

Board of Okanogan County Commissioners  
Tuesday, December 10<sup>th</sup>, 2024, 3:10 p.m.

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Present:

Andy Hover (AH), BOCC District 2  
Jon Neil (JN), BOCC District 3  
Laney Johns (LJ), Clerk of the Board  
Stacey McClellan (SM), Deputy Clerk of the Board  
Katie Person (KP), for Carelon, administrator of opioid settlement funds  
Accompanying Katie Person (AK)  
Carelon representative on Zoom (CR)  
Esther Milner, Chief Civil Deputy Prosecutor

*Time stamps refer to the time on the wall clock. An AV Capture archive of the meeting on this date is available at:*

*[https://okanogancounty.org/departments/boards/live\\_streaming\\_of\\_meetings.php](https://okanogancounty.org/departments/boards/live_streaming_of_meetings.php)*

**Summary of Important Discussions:**

- *Opioid settlement fund administrator, Carelon, briefs Board on process for funding abatement measures: review by to-be-formed local committee, approval by regional Opioid Abatement Council, use of Chelan-Douglas County as billing intermediary; Contract for 2024 totals \$29,779 including 10% fee for Carelon, \$900,000 available over five years*
- *2024 \$28,000 grant agreement for youth agency FYRE approved*
- *Building Department fee schedule approved*
- *Seasonal maintenance position moved to full-time*
- *Fair grant not extended; appointee letter for Fair Advisory Committee received*
- *Behavioral Health gets \$55,000 for homeless housing*
- *Long discussion on water banking, inchoate rights, allocation of water for Crumbacher housing, past Department of Ecology decisions*

*When recording begins, commissioners are talking to the two representatives of Carelon which deals with opiate settlement funds.*

3:10 - CB: If in fact you're screening for use, you're trying to catch them violating parole is what you're doing in essence, and if you do, there's some sort of remedy, deterrent, to keep them from—

JN: But if they do get caught there needs to be a path.

KP: *Continues to next slide on the big screen.* This slide encompasses the previous one, the proved uses, but it shows the priorities identified by the North Central Washington (NCW) Opioid Abatement Council (OAC) members and were included in our

administration contract. "...The key requirements are to obtain an award proposal... and establish a complete process. The purpose of the Opioid Abatement council is to oversee the direct use of opioid settlement funds efficiently and effectively. The council is responsible for implementing strategies aimed at abating the effects of the opioid crisis, insuring the funds are used ...to ensure maximum benefit." "...(Carelon's) role is to serve as the neutral convener for the NCW OAC, to establish a competitive proposal solicitation methodology for funding allocation if that's wanted and develop written process for fund distribution, expenditures and dispute resolution, create and maintain a centralized public dashboard on ...allocations and expenditures, develop measurable outcomes with the OAC, implement a ...complaint handling policy, provide ...accounts of costs and submit quarterly activity summaries.."

AH: So if we ask you for the process for fund distribution, you guys have a template that says "this is the practice for distributing funds"? *She will cover that in the next slide.*

KP: Based on Carelon's experience in managing RFPs (requests for proposal), we've developed a standard process. This is just a selected example... We would draft an RFP and submit it for your approval. Once approved, we would share it with our provider network. Proposals would be submitted directly to us. County leadership would select a scoring committee of three to ten people... (to) review proposals and make recommendations (and) communicate the awardee(s) to us. Contract negotiation... would start at that point."

AH: So if we decide that you guys do the RFP, this is what would happen, but we don't absolutely have to use this process? *Correct.*

KP: And we could adjust it.

CB: You're familiar with the RFP that was put out by Chelan County?

KP: And they chose to do their own. We didn't administer their RFP... I've listed the current year funding of \$29,779 and once we list (Carelon's) 10% administration fee it comes to \$27,072 which can actually be allocated this fiscal year.

AH: We have \$900,000 sitting in our fund right now.

CB: That may have been the allocations for 2025.

KP: This is the amount that's in the contract.

CR: Our contract is directly with Chelan and then we endorse the plan for the total amount. One thing we thought about was changing these amounts on a (*inaudible*) basis because the difference between \$27,000 and \$900,000 is significant.

