense, State law views local government's right-of-way as being in the nature of an easement, rather than absolute fee simple ownership. Under this policy, the owners of the property at 550 Jensen Alley would have a limited right to occupy and enjoy the use of the westerly half of Martin Street, as it abuts their property, so long as Martin Street remains unopened. This policy would likewise apply to other abutting property owners on both sides of Martin Street.

The main limitation on an abutting owner's right to occupy and enjoy the unopened portion of an abutting street is that the Town will not issue building permits for the placement of structures within that area. That means the abutting owners are limited to uses which do not involve structures which would require a building permit. Examples of the types of use and enjoyment the Town recognizes are landscaping, gardens, vehicle parking, storage of goods, and structures small enough not to require a building permit.

Because there are other properties on Jensen Alley that also have their north boundary on Martin Street, the owners of those properties would have the same limited rights described above, as would the properties lying north of Martin Street and having their south boundary abutting Martin Street. It is therefore conceivable that private uses of Martin Street by multiple abutting owners could be extensive enough to interfere with passage between Tucker Street and the north boundary of the property at 550 Jensen Alley. While the Town always has the right to open Martin Street for public access, the Town has no obligation to demand that private uses of unopened portions be terminated or modified so that public access could occur. For that reason, it was the opinion of

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former Town Attorney Eaton that the owners of the property at 550 Jensen Alley should not assume that access from Tucker Street would always be available to them.

In the past, Town has executed multiple Quit Claim Deeds in 1996, addressing ownership interests with respect to the land that comprises the Martin Street right-of-way. The purpose of the Deeds were to release the Town of any claim of fee ownership. Explicitly reserved from the effect of the Deeds were the easement rights which the Town has always had for purposes of using the right-of-way as a public street. The Deeds were recorded for the sole purpose of making it clear that the Town's claim of interest in the land comprising the right-of-way is a claim only to an easement for street purposes and that the Town never had and does not claim to have fee title ownership to that strip of land.

Councilmember Monin inquired if there is a standard width or measurement used for "access". Administrator Fitch explained that measurements vary depending on which criteria are being considered. Councilmember Hushebeck inquired if fire trucks or other emergency response vehicles could access the north boundary line of 550 Jensen Alley via Martin Street. Administrator Fitch answered that the current access lane was twelve feet wide. Councilmember Menjivar inquired if the existing fence is a violation of Town policy. Attorney Cunningham answered that a fence is not recommended but is allowable as long as a permit is not required and Town could require it be removed if the right-of-way is opened.

Mayor Lacher opened the discussion to audience comment. [Clerk's Note: Mayor Lacher arrived at 6:14 p.m.]

Gay Wilmerding, 550 Jensen Alley, described the northern portion of her property; stated her disagreement with Attorney Eaton's findings regarding access; and requested that the Council develop a policy regarding access through unopened public right-of-ways.

Loren Johnson, 545 McDonald Street, described his property; stated support for Ms. Wilmerding's comments and that emergency access is a concern of the abutting property owners of Martin Street.

Bob Greenway, 582 Jensen Alley, described the layout of the Sandpiper Condominiums and improvements made to the portion of Martin Street right-of-way by himself. Mr. Greenway stated that the through access of Martin Street has remained the same for forty years.

Steve Rockstroh, 505 Jensen Alley, stated that his initial discussion with Mr. Greenway resulted in Mr. Greenway stating that they (owners of 505 Jensen Alley) could not use the portion of Martin Street to access their property because it was "closed". Mr. Rockstroh stated that the current access is not adequate for emergency vehicles.

Gay Wilmerding, 550 Jensen Alley, stated that in her opinion the Martin Street right-of-way was not properly quit claim deeded and requested that specific citations be made to

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

the Friday Harbor Municipal Code to clarify what constitutes access to unopened public right-of-ways.

Bob Greenway, 582 Jensen Alley, stated that the access to the northern boundary of 505 Jensen Alley would be the same even if the outdoor storage was removed.

Mayor Lacher closed the audience comment portion of the discussion and inquired if staff required direction. Administrator Fitch explained that Council is only required to give direction if they wish to exercise the Town's right to open the Martin Street right-of-way. Discussion followed regarding alternatives to opening the right-of-way including development of minimum accessibility width a standard for unopened public right-of-ways. **Council consensus for staff to provide additional information regarding standards for public right-of-way access.**

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

WORK SESSIONS

Budget Planning Work Session

At 6:43 p.m., Mayor Lacher introduced the work session to discuss budget expectations and priorities for the 2011 Town budget cycle. Administrator Fitch provided an overview of the current parking enforcement program and current fees. Discussion followed regarding the Town Bail schedule for parking related infractions and expansion of the program. Treasurer Picinich noted that the County Department of Emergency Management has requested \$7,500 of funding for 2011. Discussion and inquiry followed regarding the fire protection services. No action was taken.

PAYMENT OF CLAIMS

Moved by de Freitas, second by Monin, to affirm the payment of Payroll Warrant Nos. 34660 through 34715 in the amount of \$9,207.36. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 7:10 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries (WSF) issues and the County solid waste utility. Discussion followed regarding the proposal to the County from San Juan Sanitation to privately run the utility. No action was taken.

FUTURE AND NON-AGENDA ITEMS

Councilmember Menjivar inquired if the Town's fire insurance rating would be effected with consolidation of services with Fire District No. 3. Mayor Lacher answered that it will have to be determined.

Mayor Lacher stated that she is seeking a cost proposal for media relation training for elected officials.

Mayor Lacher presented a letter of support for Homes for Islanders. Discussion followed regarding affordable housing models. **Council consensus to sign the letter of support for Homes for Islanders for grant funding.**

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:44 p.m. The next regular meeting is scheduled for Thursday, November 4, 2010 at 12:00 p.m.

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These minutes were approved on November 4, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 4, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich and Clerk, Amy Taylor.

Position No. 2, Noel Monin; Town Administrator, C. King Fitch and Attorney, Adina Cunningham were not present.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Monin. Council unanimously approved his absence.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include a continuation of the evening session for the purpose of Council discussion of an interlocal agreement with Fire District No. 3 for administrative, training and operational services for fire protection on Tuesday, November 9, 2010 at 6:00 p.m.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Homes for Islanders

At 12:05 p.m., Mayor Lacher introduced Justin Roche, Executive Director for Homes for Islanders (HFI) and Bill Gendron, HFI Board Member, to make a presentation regarding the affordable housing model of rural residential clustered homes (RRC). Mr. Gendron thanked the Council for its support for the renewal of HFI's United States Department of Agriculture 2011-2012 federal technical assistance grant. The grant will provide the necessary funds to assist twenty one eligible families to build affordable homes using the mutual self help construction model in the Town.

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Mr. Gendron addressed the Council discussion of October 21, 2010 pertaining to the advertisement of the sale of a home in the Rocky Bay development located on Roche Harbor Road. The Rocky Bay development was developed using the RRC model authorized in the SJC Uniform Development Code. RRC provides a developer of affordable housing with a density bonus allowing up to eight homes on a five acre parcel when the land has a specific type of land designation such as rural residential. For this bonus the developer creates a fifty year permanent easement known as "resale restriction". In summary, the resale restriction in Rock Bay states that the owner may only sell to persons who have income no greater than moderate income as defined by HUD in the year of the sale. The UDC also requires that the home must be the permanent residence of the owner. The Council recently discussed a brochure announcing the sale of that was posted in error. The wording in this brochure was in error when it referred to the home as a vacation home. As stated above, this is not permitted since the home has to be the permanent residence of the owner and the owner has agreed to revise the sale announcement excluding this statement prior to the next advertisement. Discussion followed regarding the current affordable housing project located off Lampard Road. Mr. Gendron requested future agenda time to provide additional program information regarding the different types of affordable housing models available to residents within the community. Mayor Lacher thanked Mr. Gendron and Roche for the clarification. No action was taken.

