

Minutes for June 19, 2006

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065579 THE BOARD OF WHITMAN COUNTY COMMISSIONERS met in their Chambers in the Whitman County Courthouse, Colfax, Washington for **June 19, 2006** at **9:00 a.m.** G.R. Finch, Chairman, Greg Partch and Les Wigen, Commissioners and Maribeth Becker, CMC, Clerk of the Board attended.

9:00 a.m. - Call to Order/Board Business/BOCC Workshop.

Present: Marlynn Markley (9:05 a.m.).

065580 1. Items discussed included I-747, CETC-IEL meeting, Port's presentation and District Court position vacancy. No action taken.

9:30 a.m. - Recess.

10:00 a.m. - Pledge of Allegiance.

Present: Don Nelson, Kirk Seuss, Joe Poire' and Joe Smillie.

D065580A 2. Motion by Commissioner Wigen to approve the consent agenda. Motion **seconded** by Commissioner Partch and **carried**.

065581 3. Claims/Payroll warrants numbered **191477-191677** and **191680-191697** for **\$693,895.00** approved.

| FUND | FUND NAME | AMOUNT | AMOUNT |
|------|---------------------------------------|-----------|-----------|
| 001 | Current Expense | 45,119.20 | 70,134.54 |
| 102 | Building & Development | 1,229.20 | 169.84 |
| 103 | Countywide Planning | 1,196.40 | 443.10 |
| 104 | Developmental Services | | 352.93 |
| 106 | Extension Publications | | 50.70 |
| 110 | County Roads | 15,992.40 | 35,889.01 |
| 111 | CETC Building | | 256.90 |
| 117 | Boating Safety | | 537.35 |
| 118 | Inmate Welfare | | 178.84 |
| 123 | Paths & Trails | | 600.44 |
| 127 | Drug Enforcement-Quad City | 400.00 | 15,345.65 |
| 132 | Auditor's Document Preservation | | 20,804.74 |
| 137 | Web Site Development | | 50.53 |
| 300 | Capital Projects Computer-300.010.003 | | 6,000.00 |
| 320 | Cap. Project/Out. Sources (Bond) | | 371.57 |
| 400 | Solid Waste | 3,800.40 | 3,473.27 |

BOCC MINUTES-06/19/06

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|-----|-----------------------------------|----------|------------|
| 501 | Equipment Rental & Revolving | 4,994.80 | 214,873.97 |
| 510 | Photocopier Revolving | | 901.99 |
| 513 | Communications Revolving | | 2,406.35 |
| 660 | Whitcom-General-660.911.000 | | 53,852.52 |
| 660 | Whitcom-Grant Funding-660.911.001 | | 42,327.68 |
| 690 | Clearing Fund 690.005.000 | | 152,140.68 |

065582 4. June 12, 2006 minutes approved.

065583-065584 5. Personnel board orders approved.

065585 6. Joe Poire', Executive Director for the Port of Whitman County thanked the commissioners for giving the Port the opportunity to share this project with the county. Historically, the biodiesel legislation was passed in the last session. The Port has a company named WiBiofuels who wants to construct a plant in Whitman County.

065585A Mr. Poire' distributed a letter to the members concerning this project stating the legal and authorized authorities that will partake in this project are the state and the Port. The Port is extending an invitation to the county to participate to help strengthen their application.

When the Washington State Department of Agriculture (WSDA) received the original application, they wanted a general obligation of the Port's taxing authority to secure a loan. The Port, on a non-voted obligation does not have that capacity. They learned later they could borrow the money directly from the state and not have it touch their voted obligation, but hindsight is it would change the Port's rating and ability to work and incur other projects on an annual basis.

The Port asked the county to check with their bond counsel and entertain possibly providing their budgeting capacity to this loan package if the private sector company would put up a full line of credit with a major bank. Should something go wrong, the bank would be obligated to pay off the loan. All along, WiBiofuels has intended to do their own financing. They are looking at this funding because 1% money with 2-years deferred interest is very attractive to them.

If the county could entertain consideration in this matter, the Port could submit an application with an obligation for taxing that will satisfy the State Department of Agriculture. Mr. Poire' was confident WiBiofuels will excel on their end of the deal, by having a full line of credit for financing. Those things being the case, the Port would have a very strong application on July 1st.

Commissioner Wigen asked if the line of credit that must be obtained from WiBiofuels bank is required before he receives any of that money from the

BOCC MINUTES-06/19/06

State of Washington. Mr. Poire' responded, yes, if WiBiofuels expects obligation from a taxing authority.

There are 4 different scenarios in which WiBiofuels can apply to the state through the Port, as the sponsoring entity. The weakest scenario is pledging any revenues against the loan and the strongest being a public partner obligation requiring a full bank line of credit from the private sector.

Commissioner Wigen wanted to clarify that Whitman County is not contributing one dime into this project. He said the county did provide a letter of support for the Lacrosse Strawboard plant. He will support this project in the same way but cannot support providing any financial assistance or county bonding.