AH: ...I was reviewing ...the contract. Since (*it*) didn't start until 2024, the fiscal year 2023 funds would not be counted, or something to that effect. In '23 we're at a hundred and some thousand, and then 700 and some thousand in '24. What we need to hash out is, our expectation is to pay 10% of the funds that came in. My expectation is that we would owe you \$90,000 for administering these funds.

CR: We'll actually only charge you for the funds that we administer, so it's not a simple cost of charging \$90,000...

AH: But if we were to put out \$900,000 of projects then we do owe you 10%... *Apparently the contract administered by Carelon for 2025 is only for the \$27,779 so the county will only owe 10% on that. AH says good, the rest will stay in their account and earn them interest.*

CB: It will be interesting to see with an RFP what kind of response you get. I asked (*Chelan's*) Commissioner Overbay if they'd used up all the money and he said no...

3:20 - CR: I can share... In Clark Co. they projected how much money they would receive if they contracted those funds out. Even if the time of us just contracting those funds, more funds were put into "the cow". We tagged that on to the next RFP process... This is a different situation because we haven't started the RFP process and there's a fair amount of additional funds that could be utilized. We may need to talk about when... we take on those additional funds.

CB: I have no clue what we'll get as far as proposals, those things that are allowed.

CR: The ultimate (*inaudible*) selection is up to you, even if we run the RFP process.

CB: Isn't there some sort of requirement that we set up some sort of program for vetting those proposals?

CR: The sole requirement is... that these processes be transparent. ...Beyond that (*there's no set process*).

AK: Jim was at their discussion at a previous OAC meeting that your funded projects would come to the OAC, not that they get to say yes or no but they just want to make sure that they meet the approved uses. *CR says something inaudible.*

KP: What is unique about the awardees that have been chosen already is that RFP has been released between two counties and two cities so we wanted to make sure no one was double-funding a certain portion of the project. So we have a recommendation of a minimum contract amount of \$10,000. We also have a recommendation of allocating to one to two providers maximum. I do want to add, though, that we do have the ability to allocate small, one-time funding for goods or services through a direct invoice process. It just prevents a lengthy contracting process...

AH: ...You're asking us to try to maintain a smaller number of recipients that would need to be funded over a period of time? *KR says yes but if the sum is \$900,000 that minimum number of providers could be bigger.*

CR: Let's say you have an agency that needed (*the overdose treatment*) Narcane, you could do that with one simple invoice rather than a whole contract.

KP: When we do a contract with a provider (*they must*) submit monthly reports and monthly invoices.

AH: So basically we're developing a grant application.

KP: The proposed next steps: We would ask that you choose a process to solicit and select proposals, notify us of our role..., submit the budget summary sheet..., and

(*Juvenile Services*) Mike Beaver will be taking over as the voting member in 2025.

JN: We have potentially multiple areas in-house that these funds could be used for so I'm curious, what potential restrictions there could be for that.

KP: For example?

JN: The sheriff's department, juvenile, jail. They all interact with opioid issues.

KP: If you elect to do the RFP process then you would apply, no different from anyone else, and the review board would go through with you and make the decisions. We have a draft, we can edit it Okanogan-specific as an example of what we would use. We could always meet and make changes to that and make specific suggestions to Okanogan County.

CR: The one last piece is that we would be contracting directly with, say, the sheriff's department, once they were selected. *They are the main contracting agency. Inaudible remarks. CR explains to AH that the sum for a project would be sent to Chelan-Douglas County which would handle the billing process with Carelon. Okanogan would send the full amount of the contract to them and they would pay the 10% commission out of that to Carelon.*

CB: *We did the Connections (a substance use/mental health treatment center in Seattle) report in 2024, which would seem to fall under the approved uses. We paid it to Chelan County. KP says they would have to write up a report. AH says then whatever they want to add to the \$29,000 contract amount they would have to send to Chelan Co. who will amend the contract with Carelon. KR says this would be done annually, unless the difference is significant. Any unused portion of contract would be rolled over to following year contracts with the commission already counted. AH raises the question of who gets the interest on any money that is allocated and paid to Chelan County before being used to pay the providers. CB says they may have to discuss that with them. Chelan County has in essence carried the ball and financed us. Just food for thought, to honor the work that they've done for us.*

AH: If somebody makes the case to me, for who's getting the interest, and it's all transparent, then I'd have to make a decision.