Ordinance No. 1442

At 12:11 p.m., Mayor Lacher introduce discussion of draft Ordinance No. 1442, accepting the Final Plat of the Country Village Estates 2nd Addition - Phase II to the Town of Friday Harbor. The Town granted approval to the Preliminary Plat of Country Village Estates 2nd Addition subject to certain conditions pursuant to Ordinance No. 1424 on May 20, 2010. The owners of the Plat of Country Village Estates 2nd Addition - Phase II agreed to all the dedications and restrictions as listed on the face of the plat drawings and furnished a Irrevocable Letter of Credit (#219744505) in the amount of \$31,901 to guarantee the installation of approximately six hundred fifty (650) lineal feet of concrete sidewalk constructed to Town standards. No discussion followed.

Moved by Starr, seconded by Menjivar, to accept the final Plat of Country Village Estates 2nd Addition - Phase II to located off Lampard Road. Motion passed 4-0 with Monin absent.

Resolution No. 1815

At 12:12 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1815, authorizing the Town Treasurer to deposit and withdraw Town monies in the Local Government Investment Pool. Pursuant to RCW 43.250, the Legislature created a trust fund to be known as the public funds investment account, commonly known as the Local Government Investment Pool (LGIP) to which Town may make investments. Treasurer Picinich explained that Town has been a member of the LGIP for several years and that they are in the process of verifying authorization of individuals statewide. No discussion followed.

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Moved by de Freitas, seconded by Starr, to authorize the Town Treasurer to deposit and withdraw Town monies in the Local Government Investment Pool. Motion passed 4-0 with Monin absent.

Formula Take-Out-Food Restaurants

At 12:22 p.m., Mayor Lacher introduced discussion of formula take-out food restaurants, also known as franchise food chains. One common definition for "formula take-out-food" means a restaurant or establishment that is contractually required to offer standardized menus, ingredients and interior or exterior design; and serves or delivers its food or beverages in disposable containers. Mayor Lacher characterized the uniqueness of the current business community, local organizations and programs in Town and inquired if the Council wished to define, restrict or otherwise receive additional information regarding these types of establishments within Town limits. No discussion followed. **Council consensus to add the topic to the December 2, 2010 meeting agenda.**

ADMINISTRATOR'S REPORT

No Administration Report was scheduled.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PAYMENT OF CLAIMS AND PAYROLL

Moved by Menjivar, second by Starr, to affirm the payment of Payroll Warrant Nos. 14792 through 14836 in the amount of \$202,877.03 and approve the payment of Claim Warrant Nos. 34716 through 34764 in the amount of \$122,529.68. **Motion passed 4-0 with Monin absent.**

APPROVAL OF MINUTES

Moved by Starr, seconded by Hushebeck, to approve the minutes of **October 21, 2010 as submitted. Motion passed 4-0 with Monin absent.**

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher noted that Councilmember de Freitas plans to resign from the SJC Board of Health (BOH) and inquired if there was any interest from other Councilmembers to fill the vacancy. Discussion followed regarding the BOH meeting schedule and duties. Councilmember Menjivar stated he would consider the appointment if it aligns with his other commitments.

Mayor Lacher referred to the letter to Washington State Ferries from the County Council regarding reduction of service for international sailings.

Mayor Lacher noted that joint meetings with the Port of Friday Harbor and San Juan County Council have been postponed at various times throughout the year. **Council consensus to schedule joint meetings with the Port of Friday Harbor and San Juan County Council in January 2011.**

Mayor Lacher informed the Council that a professional services proposal from SCS Engineering for a solid waste management plan update was expected for the November 18, 2010 meeting.

Mayor Lacher stated that media training through AWC would be postponed given current budget constraints.

Councilmember Menjivar stated that he would be unavailable for the November 18, 2010 meetings.

Mayor Lacher announced that the posted agenda was revised to include a continuation of the evening session for the purpose of Council discussion of an interlocal agreement with Fire District No. 3 for administrative, training and operational services for fire protection on Tuesday, November 9, 2010 at 6:00 p.m.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 12:38 p.m. The next regular meeting is scheduled for Thursday, November 4, 2010 at 5:30 p.m.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

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These minutes were approved on November 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 4, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Attorney, Adina Cunningham and Clerk, Amy Taylor.

Position No. 2, Noel Monin; Position No. 4, Felix Menjivar; and Town Administrator, C. King Fitch and were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Monin and Menjivar. Council unanimously approved their absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include a continuation to Tuesday, November 9, 2010 for a Council discussion of an interlocal agreement with Fire District No. 3 for administrative, training and operational services for fire protection.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Fire Services Consolidation

At 5:33 p.m., Mayor Lacher inquired if the Council would consider taking action on November 9th if needed due to the anticipated absence of Councilmember Menjivar on November 18th. Councilmember Hushebeck stated that he was willing to take action if

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

there was unanimous support of the draft agreement. Councilmember de Freitas and Starr concurred.

WORK SESSIONS

Budget Planning Work Session

At 5:34 p.m., Mayor Lacher introduced the work session to discuss budget line items of interest. Treasurer Picinich noted that the preliminary budget dated November 3, 2010 is available for public review. Discussion and inquiry followed regarding development of a sustainable funding model for the street utility. Treasurer Picinich distributed transportation benefit district information.

A transportation benefit district (TBD) is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the district. TBDs have several revenue options subject to voter approval including property taxes, 0.2% sales and use tax, and up to \$100 annual vehicle fee per vehicle registered in the district.

Treasurer Picinich stated that the methods for generating this type of funding without voter approval are limited. Discussion followed regarding a levy on sales tax. **Council consensus for Treasurer Picinich to determine if the Town meets state requirements for a sales tax levy measure.** Treasurer Picinich stated that she would return with additional information in January.

Treasurer Picinich noted that the SJC Department of Emergency Management is requesting that Town increase its annual contribution to \$7,500. Discussion followed regarding the County budget shortfall. **Council consensus to fund the request of the SJC Department of Emergency Management.**

Mayor Lacher noted that the SJI Chamber of Commerce's request for \$15,000 to operate a visitor information center will be supplemented from the hotel motel excise tax fund instead of current fund. Discussion followed regarding the Lodging Tax Advisory Committee's charge to develop suggestions for the use of the first two percent hotel motel excise tax fund.

Mayor Lacher inquired if there were any other line items of interest. Hearing none, Mayor Lacher concluded the work session.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:09 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries (WSF) issues and the County solid waste utility.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

CITIZEN RESPONSE

There were no public access items forthcoming.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher continued the meeting at 6:28 p.m. until Tuesday, November 9, 2010 at 6:00 p.m. The next regular meeting is scheduled for Thursday, November 18, 2010 at 12:00 p.m.

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These minutes were approved on November 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 9, 2010 – Town Council Chambers – Continued Session

CALL TO ORDER

Mayor Lacher called the continued session of the Town Council to order at 6:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Town Administrator, C. King Fitch; and Clerk, Amy Taylor. Attorney, Adina Cunningham attended the meeting by telephone.

Treasurer Picinich was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

ACTION AND DISCUSSION ITEMS

Interlocal Agreement - Interim Fire Services

At 6:01 p.m., Mayor Lacher introduced discussion of the draft interlocal agreement between the Town of Friday Harbor and San Juan Fire Protection District 3 to provide fire protection and related services, including administrative, training and incident response services on an interim basis.

Councilmember Monin recused himself from the discussion for reasons of conflict of interest. Councilmember Monin is a paid employee of San Juan Fire Protection District 3.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher explained that the Town Council had been asked at the previous meeting if they would be willing to expedite the adoption schedule pending a favorable final draft of the interlocal agreement or other viable option. Mayor Lacher noted that the urgency is in part due to the retirement of Tom Eades, who has been acting as Duty Officer.

Administrator Fitch distributed current information, including a memo outlining available options, working draft agreement and a letter from District Commissioners dated November 9, 2010. Administrator Fitch explained that it was the intent of the previous meeting to develop a bridge agreement to span the services needed at the present through the time needed for Town and District to receive and analyze the financial impact data being prepared by FCS Group for consolidation of services.