Commissioner Partch restated that the advice from the county's bond counsel that the county is under no obligation as long as the county receives a letter of credit from a major bank. The county's support will provide significant additional support for the Port's application to the WSDA, but that support hinges on the letter of credit.

Commissioner Wigen thought the letter of credit should have been received in advance of the commissioners' decision. Commissioner Partch said as explained to them by their bond counsel that is procedurally not possible and would be putting the cart before the horse. Commissioner action is step 1 in this process.

Chairman Finch said basically the project does not move forward unless WiBiofuels is successful in obtaining a full line of credit from an approved bank. All the county is doing is providing a letter of support. From a business prospective, borrowing \$5 million at 1% interest is simply a good business decision. He understood WiBiofuels will move forward with or without the low-interest loan. This is no different than the letter of support the commissioners signed for the Lacrosse Strawboard project. This project will help create an environment that will provide our agricultural base with another option. If the project is unsuccessful, the bank will be responsible for the line of credit, not the county.

Commissioner Partch added the state is providing this low-interest money to help kick-start the biofuel industry and allow private businesses to participate. This is a public/private venture that has never been done before and will be run through the Port of Whitman County.

According to Mr. Poire' the Port's bond counsel has prepared an instrument that can be used as a promissory note by amending it to fit the last scenario. That is what WiBiofuels would submit to their bank when seeking a line of credit. The bank will want to see the instrument that they are indenturing themselves.

BOCC MINUTES-06/19/06

Chairman Finch said basically the commissioners letter would say that the county and Port support this project and are seriously behind the project.

Joe Poire' further explained for every dollar awarded by the state, the applicant must provide one dollar of unencumbered money for the project.

Commissioner Wigen questioned the worse case scenario based on the following language in Mr. Poire's letter. "The combination of the Port and County bonding capacity will meet or exceed the highest standard requested by WSDA on the loan criteria." Mr. Poire' referred to the next sentence in the paragraph that says, "This scenario along with the strong financial position of WiBiofuels should make the Port's application for funding very strong indeed." Implicit in that sentence means an AA rated bank and either a bond or letter of credit from an AA rated bank.

Commissioner Partch reiterated, as per the Board's conversation with their bond counsel, as long as the county has WiBiofuels letter of credit, there is no risk to the county. It makes good sense to do this and become a partner in the application to help this project move forward.

In answer to Commissioner Wigen's question if WiBiofuels has \$30 million to establish this plant, why go through this procedure and Mr. Poire' said for 1% money with 2 year deferred interest. As pointed out earlier, Commissioner Partch said this is just good business.

065585B Commissioner Partch was in favor of honoring the Port's request to sign a letter of support, making their WSDA application (on behalf of WiBiofuels) stronger provided the county receives a letter of credit from a major bank. Commissioner Partch **moved** Commissioner Finch **seconded** the motion to move forward. Commissioner Wigen vote **nay**. Motion **carried**.

065586 7. Commissioner Partch **moved**, Commissioner Wigen **seconded** the motion and it **carried** to publish a notice canceling the July 3, 2006 regular meeting of the Whitman County Commissioners.

065587 8. The City of Pullman notified the commissioners of the Big Sky Subdivision preliminary plat proposal and public hearing for the same.

D065587A 9. Commissioners' pending list reviewed.

10:30 a.m. - Peggy Wright, Weed Department.

Present: Don Nelson, Kirk Seuss and Joe Smillie.

065588 Washington State Department of Agriculture (WSDA) has chosen to contract with eastside Weed Boards up to \$10,000 each to survey, spray and inject Knotweed. The program will begin July 1, 2006. No money will be expended by the county. This is simply a pass-thru funded program. Ms. Wright will subcontract this project for Whitman County. Commissioner Wigen

moved, Commissioner Partch **seconded** the motion and it **carried** to approve the Washington State Department of Agriculture Knotweed contract and to sign it upon arrival.

10:45 a.m. - Recess.

11:00 a.m. - Dane Dunford, Public Works Director.

Present: Mark Storey and Joe Smillie.

ACTION ITEMS

Engineering Division:

065589 1. Commissioner Partch **moved**, Commissioner Wigen **seconded** the motion and it **carried** that the resolution to initiate a county road project designated ad Fairbanks Road be signed as presented.

RESOLUTION NO. 065589

BEFORE THE BOARD OF WHITMAN COUNTY COMMISSIONERS

In the matter of initiating a county road project designated as C.R.P. No. 0160-3, Project No. XFR0103.

IT IS HEREBY RESOLVED that the Fairbanks Road, County Road No. 9060, from milepost 0.00 to milepost 0.06 be improved as follows:

Grading, draining, widening and surfacing.