CB: That's exactly what this is about. Nobody's going to try to pull the wool over your eyes. (*Laughter.*)

AH: They might try! ...Basically we need to get on the stick and get RFPs done right away. *They'll get sample contracts from Chelan Co. by the end of the week. CB says use Carelon's RFP sample. KP says theirs is more explicit. Chief Civil Deputy Prosecutor Esther Milner, in the audience, is asked if she has any questions. She doesn't. AH says they'll get a review committee together with local health care and mental health actors.*

3:48 - *Review of consent agenda. CB has question about entities using cattle guards with out-of-county addresses. Consent agenda approved. AH talks about a mortgage company that owns a lot of property on Tunk. CB says two or three entities are from the west side. Vouchers and payroll approved.*

*LJ can't be heard as she describes a change order for the courthouse renovation*

*architects' contract. AH moves to approve change of substantial completion date to December 11<sup>th</sup> 2024. Change approved. City of Okanogan's Elmway sSurface-to-Ground Water Project Amendment 2 would allow costs to be incurred until October 31<sup>st</sup> 2025.*

CB: They should change the name. It doesn't apply anymore. Because the surface-to-ground part of it went away. *Amendment is approved.*

LJ: The next item is the first amendment to the 2023-2025 agreement for the provision of law enforcement services between Okanogan County and the City of Okanogan (*in the amount of \$359,700*). *CB finds the negotiation process with Okanogan's mayor interesting. Unclear what this is about. The total cost seems to be \$2.7M. Maybe the city should envision financing its own law enforcement.* LJ: The next item is a 2024 grant agreement between the county and the Foundation for Youth Resiliency and Engagement (FYRE), \$28,000 for a project they intend to bill us this week for. That's the homeless housing portion, \$2,000... *There's also a portion for affordable housing and the youth village. Approved. LJ shows them the resolution maintaining the sum of the Weed Control Assessment Levy for 2025. Approved. Revised Fee Schedule for Okanogan Building Department approved. Resolution de-funding the seasonal grounds keeper position and funding a full-time Maintenance Department position, effective January 6<sup>th</sup> 2025, approved. L*

4:07 - LJ has a Fair Advisory Committee (FAC) appointment application. AH asks her to wait until she has several and send them together to the commissioners.

JN: Just got an email from Nick (*Bates, fairgrounds manager*) saying the WFEA (*Washington Fair and Events Committee*) didn't extend their grant. I would extend we get a hold of engineering company TD&H and see if they would expedite things. *LJ will do that.*

*LJ presents a \$55,000 homeless housing agreement for 2024 between the county and OBHC (Okanogan Behavioral Health Care).* LJ: They went through the RFP (*request for proposal*) with the Housing Coalition, *brought forward late last year, and recommended funding for everybody. The board approved the resolution.* LJ: This is a new agreement that Esther drafted and it took everyone a long time to get through it. *The agreement is approved with CB abstaining. AH says Carelon's presentation was one of their better ones. He talks about a conversation about Fish and Wildlife with the Forest Resource Council director who said he'd watched AH's video.*

AH: It's interesting to know how that person got that information to the person I was speaking to.

LJ: One more thing. The county is currently passing through Consolidated Homeless Grant (*paper rustling, inaudible*) ...whether the county would like to apply or opt out for 2026-27. *AH is surprised, JN says they should opt out, not have to administrate it. AH asks to double check, if it's not "do you want the money or not?"*

CB: I talked briefly to Nick Timm about what he would be interested in, the work that you all might not be interested in. Aging and Adult Care was one of them. He said he would be fine with that, as well as Economic Development. (*To JN*) I think you were going to do the Water Bank thing? Yes. That's what I told the Conservation District...

AH: Where are we at with our portion of the Water Bank?

CB: We've got an application in for the purchase of the (*inaudible*, "bank"?) –

AH: So we're just waiting on Dept. of Energy to say yes?