Attorney Cunningham explained that the Town and District are continuing negotiations and listed key changes to the draft to date.

Discussion and inquiry followed regarding the tone of the agreement, equity in compensation for the volunteers, incident command, insurance, current mutual aid agreement, requested compensation for services and loss of identity of the Town Fire Department. Administrator Fitch inquired if the Council was inclined to continue negotiations.

Council consensus to continue negotiations and present a final draft document at the November 18, 2010 session.

At 6:37 p.m., Mayor Lacher accepted comments from representatives of the District and audience.

Bob Jarman, District Chair, stated the current draft agreement was merely a beginning point for negotiations and commended Town and District staff for their efforts to work through each party's concerns. Mr. Jarman stated that it was important to the District that an accord is reached between the Town and District as there was an increasing concern that the District was using its resources outside of its jurisdiction.

John Miller, Volunteer, stated that the District's letter helped to voice concerns of the volunteers such as compensation issues, cross training and co-mingling of volunteers and identity of the Town department.

Per Mayor Lacher's request, District Fire Chief Marler described the differences between the Town and District apparatus, particularly compressed air foam systems.

Bill LaPorte, 100 Cannery Landing, expressed concerns regarding rumors that the MV Confidence (fireboat) would become non-operational with the terms of the current interim agreement.

At 7:08 p.m., Mayor Lacher hearing no other questions or comments from staff or audience concluded discussion.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:11 p.m. The next regular meeting is scheduled for Thursday, November 18, 2010 at 12:00 p.m.

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These minutes were approved on November 18, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 18, 2010 – Town Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar and Attorney, Adina Cunningham were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher announced that the scheduled December 2, 2010 discussion regarding formula food franchises was informational only and that no restrictions are proposed and/or no action anticipated.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Proclamation - National Adoption Day

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 12:01 p.m., Mayor Lacher proclaimed Friday, November 19, 2010 as National Adoption Day in the Town and encouraged Friday Harbor residents to join in this national effort to raise awareness about the importance of adoption. Superior Court Judge Donald Eaton explained that the local courts have specially scheduled Friday, November 19, 2010 to celebrate the adoptions of local children.

Resolution No. 1816

At 12:06 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1816, authorizing the Mayor to execute a professional services agreement between the Town of Friday Harbor and James W. Slocomb, consultant, to provide an update to the Town's comprehensive Shoreline Master Program. Mike Bertrand, Land Use Administrator, explained that two proposals were received by the Town after being duly advertised and reviewed by a Proposal Review Committee. The Committee ranked the proposal submitted by James W. Slocomb higher than the other. James W. Slocomb has offered to provide said service according to Town specifications for a cost not to exceed \$115,880.00 subject to the terms of Department of Ecology Grant No. G1100002 executed July 1, 2010. Discussion followed regarding the scope of work and zero match funding requirements for the proposal. Mr. Slocomb explained that the update would be prepared within the proscribed statutory adoption cycle of three years.

Moved by Starr, seconded by de Freitas, to adopt Resolution No. 1816, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and James W. Slocomb, consultant, to prepare an update of the 2000 Shoreline Master Program. Motion passed 4-0 with Menjivar absent.

Resolution No. 1814

At 12:10 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1814, adopting a policy for the procurement of architectural, engineering and consultant services. Administrator Fitch explained that the policy was drafted in response to recommendations made by the State Auditor during the July 2010 exit interview. The policy complies with Chapter 39.80 RCW. No discussion followed.

Moved by Hushebeck, seconded by Starr, to adopt Resolution No. 1814, adopting a policy for the procurement of architectural, engineering and consultant services. Motion passed 4-0 with Menjivar absent.

ADMINISTRATOR'S REPORT

At 12:14 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Town Warrant - Town will continue to incur increased costs for the transport of liquid bio-solids to La Connor until the planned odor improvements are made to the Wastewater Treatment Plant.
- House Moving Permit - The relocation of the structure located at 28 West Street has been rescheduled to December 2, 2010. The house will be moved from the present location through Town via Argyle Avenue to park property in the County.
- Front Street Water Main Replacement Project - The Project is near completion. The line will be energized pending successful disinfection and testing. Upon

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

completion the Town will request reimbursement from the 2010 Public Facilities Assistance Program funding that it was awarded by the County.

- Wastewater Treatment Plant - Odor Control Improvements - Plans and specifications for odor control improvements at the Wastewater Treatment Plant are completed and being reviewed by staff and the Department of Ecology.
- Town Solid Waste Management Plan - A revised proposal for preparation of a Town comprehensive solid waste management plan will be presented on December 2, 2010.
- Transfer Station - A spreadsheet for costs associated with tipping refuse at the Skagit County and San Juan County facilities was distributed for review. The cost including all overhead is currently \$145 per ton for tipping refuse at Skagit and \$283 per ton for tipping refuse at Orcas.
- Friday Harbor Landfill - The Town received a letter from the County inquiring if Town would consider reassigning the leased area at the Friday Harbor Landfill to a private party (San Juan Sanitation). The County is considering a proposal by San Juan Sanitation to privatize their solid waste functions at the SJI Transfer Station.
- Fire Department - The final draft of the interlocal agreement between Fire Protection District 3 and the Town for interim fire protection services was distributed for review. The draft resolution and agreement are scheduled for consideration at the evening session of November 18, 2010.

PUBLIC HEARINGS

2011 Revenue Resources

At 12:25 p.m., Mayor Lacher opened the public hearing on the Town's 2011 Revenue Resources. Treasurer Picinich gave an explanation of the anticipated current expense revenue resources for 2011, including a projection of Streamline Sales Tax revenues and new construction. The anticipated revenue is the regular property tax levy authorized for 2011 in the amount of \$419,615.72. This increase includes \$4,154.61 generated by a one percent (1%) increase of the previous year's levy. In addition an estimate of \$5,384.28 resulting from new construction; the improvement of property within the Town; any increase in the value of State-assessed property; and/or any increase due to annexed property, and applicable refunds, shall be included in the levy for a total of \$425,000. Discussion and inquiry ensued during Ms. Picinich's presentation.

At 12:34 p.m., Mayor Lacher inquired if any public input was forthcoming. Roger Bennett, 1 Spring Street, suggested that the base rate for the refuse utility be increased and that the business license program be expanded to include increased fees and rental property income. Mr. Bennett inquired if the current program requires licensing of off-island vendors.

At 12:40 p.m., Mayor Lacher closed the public comment portion of the hearing.

Discussion followed regarding the difference between suppliers and vendors. **Council consensus that any change to the current business license program would require a series of public discussions with the business community.** The topic will be added to a future agenda.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

At 12:54 p.m., Mayor Lacher closed the public hearing.

Ordinance No. 1433

At 12:55 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1433, fixing and levying the amount of Ad Valorem Taxes for the Town of Friday Harbor for the year 2011. No discussion followed.

Moved by de Freitas, seconded by Monin, to adopt Ordinance No. 1433, fixing and levying the amount of Ad Valorem Taxes for the Town of Friday Harbor for the year 2011. Motion passed 4-0 with Menjivar absent.

Resolution No. 1817

At 12:57 p.m., Mayor Lacher introduced draft Resolution No. 1817, authorizing the Mayor to execute an agreement for construction of a granular activated carbon adsorption system at the Water Treatment Plant. Administrator Fitch explained that ten competitive sealed bids were received on November 15, 2010 and it is the recommendation of the consulting engineers, Brown and Caldwell that the low responsive bid of \$571,447.80 submitted by Faber Brothers Construction is a responsible bid from a qualified firm. No discussion followed.

Moved by Monin, seconded by Hushebeck, to adopt Resolution No. 1817, authorizing the Mayor to execute a lump sum contract with base bid contract amount of \$571,447.80 with Faber Brothers Construction, Inc. for construction of a granular activated carbon adsorption system at the Town Water Treatment Plant. Motion passed 4-0 with Menjivar absent.