This project is hereby declared to be a public necessity and the County Engineer is hereby ordered and authorized to report and proceed thereon as by law provided (RCW 36.75.050, 36.80.030, 36.80.070)

IT IS FURTHER RESOLVED that an appropriation from the official adopted county road fund budget and based on the County Engineer's estimate is hereby made in the amounts and for the purposes shown:

| PURPOSE | AMOUNT OF APPROPRIATION |
|---------------------|--------------------------------|
| Engineering (PE&CE) | \$13,000.00 |
| Construction | <u>\$50,000.00</u> |
| TOTAL | \$63,000.00 |

This project was included in the official adopted annual road program as Item No. 9.

IT IS FURTHER RESOLVED that the construction is to be accomplished by county forces in accordance with RCW 36.77.065 and WAC 136-18.

ESTIMATED date of commencing work: September 1, 2006

BOCC MINUTES-06/19/06

ESTIMATED date of completing work: October 31, 2006

ADOPTED this 19th day of June 2006.

BOARD OF COUNTY COMMISSIONERS
OF WHITMAN COUNTY, WASHINGTON

G.R. Finch, Chairman

Greg Partch, Commissioner

ATTEST:

Maribeth Becker, CMC
Clerk of the Board

Les Wigen, Commissioner

065590 2. Commissioner Wigen **moved**, Commissioner Partch **seconded** the motion and it **carried** to publish the notice of day labor for 2006.

065591 3. Commissioner Partch **moved**, Commissioner Wigen **seconded** the motion and it **carried** that the interlocal agreement between Whitman County and the St. John-Endicott Cooperative School District be signed as presented.

Maintenance Division:

D065591A 4. The Director reported District 2 began seal coating last week. Today they are working on the Pullman-Albion Road and when that road is finished they will move to the Pullman Airport Road.

D065591B 5. Commissioner Partch relayed a message from Marty Mullen of Pullman who stopped by to say how good the roads are in Whitman County. Ms. Mullen has traveled approximately 2/3 of all Whitman County roads and plans to travel the remaining 1/3 this summer.

11:15 a.m. - Recess.

11:30 a.m. - Sharron Cunningham, Administrative Services.

Present: Kim Kopf, Tim Myers, Dane Dunford, Peggy Wright, Bob Reynolds, Mark Storey and Joe Smillie.

The following individuals contacted the Clerk of the Board regarding their absence from today's meeting: Eunice Coker, Bob Lothspeich, Kelli Campbell and Joe Reynolds.

065592 The May 2006 ending financial report provided by Ms. Cunningham.

May 2006 Cash Balance - \$2,180,895

BOCC MINUTES-06/19/06

May 2005 Cash Balance - \$1,787,500

May 2006 Revenue - \$4,497,767 - 39.31% of budget.

May 2005 Revenue - \$3,880,165 - 38.70% of budget.

May 2006 Expenditures \$4,169,838 - 37.26% of budget.

May 2005 Expenditures \$3,626,483 - 35.70% of budget.

11:45 a.m. - Recess.

1:30 p.m. - Lodging Tax Advisory Committee (LTAC).

Present: Bob Reynolds, Tim Myers and Sharron Cunningham.

065593 1. Mr. Reynolds said the LTAC met June 9th and reviewed and approved proposed bylaws. In accordance with R.C.W. 67.28.16 and 67.28.18 regarding LTAC expenditures/reimbursements the committee recommends the commissioners reimburse those that apply for these funds. Commissioner Partch **moved** Commissioner Wigen **seconded** the motion and it **carried** to adopt the Lodging Tax Advisory Committee bylaws as presented.

065594 2. The LTAC reviewed a request for reimbursement from the Lodging Tax fund for the Scenic Byway Committee in the amount of \$5,000 for tourism promotion. Commissioner Partch **moved**, Commissioner Wigen **seconded** the motion and it **carried** to honor the \$5,000 request by the Lodging Committee for the Scenic Byway Committee.

D065594A 3. Discussion continued about Washington State Department of Transportation (WSDOT) required removal of business signs on scenic byways and the cost for state signs denoting types of businesses, i.e. food, gas, lodging, etc.

065595 4. Tim Myers distributed copies of the Scenic Byway tourism brochure.

1:50 p.m. - Recess.

2:45 p.m. - Board Business Continued/BOCC Workshop.

Present: Denis Tracy and Sharron Cunningham.

D065595B 10. Claims were discussed. No action taken.

3:00 p.m. - Adjournment.

D065595C Commissioner Partch **moved** to adjourn the **June 19, 2006** meeting. Motion **seconded** by Commissioner Wigen and **carried**. The Board will meet in regular session, in their Chambers', in the Whitman County Courthouse,

BOCC MINUTES-06/19/06

Colfax, Washington, on **June 26, 2006**. The foregoing action made this **19th** day of **June 2006**.

ss/ Greg PARTCH, Commissioner
ss/ LES WIGEN, Commissioner

MARIBETH BECKER, CMC
Clerk of the Board

G.R. FINCH, CHAIRMAN
Board of County Commissioners