CB: ...When they approve of a purchase or are responding to a letter of intent for Pine Creek, that they're holding more back for Crumbacher housing.

AH: So between the time we asked to buy it and now–

CB: That was their response to the letter.

AH: That's not bad. Did he say how much they're holding back?

CB: A third of it, I think. We should ask Kent to talk to us on line.

AH: That's a hell of a lot of water.

CB: I was curious as to how that came about.

AH: We could get all the data of cities and their water use, convert that to acre feet or whatever. We were going to actually receive 700 acre meters or something like that.

CB: ...I want to get clear with him if that in-stream component goes with it and you add the Crumbacher housing to that.

AH: Are we expected to buy the whole 900 and then we're going to get 30% of that but–  
*CB says this is a letter of intent. There should be a letter. He'd just got a phone call, apologizing for the time it took to get that out.*

CB: When it comes time, they're giving us the money to purchase it.

AH: But still, the slice that you're taking out, with that money you have to put a third–  
Let's say they take out two, and we got five. That means that we should be buying 700 acre feet because they're going to go down the river, not the whole 900.

CB: When you say "We should only be buying"– (*laughs*).

4:20 - JN: If you're getting it for nothing out of pocket I guess you can't argue about it. But I also know there's another right that's been converted to domestic that there's a potential we might be able to purchase.

AH: It's a lot of water. ...If we say hey, agriculture is an important part, and whoever's going to hold that back for agricultural housing, they're going to get a benefit from us buying the entire thing with Ecology's money.

CB: If I'm still here when that happens, my question is "How will does that allocation get placed for (*inaudible*) housing? What's the process?"

AH: Who gets it? I think that's a valid use of that water.

CB: Are they holding it and it's Ecology who says where that goes, or is that the bank? I think they're withholding.

CB: I have a concern about that (*cistern*) discussion. I'm concerned about bringing to light some issues about cities and counties selling their water. ...Cities have the ability to have inchoate rights. They can hold rights like nobody else can. So if there's a commitment to residential uses, then that commitment has to stay there...

AH: My parents bottle water because they got a permit for commercial use— There's more ways than just selling water.

CB: I'm talking about municipalities, about inchoate (*pending approval*) rights and their ability to hold that. They have an authority that nobody else has, to hold that water over a five-year period. Especially when cities and towns, some of them have water, some of them don't. And if you're able to hold water rights, to sell outside your service area. That was food for thought for me. I have no reason to argue with anybody about it. I remember arguing with Dep. of Ecology over the very issue of inchoate rights. There was a point in time when they were proposing that cities and towns, when they grow, apply for more rights.

AH: That happened to Twisp. I don't even see how.

CB: They were holding a water right. Looking at changing a place of use. There was going to be an industrial park over on the mill site. They were using a withdrawal they had for the Twisp River that they never used for a long time. Then when they moved water out they didn't include that, and that was challenged. It was like, "Wait, you guys didn't touch that water right for a really long time, and in fact you gave it up."

AH: I didn't know cities could give water rights up.

CB: That's the way it was done. It was like that Rosalia where they were building wells and they had water and they were withdrawing and they didn't even have the place of withdrawal.

JN: DOE makes no sense. Like the water right where Veranda Beach is.

CB: It wasn't DOE making sense at all. It was DOE that suggested we do that. I was filling out the SEPA (*State Environmental Policy Act*) checklist and going, "There's something wrong here, I'm concerned about this," and then they got challenged on this. It wasn't DOE, it was the court that decided that.

JN: I remember when Veranda put there stuff by the border, DOE decided that was not a contiguous right, it came into this little thing and they wouldn't let it transfer.

CB: We were going to put it in our wells and that was a different ground water. There was a divide that they identified. We even ended up hiring an environmental firm that had hydrologists that said, "We don't think so." Their hydrologist arguing with ours.

JN: Water typically does not flow north, so it's going to be a downstream flow no matter what, and end up in the city's aquifer. They did not want to accept that.

CB: That's a tough one to prove.

AH: That's called "Chevron deference". *(Laughter.)*

4:27 - *Meeting adjourned*