2011 Town Budget

At 1:01 p.m., Mayor Lacher introduced a report by Treasurer Picinich regarding year end cash carry-over for 2011. Treasurer Picinich reported that the amount definite will be available on December 16, 2010 following final amendment of the 2010 budget. To date the predicted carry over balance is approximately \$146,000. Discussion and inquiry followed regarding total debt for the bond repayment. No action was taken.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

PAYMENT OF CLAIMS

Moved by Monin, second by Starr, to approve the payment of Claim Warrant Nos. 34765 through 34829 in the amount of \$207,709.47. **Motion passed 4-0 with Menjivar absent.**

APPROVAL OF MINUTES

Moved by Starr, seconded by Hushebeck, to approve the minutes of **November 4, 2010 as submitted. Motion passed 4-0 with Menjivar absent.** The minutes of the continued November 9, 2010 meeting will be submitted for approval December 2, 2010.

FUTURE AND NON-AGENDA ITEMS

Councilmember Starr requested an excused absence for the December 2, 2010 sessions.

Administrator Fitch inquired if the Council was inclined to discuss reassignment of the current lease agreement with the County. **Council consensus to add to a future agenda.**

CITIZEN RESPONSE

Roger Bennett, 1 Spring Street, noted that the newspaper ad regarding the relocation of the structure at 28 West Street was incorrect. Mr. Bennett stated that the newspaper ad did not list Second Street as part of the route through Town. Administrator Fitch detailed the route listed on the approved House Moving Permit.

Sharon Kivisto, San Juan Islander Newspaper, inquired why the Town Council was discussing restrictions for formula food franchises. Mayor Lacher explained that discussions were informational only and no restrictions have been proposed.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:21 p.m. The next regular meeting is scheduled for Thursday, November 18, 2010 at 5:30 p.m.

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These minutes were approved on December 2, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 18, 2010 – Town Council Chambers – Evening Session
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CALL TO ORDER

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; and Clerk, Amy Taylor.

Position No. 4, Felix Menjivar, and Attorney, Adina Cunningham, were not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Menjivar. Council unanimously approved his absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

No announcements were forthcoming.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Resolution No. 1818

At 5:32 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1818, authorizing the Mayor to execute an interlocal agreement with San Juan County Fire Protection District 3 for interim fire protection services.

Councilmember Monin recused himself from the discussion for reasons of conflict of interest. Mr. Monin is a paid employee of the District.

Due to recent vacancies in the Town's Fire Department, the Town desires to contract with the District to provide fire protection and related services, including administrative, training, and incident response services on an interim basis. The District offered a proposal for said services in the amount of \$8,000 per month through April 30, 2011 while the Town and the District explore the feasibility of a long-term relationship through formation of a regional fire authority, annexation, or a long-term interlocal agreement between the fire departments. The draft agreement recognizes the individual identities of the departments and maintains all existing insignia throughout the term of the contract. The agreement stipulates that all volunteers shall become employees of the District for insurance related purposes. Volunteers who do not wish to become employees of the District shall assume an inactive status. For all other purposes for the duration of the agreement, the District is an independent contractor for the Town and would not be considered Town officers, except for the District Fire Chief when he is acting in his capacity as the Town's Fire Chief. The Fire Chief, when acting as an agent of the Town, shall follow all Town personnel and other administrative policies.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher opened the discussion to Council questions relating to the draft agreement. Administrator Fitch explained that all attempts have been made to address concerns raised by both parties and volunteer fire fighters. Administrator Fitch and Fire Chief Marler answered questions relating to Sections 3.2, 3.4, 3.7, 4.1, 4.2 and 7.1 of the draft agreement. Administrator Fitch noted that it would not be a burden of the District to perform Fire Marshal services such as building plan checks. Hearing no further questions from the Council or staff, Mayor Lacher requested Council deliberation and action. Councilmembers took turns expressing their approval of the draft agreement.

Moved by Starr, seconded by de Freitas, to adopt Resolution No. 1818, authorizing and directing the Mayor to execute an interlocal agreement with San Juan County Fire Protection District No. 3 in the amount of \$8,000 per month through April 30, 2011 to provide interim administrative, training and incident response services to the Town. Motion passed 3-0 with Monin recused and Menjivar absent.

Councilmember Monin rejoined the meeting.

COUNTY COUNCIL UPDATE

At 6:13 p.m., Mayor Lacher introduced SJC Councilmember Howard ("Howie") Rosenfeld to give an update on issues of mutual concern. Mr. Rosenfeld reported on issues and recent meetings concerning Washington State Ferries and County Solid Waste Utility. Mayor Lacher thanked Councilmember Rosenfeld.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

CITIZEN RESPONSE

There was no citizen response forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 6:33 p.m. The next regular meeting is scheduled for Thursday, December 2, 2010 at 12:00 p.m.

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These minutes were approved on December 2, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, December 2, 2010 – Town Council Chambers – Afternoon Session

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 4, Felix Menjivar.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 5, Barbara Starr was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

Mayor Lacher asked the Council if they wished to excuse Councilmember Starr. Council unanimously approved her absence.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher presented a plaque to Tom Eades, in appreciation of his service to the Town. Mr. Eades has been acting as Duty Officer for the Town Fire Department since Fire Chief Long's resignation.

PUBLIC ACCESS TIME

Sheriff Bill Cumming thanked the Council for the many years of support to the Sheriff's Office during his tenure and introduced Rob Nou, Sheriff-elect. Mr. Nou will begin his term January 2011.

Steve Dubail, System Administrator, updated the Council about a recent computer virus.

Julie Corey, SJI Chamber of Commerce President, introduced Tom Kirschner. Mr. Kirschner was hired to fill the vacant Executive Director position for the Chamber.

ACTION AND DISCUSSION ITEMS

Resolution Nos. 1819 through 1824

At 12:11 p.m., Mayor Lacher introduced the following draft resolutions for consideration:

Resolution No. 1819 – Authorizing the Mayor to execute an agreement with Business Association of San Juan County (dba Visitor's Bureau) to provide tourism promotion programs for 2011 in an amount not to exceed \$80,285.00.

Resolution No. 1820 - Authorizing the Mayor to execute an agreement with San Juan Island Chamber of Commerce to provide tourism promotion programs for 2011 in an amount not to exceed \$28,671.00.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Resolution No. 1821 - Authorizing the Mayor to execute an agreement with The Whale Museum to provide tourism promotion programs for 2011 in an amount not to exceed \$3,000.00.

Resolution No. 1822 – Authorizing the Mayor to execute an agreement with the San Juan Historical Museum to provide tourism promotion programs for 2011 in an amount not to exceed \$1,271.00.

Resolution No. 1823 - Authorizing the Mayor to execute an agreement with Island Studios to provide a tourism promotion event for the year 2011 in an amount not to exceed \$1,028.00.

Resolution No. 1824 - Authorizing the Mayor to execute an agreement with Darlene Nixon to provide a tourism promotion event for the year 2011 in an amount not to exceed \$742.00.

Councilmember Hushebeck explained that the Council approved the recommendation of the Town Lodging Tax Advisory Committee for the disbursement of \$100,000 for the year 2011 on October 7, 2010 for the resolutions listed above. No discussion followed.

Moved by Monin, seconded by Hushebeck, to adopt Resolution Nos. 1819 through 1824, as stated above. Motion passed 3-0 with de Freitas abstaining and Starr absent.

Resolution No. 1825

At 12:16, Mayor Lacher introduced draft Resolution No. 1825, authorizing the Mayor to execute an agreement with SCS Engineers to prepare a Solid Waste Management Plan for the Town of Friday Harbor and rescind Resolution No. 1242. Administrator Fitch explained the particulars of said resolution. On September 2, 2010 the Town Council discussed corrective actions needed in order to bring the Town into compliance with State regulations regarding development of a Comprehensive Solid Waste Management Plan. SCS Engineers offered a responsive proposal of \$33,200 to prepare the Plan. In addition, the Resolution rescinds Resolution 1242 adopted on September 6, 2001 authorizing an interlocal agreement with San Juan County to update the 1996 Joint Comprehensive Solid Waste Plan. Discussion followed regarding the timeline and scope of work.

Moved by de Freitas, seconded by Menjivar, to adopt Resolution No. 1825, authorizing the Mayor to execute an agreement with SCS Engineers to prepare a Solid Waste Management Plan for the Town of Friday Harbor and rescind Resolution No. 1242 in its entirety. Motion passed 4-0 Starr absent.

Friday Harbor Solid Waste Facility

At 12:19 p.m., Mayor Lacher introduced discussion of the assignment of the lease agreement with San Juan County to a third party for use of a portion of Tax Parcel No. 350234001, commonly known as the Town of Friday Harbor Solid Waste Facility. Administrator Fitch explained that the County Council is currently discussing the concept to privatize the County solid waste utility. The current lease agreement includes an

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

option for the County to assign the lease to a third party provided the Town approved of such an assignment. Administrator Fitch noted that Attorney Cunningham has recommended on several occasions that the current lease agreement be renegotiated for liability purposes. Attorney Cunningham explained that the current lease agreement is not indicative of the "new era of solid waste management" and recommended that any amendment to the current lease be through renegotiation of a new lease. A new lease agreement would further protect the Town from liability by updating terms, conditions and indemnification clauses. Discussion and inquiry followed regarding equitable return on the rental of the property and the termination conditions of the lease.

Treasurer Picinich urged the Town to consider its own interests. Utilities Superintendent, Mike Wilks asked that the Council only consider a very limited term or for the duration of the current lease if the Town decides to consider the County's request. Mr. Wilks explained that operational requirements for the utility can not be anticipated until Town adopts a current Solid Waste Management Plan (SWMP). Mr. Wilks stated that committing the Town to a long term lease agreement could hinder the effectiveness of the utility if the SWMP reveals the need for additional space requirements. Mayor Lacher thanked staff and invited County Administrator Pete Rose to speak.

Mr. Rose explained that the County Council only passed a motion expressing its interest in exploring how a contractor could operate services currently provided by the County and that the privatization of solid waste handling at the SJI Transfer Station is still conceptual.

Administrator Fitch requested direction from the Council. Discussion followed again focusing on the termination clauses of the lease agreement and assignment to a third party.

Council consensus that at this point in time the Town is not interested in assignment of the current lease agreement to a third party; but will consider a negotiated mutually acceptable termination of the current lease and enter into a new lease agreement with the County or private party pending the results and adoption of the Town Solid Waste Management Plan.

ADMINISTRATOR'S REPORT

At 12:42 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Recent inclement weather - The Street department staff was commended for their efforts to maintain the streets and sidewalks during the snow and ice events the week of November 22nd.
- Fire Protection Services Agreement- The interim interlocal agreement with Fire District 3 was executed and recorded. Town continues to work through logistical issues. The next step of the process is to continue to work with Financial Consultants Services to develop the analysis for consolidation of fire services.
- Tax revenues - The tabulation of sales and hotel motel tax revenues was distributed for review.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

- Spruce Street Improvements - A letter from Gray & Osborne was distributed for review. The letter addresses Council concerns regarding adequacy of recommended improvements to Spruce Street. In the letter Gray & Osborne recommended raising the grade of roadbed to address ponding of water at the Spruce/Rose Street intersection and to install drainage pipes under the road section to collect water from seasonal springs. Administrator Fitch recommended taking advantage of the currently favorable bidding environment in spring 2011.
- SJC Emergency Communications Committee - The Committee met and has drafted a skeleton of an Emergency Communications Plan. Costs for the implementation will eventually be paid through grants and partnering.
- Capital Facilities Plan - The draft revisions to the 2002 Town Capital Facilities Plan was distributed for review and was given preliminary approval. Administrator Fitch explained the purpose and proposed revisions.

PAYMENT OF CLAIMS AND PAYROLL

Moved by Monin, seconded by de Freitas, to affirm the payment of Payroll Warrant Nos. 14839 through 14883 in the amount of \$210,884.97 and approve the payment of Claim Warrant Nos. 34830 through 34866 in the amount of \$79,941.54. Motion passed 4-0 with Starr absent.

APPROVAL OF MINUTES

Moved by de Freitas, seconded by Monin, to approve the minutes of November 9, 2010 and November 18, 2010 as submitted. Motion passed 3-0 Monin abstained and Starr absent.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

FUTURE AND NON-AGENDA ITEMS

Mayor Lacher inquired about the legality of Councilmembers participating in meetings telephonically. Attorney Cunningham stated that while legal a policy and procedure should be adopted before doing so. **Council consensus to add the topic to a future agenda.** Administrator Fitch asked the Council to consider to what end telephonic participation should be allowed.

Administrator Fitch inquired if any of the Councilmembers wished to participate on the Wellness Committee. Discussion followed regarding the Wellness Program.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:10 p.m. The next regular meeting is scheduled for Thursday, December 2, 2010 at 5:30 p.m.

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These minutes were approved on December 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, December 2, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; and Position No. 4, Felix Menjivar.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch; Attorney, Adina Cunningham; and Clerk, Amy Taylor.

Position No. 5, Barbara Starr was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

EXCUSED ABSENCES

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Mayor Lacher asked the Council if they wished to excuse Councilmember Starr. Council unanimously approved her absence.

PUBLIC ACCESS TIME

Victoria Compton, Executive Director for the Economic Development Council (EDC), thanked the Council for their continued financial support into 2011 and gave a brief update of recent EDC activities.

PUBLIC HEARINGS

Public Hearing - 2011 Town Budget

At 5:34 p.m., Mayor Lacher opened the public hearing for consideration of the preliminary 2011 Budget for the Town of Friday Harbor. Administrator Fitch distributed revised pages for the current fund and explained that line items for the fire department and fire protection services had been adjusted to reflect the interlocal agreement with Fire District 3.

At 5:36 p.m., Mayor Lacher requested public testimony from the audience. Hearing none, Mayor Lacher requested comments from staff or Councilmembers.

Councilmember Hushebeck commented that he was pleased that Town was able to set aside funding in the capital reserves. Administrator Fitch commented on fire department budget line items for maintenance of equipment and various Town utility rates.

At 5:37 p.m., Mayor Lacher closed the public testimony portion of the hearing and requested Council discussion. Administrator Fitch explained the timeline for adoption of the 2011 Town budget. Discussion and inquiry followed regarding fire marshal services.

At 5:44 p.m., Mayor Lacher closed discussion of the 2011 Town Budget.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Public Hearing - Rezone Application No. 60

At 5:45 p.m., Mayor Lacher opened the public hearing to consider Rezone Application No. 60 dated September 15, 2010; a request for a zoning designation change from single-family residential to multi-family residential by Ken Dougherty and Glenn Wahlbrink. The subject property is approximately 2.5 acres in size and identified as Tax Parcel No. 351391415 located at Grover Street.

Mayor Lacher asked if any Councilmember wished to excuse themselves from participating. Council answered in the negative. There was no response to Mayor Lacher's inquiry if anyone objected to her or any Councilmember's participation in the public hearing process. Council responded in the negative to Mayor Lacher's inquiry regarding personal interest in the properties or issue. Council responded in the negative to Mayor Lacher's inquiry regarding personal gain or loss of financial benefit; and communication with opponents or proponents regarding said application. Council answered in the affirmative regarding hearing and considering the matter in a fair and objective manner.

Mayor Lacher asked Land Use Administrator, Mike Bertrand, to present the staff report. Mr. Bertrand entered Exhibit A - Letter dated November 20, 2010, into the record; and described the background of the application, staff evaluation and recommendation, and applicable municipal code. Staff evaluation and recommendation is that the Town Council approve the application based on the following criteria: 1) the request is consistent with the adopted 2002 Comprehensive Plan; 2) the request is consistent with the residential classification of the subject property on the Amended 2002 Comprehensive Plan Land Use Map; 3) the parcel meets all requirements of the multi-family zone; and 4) the proposal meets all criteria of the FHMC that are most applicable to this proposal.

Mayor Lacher asked if the proponents or their agent would like to comment. Mike Carlson, representative for the Applicant, stated that the staff recommendation is consistent with applicant's request.

At 5:53 p.m., Mayor Lacher opened the public hearing to audience testimony.

Lynn Danaher, 110 Dougherty Lane, testified that she did not object to the rezone of the subject property, but was concerned regarding an increase in vehicular traffic patterns and congestion. Ms. Danaher stated that it would be beneficial to the area if Town required access to John or Malcolm Street.

Sam Buck, Jr., 44 Cordova Lane, stated that requiring the owner to provide access to John or Malcolm Street is impractical. Mr. Buck described the topography of the subject property and estimated the effect that such a requirement would have on the valuation of the property.

Mr. Carlson, representative of the Applicant, agreed with Mr. Buck's comments and stated that such a requirement would be unfair to the property owner.

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Land Use Administrator Bertrand stated that discussion of access requirements is not proper for consideration of zoning. Consideration of access requirements would happen during the platting or development stages of the subject property.

Mayor Lacher opened the hearing to Council questions. Councilmember de Freitas inquired if the staff recommendation took into consideration equivalent residential units (ERU) for sewer and water service. Land Use Administrator Bertrand stated that the ERU component for the entire incorporated area was a consideration for the Infrastructure Feasibility Study in 2008.

At 6:03 p.m., Mayor Lacher asked if there was additional comment from staff or audience. Hearing none, Mayor Lacher closed the public input portion of the hearing at 6:04 p.m., reserving the right to reopen if needed, and opened Council deliberations. Councilmembers took turns expressing their views of the application.

Councilmember Monin and Hushebeck stated that pedestrian safety will become a larger issue as development and the Turn Point connector arterial causes increased vehicular traffic on Grover Street. Councilmember Menjivar stated that while improvements on Grover Street needed, they are not appropriate for this rezone application.

Moved by Menjivar, seconded by de Freitas to adopt the staff report dated November 10, 2010; approve Rezone Application No. 60, a request for a zoning designation change from Single-family Residential to Multi-family; and direct staff to prepare Facts and Findings and Conclusions of Law. Motion passed 4-0 with Starr absent.

ACTION AND DISCUSSION ITEMS

Right-of-Way Access - Martin Street

At 6:07 p.m., Mayor Lacher introduced discussion of Town standards for use of unopened public right-of-ways. Administrator Fitch explained that pursuant to the Council's direction on October 21, 2010, Attorney Cunningham prepared a legal analysis regarding issues raised by residents abutting Martin Street, particularly how Martin Street is regulated by the Town and what fire safety standards apply regarding access through the street. Administrator Fitch noted that Deputy Fire Chief Tom Eades was present to explain the practical application for fire suppression and answer Council questions.

Attorney Cunningham presented the legal analysis outlined in her memo dated November 30, 2010. The issues addressed in the memo were 1) Town's general regulation of Martin Street as an unopened public right-of-way; and 2) Whether the Town's municipal code requires that access to lots at the back of Martin Street, which access is limited by a fence, comply with fire standards for a fire apparatus access road. Attorney Cunningham summarized that Town should continue to regulate Martin Street as an unopened public right-of-way, pursuant to the Town's long-standing policy and consistent with its easement interest. Abutting landowners may exercise limited use of their portion of Martin Street, so long as the use does not impede the public's use or access, the Town's easement, or applicable law; or until the Town Council decides to open Martin Street as a public street. Attorney Cunningham recommended that staff

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explore with affected persons how to bring Martin Street into compliance with Town fire apparatus access road standards.

Per Councilmember Menjivar's inquiry, Attorney Cunningham and Administrator Fitch clarified that the Town's easement is sixty feet (60') in width, minimum access for a fire access road is twenty feet (20') in width; and current access through the existing fence is thirteen feet ten inches (13' 10") in width.

Councilmember Hushebeck asked how many other issues will come back to the Town if it enforces fire apparatus access road standards in this particular location. Administrator Fitch explained that while the municipal code describes what a general access road is, it does not provide adequate guidance to proscribe usable width. Attorney Cunningham answered in the affirmative to Councilmember Hushebeck's question that other improvements would need to be made to Martin Street if deemed a fire apparatus access road per the International Fire Code.

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Deputy Chief Eades stated that access to 550 Jensen via Martin Street is problematic and described how equipment would be staged for a structure fire. Staging of equipment for a structure fire would likely be located on Jensen Alley because it provides through access. Mr. Eades noted that equipment would never be staged down-slope of the collapse zone for a burning structure unless absolutely necessary and staging of equipment on Martin Street would entirely depend on the situation because of its limitations.

Administrator Fitch noted that the discussion also involves access issues for other property owners. Land Use Administrator Bertrand stated that a twenty foot width within the right-of-way would be adequate for access to other properties. Administrator Fitch explained that if the Council is in agreement with legal analysis stated above, staff will have to work with property owners to determine where the access will be placed. Discussion followed regarding other issues associated with deeming the area a fire apparatus road such as maintenance and speed control. **Council consensus to accept the legal analysis by Attorney Cunningham dated November 30, 2010 and direct staff to work with abutting property owners to establish a twenty foot access.**

Mayor Lacher accepted comment from the audience.

Loren Johnson, 545 MacDonald Street, stated that in addition to the structures, the forested area abutting Martin Street would need to be served by the fire apparatus access road.

Steve Rochsche, 550 Jensen Alley, stated that he did not believe a fire department would ignore access through Martin Street.

Mayor Lacher concluded discussion.

Formula Take-Out Food Businesses

At 6:36 p.m., Mayor Lacher introduced discussion of formula take-out food establishments. Mayor Lacher inquired if the Council wished to pursue restrictions on such establishments.

Councilmember Monin stated that he was reluctant to establish restrictions that would hinder or prohibit certain types of businesses and suggested that the issue be assigned to the Planning Commission to develop recommendations. Councilmember de Freitas suggested that methods are available to control these types of establishments such as limiting their locations. Councilmember Menjivar stated that these establishments should be allowed as long as they conform to all Town standards. Councilmember Hushebeck agreed with Councilmember Menjivar's statements.

Council consensus to direct the Planning Commission to develop recommendations for regulation of formula take-out food establishments.

Land Use Administer Bertrand requested clarification and direction for the Planning Commission. Mr. Bertrand noted that formula take-out food businesses are not here

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currently because Town does not have the demographics needed to support them. Discussion and inquiry followed.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 6:56 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries (WSF) issues and 2011 SJC Budget. No discussion followed.

FUTURE AND NON-AGENDA ITEMS

No future agenda items were forthcoming.

CITIZEN RESPONSE

Gay Wilmerding, 550 Jensen Alley, inquired when the Council will consider designation of the unopened Martin Street right-of-way as a fire apparatus access road. Mayor Lacher explained that a date is not determined at this point in time.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 7:06 p.m. The next regular meeting is scheduled for Thursday, December 16, 2010 at 12:00 p.m.

* * * * *

These minutes were approved on December 16, 2010. The original document is retained by the Clerk in the Town Council's permanent records. Attest:
Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, December 16, 2010 – Town Council Chambers – Afternoon Session
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CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch and Clerk, Amy Taylor.

Attorney, Adina Cunningham was not present.

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FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ANNOUNCEMENTS/SCHEDULE CHANGES

Mayor Lacher presented Captain Tony Smith with a plaque in recognition and appreciation of his service to the Town Fire Department.

ACTION AND DISCUSSION ITEMS

2010 Employee Awards

At 12:02 p.m., Mayor Lacher presented the following Town employees with service awards for five, ten, fifteen, and twenty or more years of service for year 2010:

- Don Reitan, Leadman, Wastewater Department for twenty five years;
- Dave Smith, Leadman, Street and Maintenance Department for twenty years;
- Herb Mason, Utility Worker II, Wastewater Department for twenty years;
- Mike Deegan, Leadman, Water Department for twenty years;
- Norm Hanson, Utility Worker II, Water Department for ten years;
- Mike Bertrand, Land Use Administrator, Community Development Department for ten years; and
- Joe Cheyney, Utility Worker I, Wastewater Department for five years.

Awards included a certificate and letter of appreciation from the Council, along with an engraved key chain.

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Resolution No. 1826

At 12:08 p.m., Mayor Lacher introduced discussion of draft Resolution No. 1826, authorizing the Mayor to execute Change Order No. 1 on the contract with Mike Carlson Enterprises, Inc. for the Front Street Water Main Replacement Project. Administrator Fitch explained the particulars of said Resolution. Change Order No. 1 is in the additional amount of \$9,614 plus tax for additional labor and materials for piping layout changes and stabilization of the pipe foundation. Discussion followed regarding removal of contaminated soil. Administer Fitch explained that Chevron is responsible for reimbursement directly to the contractor for the costs associated with the removal of contaminated soil that is from the tank farm that used to be located adjacent to Front Street.

Moved by Monin, seconded by Menjivar, to adopt Resolution No. 1826, authorizing the Mayor to execute Change Order No. 1 on the contract with Mike Carlson Enterprises, Inc. for the Front Street Water Main Replacement Project. Motion passed unanimously.

Resolution No. 1827

At 12:10 p.m., Mayor Lacher introduced draft Resolution No. 1827, authorizing the Mayor to execute Amendment No. 1 to the contract with the engineering firm of Brown and Caldwell, Inc. to provide construction management services for the Granular Activated Carbon Adsorption System at the Town Water Treatment Plant. Administrator Fitch explained that the Town requires construction management and inspection services by licensed engineers for all major capital improvement projects. Amendment No. 1 is in an amount not to exceed \$30,739 to coordinate, monitor and control the project resources to meet the technical, communication and contractual obligations for the project. No discussion followed.

Moved by Menjivar, seconded by Starr, to adopt Resolution No. 1827, authorizing the Mayor to execute an amendment to provide construction management services to the agreement between the Town of Friday Harbor and the engineering firm of Brown & Caldwell for development of plans and specification for addition of a granular activated carbon contact system at the Town Water Treatment Plant. Motion passed unanimously.

Resolution No. 1828

Concurrently with Resolution No. 1827, Mayor Lacher introduced draft Resolution No. 1828, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the engineering firm of Wayne Haefele and Associates to provide construction inspection services for the Granular Activated Carbon Adsorption System at the Town Water Treatment Plant. Said tasks are to be performed on a time and material basis, not to exceed \$32,000. No discussion followed.

Moved by Starr, seconded by de Freitas, to adopt Resolution No. 1828, authorizing the Mayor to execute an agreement between the Town of Friday Harbor and the engineering firm of Wayne Haefele and Associates to provide construction inspection services for the Granular Activated Carbon Adsorption System at the Town Water Treatment Plant. Motion passed unanimously.

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Findings of Fact - Rezone Application No. 60

At 12:13 p.m., Mayor Lacher introduced discussion of adoption of Findings of Fact, Conclusions of Law and Decision regarding Rezone Application No. 60 by Ken Dougherty and Glenn Wahlbrink to rezone real property currently zoned Single-family residential to Multi-family residential located on Grover Street. Said parcel is identified as Tax Parcel No. 351391415. Staff was directed to prepare Findings of Fact, Conclusions of Law and Decision regarding Rezone Application No. 60 per the public hearing of December 2, 2010. No discussion followed.

Moved by Monin, seconded by de Freitas, to adopt Findings of Fact, Conclusions of Law and Decision regarding Rezone Application No. 60 by Ken Dougherty and Glenn Wahlbrink to rezone real property currently zoned Single-family residential to Multi-family residential located on Grover Street. Motion passed unanimously.

Ordinance No. 1444

Concurrently with adoption of Findings of Fact, Conclusions of Law and Decision for Rezone Application No. 60, Mayor Lacher introduced draft Ordinance No. 1444, approving the rezone of real property located on Grover Street from Single-family residential to Multi-family residential. No discussion followed.

Moved by Hushebeck, seconded by Starr, to adopt Ordinance No. 1444, approving the rezone of real property located on Grover Street from Single-family residential to Multi-family residential. Motion passed unanimously.

2011 Fee Schedule

At 12:16 p.m., Mayor Lacher introduced discussion of the draft 2011 Fee Schedule for services, publications, and applications. Administrator Fitch explained that the staff is recommending no revisions to the current fee schedule for 2011. Mayor Lacher inquired if Council had revisions to the draft fee schedule as presented. Council answered in the negative. No discussion followed.

Moved by Monin, seconded by Starr, to adopt the 2011 Fee schedule for services, publications, and applications as submitted. Motion passed unanimously.

PAYMENT OF CLAIMS

Moved by Starr, second by Monin, to approve the payment of Claim Warrant Nos. 34867 through 34936 in the amount of \$192,159.68. Motion passed 4-0 with de Freitas abstained.

APPROVAL OF MINUTES

Moved by Menjivar, seconded by Monin, to approve the minutes of **December 2, 2010 as submitted**. Motion passed 4-0 with Starr abstained.

ADMINISTRATOR'S REPORT

At 12:29 p.m., Administrator Fitch presented the Town Council with an update of the following:

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- Fire Protection Services Agreement - Equipment Storage - Town has secured a rental space to store unutilized fire department equipment and command vehicles.
- Fire Protection Service Agreement - Maintenance - Town may want to consider an amendment to the Agreement with Fire District #3 to have District provide fleet maintenance.
- Fire Protection Service Agreement - Volunteers - Seventeen of the Town volunteer fire fighters have applied to become firefighters with Fire District #3.
- Fire Protection Service Agreement - Facility Use - A draft policy for use of the Town Hall Chambers and Fire Training facilities will be presented for adoption in January 2011.
- Fire Protection Services Agreement - Security - The Town Fire Department is in the process of being rekeyed for security purposes.

PUBLIC HEARINGS

2010 Town Budget Amendments

At 12:25 p.m., Mayor Lacher opened the public hearing for amendments to the 2010 Town Budget. Administrator Fitch gave an explanation of said amendments and year end balance which are listed as "Attachment A" to draft Ordinance No. 1445. No public input was forthcoming. No discussion followed. Hearing no public input, Mayor Lacher closed the public hearing at 12:28 p.m.

ACTION AND DISCUSSION ITEMS (cont.)

Ordinance No. 1445

At 12:28 p.m., Mayor Lacher introduced draft Ordinance No. 1445, amending the adopted 2010 Town Budget. No discussion followed.

Moved by de Freitas, seconded by Menjivar, to adopt Ordinance No. 1445, amending certain beginning balances, revenue estimates, expenditure appropriations, and ending cash balances in the 2010 Budget per Attachment A. Motion passed unanimously.

ADMINISTRATOR'S REPORT (cont.)

At 12:29 p.m., Administrator Fitch presented the Town Council with an update of the following:

- Trout Lake - The lake level rose two feet from the recent rain event and currently measures minus 19 inches below the spillway.
- Wastewater Treatment Plant (WWTP) - Overflow Event - The WWTP experienced a serious overflow event and equipment (pump motor) failure due to the recent rain event and has reported the event to the Department of Ecology. Don Reitan, WWTP Leadman, detailed the event and noted that even without equipment failure the plant experienced its maximum level of sewage inflow. Discussion followed regarding upgrades to Pump Station No. 2. Administrator Fitch explained that the Public Trust Fund denied the Town's revised loan application to construct improvements for Pump Station No. 2. The Council thanked the WWTP staff.

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- Wastewater Treatment Plant - Efficiency Audit - The Town received a successful optimization of services and energy audit by Kennedy/Jenks Consultants for the Wastewater Treatment Plant. Kennedy/Jenks estimated a potential 30% savings in energy by making operational changes. Plant operators received training during their visit.
- Price Street - The Transportation Improvement Board denied the Town's funding request for an A/C overlay project on Price Street.
- Relay for Life - Relay for Life is considering a new venue for its next event on July 30, 2011. Relay has requested that Town consider use of sidewalks circling the block on Court, First, West and Second Streets. Town would treat the event as a twenty four hour parade. Discussion followed regarding risk management, safety, noise and other nuisance related issues. Mayor Lacher inquired if Relay has held the event on public streets in other towns. No decision was made.
- Warbass Way - A large stone in the rock wall located at 620 Warbass Way has displaced itself. The engineer has not identified the cause of the shift but affirms that the roadbed remains stable and safe for use. It is unclear whether the displacement can be attributed to the recent rain event. Town is reviewing remedial actions and will seek a proposal from a qualified mason to repair that portion the rock wall. Discussion followed regarding the location of the public right-of-way.

FUTURE AND NON-AGENDA ITEMS

There were no future agenda items were forthcoming.

CITIZEN RESPONSE

There were no public access items forthcoming.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 1:02 p.m. The next regular meeting is scheduled for Thursday, December 16, 2010 at 5:30 p.m.

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These minutes were approved on January 6, 2011. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, December 16, 2010 – Town Council Chambers – Evening Session

CALL TO ORDER

Mayor Lacher called the regular session of the Town Council to order at 5:30 p.m.

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ROLL CALL

Councilmembers: Position No. 1, Steve Hushebeck; Position No. 2, Noel Monin; Position No. 3, Anna Maria de Freitas; Position No. 4, Felix Menjivar; and Position No. 5, Barbara Starr.

Others Present: Mayor, Carrie Lacher; Treasurer, Wendy Picinich; Town Administrator, C. King Fitch and Clerk, Amy Taylor.

Attorney, Adina Cunningham was not present.

FLAG SALUTE

Mayor Lacher conducted the flag salute.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ANNOUNCEMENTS/SCHEDULE CHANGES

The posted agenda was revised to include a proclamation.

PUBLIC ACCESS TIME

There were no public access items forthcoming.

ACTION AND DISCUSSION ITEMS

Proclamation - Dorothy Lawson Day

At 5:31 p.m., Mayor Lacher proclaimed Friday, December 17, 2010 as Dorothy Lawson Day in the Town of Friday Harbor and urged citizens to honor Mrs. Lawson for her tenure over the past twenty seven years of community service.

Ordinance Nos. 1446 through 1451

At 5:37 p.m., Mayor Lacher introduced discussion of draft Ordinance Nos. 1446 through 1451, restructuring various Governmental, Proprietary and Internal Service accounting funds as follows:

- Ordinance No. 1446 - Establishing a Current Capital Reserve Fund and repealing Ordinance No. 1046 in its entirety;
- Ordinance No. 1447 - Establishing a Water Capital Reserve Fund;
- Ordinance No. 1448 - Establishing a Sewer Capital Reserve Fund;
- Ordinance No. 1449 - Establishing a Refuse Capital Reserve Fund;
- Ordinance No. 1450 - Establishing a Public Works Reserve Fund; and
- Ordinance No. 1451 - Establishing an Equipment Reserve Fund.

Treasurer Picinich explained that the Washington State Auditor has requested that the Capital Cumulative Reserve Fund #150 be restructured into separate accounting funds. The Capital Cumulative Reserve Fund #150 is currently utilized as a reserve fund for capital projects, equipment purchases, harbor improvements, major repairs, land acquisition, future studies, "rainy day" fund for emergencies, hotel/motel tax fund to support tourism, and an intermodal transportation facility. No discussion followed.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by Hushebeck, seconded by de Freitas, to adopt Ordinance Nos. 1446 through 1451, restructuring various Governmental, Proprietary and Internal Service accounting funds, as stated above. Motion passed unanimously.

Resolution No. 1829

At 5:39 p.m., Mayor Lacher introduced draft Resolution No. 1829, authorizing the Mayor to execute a law enforcement contract with San Juan County for the year 2011. Administrator Fitch explained that the contract is the same as the 2010 contract rate plus a .3% cost of living increase based on the Seattle-CPI for a total amount of \$255,147.00. No discussion followed.

Moved by Starr, seconded by de Freitas, to adopt Resolution No. 1829, authorizing the Mayor to execute a law enforcement contract in the amount of \$255,147.00 with San Juan County for the year 2011. Motion passed 4-0 with Menjivar abstained.

Resolution No. 1830

At 5:41 p.m., Mayor Lacher introduced draft Resolution No. 1830, authorizing the Mayor to execute a supplemental fee agreement to the intergovernmental agreement for dispatching services with San Juan County for the calendar year 2011. Administrator Fitch explained that Town authorized a five year base contract for emergency dispatching services within the corporate limits of the Town per Resolution No. 1762 adopted on December 17, 2009. Said contract proscribes supplemental fees for services equaling a .3% cost of living increase based upon average calls for the previous three years. Discussion followed regarding consolidation of fire services in relation to call volume. Administrator Fitch explained that dispatch services will temporarily continue to be treated jurisdictionally for reporting/auditing purposes.

Moved by de Freitas, seconded by Hushebeck, to adopt Resolution No. 1830, authorizing the Mayor to execute a supplemental fee agreement to the intergovernmental agreement for dispatching services with San Juan County for the calendar year 2011. Motion passed 4-0 with Menjivar abstained.

Ordinance No. 1452

At 5:49 p.m., Mayor Lacher introduced draft Ordinance No. 1452, adopting the Town Budget for year 2011. Administrator Fitch explained that the Town Council sets goals, limitations and funding priorities by adoption of the document. No discussion followed.

Moved by Hushebeck, seconded by Menjivar, to adopt Ordinance No. 1452, adopting the Town Budget for year 2011. Motion passed unanimously.

Ordinance No. 1453

At 5:50 p.m., Mayor Lacher introduced draft Ordinance No. 1453, fixing 2011 compensation for represented personnel. Administrator Fitch explained that said ordinance represents a 2.5% cost of living increase per the adopted union agreement and eliminates unpaid leave (furlough) days. No discussion followed.

MINUTES OF THE TOWN COUNCIL OF FRIDAY HARBOR - 2010

Moved by Menjivar, seconded by de Freitas, to adopt Ordinance No. 1453, fixing 2011 compensation for represented personnel. Motion passed unanimously.

Ordinance No. 1454

At 5:52 p.m., Mayor Lacher introduced discussion of draft Ordinance No. 1454, fixing 2011 salaries for officials and non-represented personnel. Administrator Fitch explained that said ordinance represents a 2.5% cost of living increase and eliminates all reference to compensation for fire department personnel. Discussion followed regarding duties of the Town Marshal.

Moved by de Freitas, seconded by Starr, to adopt Ordinance No. 1454, fixing 2011 salaries for officials and non-represented personnel. Motion passed unanimously.

SAN JUAN COUNTY (SJC) COUNCIL UPDATE

At 5:56 p.m., Mayor Lacher introduced SJC Councilmember Howie Rosenfeld to provide an update on issues of mutual concern. Councilmember Rosenfeld commented on Washington State Ferries (WSF) issues, SJC Public Works projects and 2011 SJC Charter review. No discussion followed.

FUTURE AND NON-AGENDA ITEMS

Administrator Fitch explained that the Scenic Byway Committee is attempting to select the logo for the San Juan Scenic Byways and presented the three suggested logos.

CITIZEN RESPONSE

Dave Smith, Street Leadman, thanked the Council on behalf of staff for their support.

ADJOURNMENT – Hearing no further business and no objection, Mayor Lacher adjourned the meeting at 6:33 p.m. The next regular meeting is scheduled for Thursday, January 6, 2011 at 12:00 p.m.

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These minutes were approved on January 6, 2011. The original document is retained by the Clerk in the Town Council's permanent records. Attest: Amy Taylor, Town of Friday Harbor Clerk