

FILED  
SUPERIOR COURT  
THURSTON COUNTY WASH.

1  No Hearing Set  
The Honorable Richard D. Hicks

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BETTY L. GOULD CLERK

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DEPUTY

7 STATE OF WASHINGTON  
8 THURSTON COUNTY SUPERIOR COURT

9 STATE OF WASHINGTON,  
DEPARTMENT OF ECOLOGY, et al.

10 Petitioners,

11 v.

12 SHORELINES HEARINGS BOARD, et al.,

13 Respondents.

Nos. 01-2-01790-7, 01-2-01792-3,  
01-2-01793-1, and 01-2-01797-4

CONSOLIDATED

STIPULATION OF PARTIES AND  
STIPULATION FOR DISMISSAL

14  
15 The parties to the above captioned litigation, through their counsel, hereby stipulate to  
16 the following agreement and basis for voluntary dismissal of this litigation. This stipulation is  
17 effective upon filing with the court and binding on all parties making this stipulation.

18 **Basis for Stipulation.**

19 This stipulation arises out of litigation pending in the above captioned case of  
20 *Department of Ecology et al v. Shoreline Hearings Board et al*, Thurston County Superior  
21 Court Nos. 01-2-01790-7, 01-2-01792-3, 01-2-01793-1, and 01-2-01797-4. That litigation  
22 concerns judicial review of a decision by the Shoreline Hearings Board, which reviewed  
23 Ecology's rules adopting guidelines for Master Programs under the Shoreline Management  
24 Act.

25 The undersigned parties recognize that they have raised numerous arguments and  
26 issues before this court. The parties have chosen to end their litigation rather than proceed

1 with the costs and risks associated with litigation. This stipulation therefore provides for a  
2 voluntary dismissal of all claims and this case, when all conditions identified below have  
3 occurred. If the dismissal order contemplated by this stipulation is entered, the parties hereby  
4 recognize that this Court has not addressed any issues in this case and has not issued any  
5 rulings on the subject matter.

6 These terms and conditions are intended to be an agreement between the parties. The  
7 parties acknowledge that this agreement is based on consideration where each party has  
8 foregone rights to pursue issues and arguments and claims in the above captioned proceeding.

### 9 Stipulations

#### 10 1. Ecology Shall Propose Shoreline Management Act Guidelines for Adoption as 11 Rules.

12 1.1 Representatives of the parties have engaged in mediation to reach agreements  
13 concerning appropriate Shoreline Management Act ("SMA") guideline rules that could be  
14 proposed for adoption by the Department of Ecology ("Ecology"). As a result of those  
15 mediated meetings, the parties have agreed that draft SMA guideline rules (**Attachment A**)  
16 can be and should be proposed for adoption by the Department of Ecology pursuant to its  
17 rulemaking authority under the SMA.

18 1.2 Ecology agrees that it will initiate rulemaking processes and propose SMA  
19 guideline rules identified in **Attachment A**. Ecology will proceed as soon as practical to  
20 initiate proposal of these rules and compliance with all relevant and applicable procedural  
21 requirements associated with adoption of rules under Washington law.

22 1.3 The remaining parties agree that they support adoption of rules substantially in  
23 the form and substance of **Attachment A** and using the processes identified in the timeline for  
24 rulemaking and rule adoption included in **Attachment B**. These parties agree that they will  
25 not oppose adoption of rules substantially in the form and substance of **Attachment A** and that  
26 they will provide appropriate support in the rulemaking processes identified in **Attachment B**.

1 That support during rulemaking processes may be commensurate with the resources of the  
2 party to evaluate and write comment letters or provide appropriate support. The parties  
3 recognize that they will work in good faith during the rulemaking process to consider  
4 mutually agreeable positions on matters that may arise in the rulemaking process.

5 1.4 **Rule of construction and intent.** The parties recognize that this stipulation  
6 does not obligate or require Ecology to adopt any particular rules. The parties recognize their  
7 mediation, discussion, and review of possible regulatory approaches for SMA guidelines  
8 should be construed at all times to be consistent with the Washington Administrative  
9 Procedures Act, the Shoreline Management Act, and any other applicable law. If any  
10 requirement or implication of this agreement is inconsistent with law, the parties agree that  
11 they will construe this agreement to avoid such inconsistency.

12 **2. Parties Will Voluntarily Dismiss Thurston County Superior Court Litigation.**

13 2.1 Within 30 days of a filing of a CR 103 adopting new shoreline guideline rules,  
14 or an Ecology order or rule expressly repealing the shoreline guideline rules that were the  
15 subject of this litigation, the parties stipulate to an order voluntarily dismissing *Department of*  
16 *Ecology et al v. Shoreline Hearings Board et al*, Thurston County Superior Court Nos. 01-2-  
17 01790-7, 01-2-01792-3, 01-2-01793-1, and 01-2-01797-4 in a stipulated order of the form  
18 **Attachment C**. Pending such events, the parties will mutually move for and stipulate to any  
19 necessary orders to stay proceedings in that case. In the event that Ecology does not file a CR  
20 103 adopting new shoreline guideline rules or repeal the shoreline guideline rules that were  
21 the subject of this litigation by three months after the intended adoption date shown in  
22 Attachment B, and Ecology does not have shoreline guideline rules that are subject to a  
23 pending proposal to adopt under a CR 102 filing, then the parties will meet and determine if  
24 this stipulation for dismissal will be otherwise accomplished. After such meeting, any party  
25 may by written notice terminate their agreement to stipulate to dismissal and the parties will

26

1 then have all rights to seek any relief that might be available in this case, or to oppose such  
2 relief.

3       2.2     If any party believes that another party is in violation of this stipulation and  
4 objects to such perceived violation, then the party may provide written notice of the possible  
5 violation and their concerns, and shall provide at least thirty days to cure the violation. Such  
6 written notice and cure period shall be a mandatory requirement before any party may seek to  
7 avoid or rescind this stipulation. In the event that the violation is not cured, the party may  
8 seek a declaration of the violation of this stipulation. In no event shall this stipulation be the  
9 basis for any party to pay damages or costs to another party.

10       2.3     If after dismissal of this case it becomes necessary to enforce this stipulation, a  
11 party may seek to enforce this in Thurston County Superior Court and seek declarations or  
12 injunctions as remedies consistent with the stipulation. This provision does not preclude  
13 raising the stipulation in other forums including the Shoreline Hearings Board, if material and  
14 relevant.

15       2.4     The parties agree that the effect of a voluntary dismissal of this litigation is that  
16 the superior court has not ruled on any issues that were raised by or which might have been  
17 argued by the parties in this case. However, each party reserves the right to make any  
18 arguments against or in favor of the SHB decisions in any future forum and may contend that  
19 the SHB decision is material and relevant in such forums, or not, as the party sees fit.

20 **3.     Parties Will Not Challenge Future SMA Guideline Rules If Consistent With Draft**  
21 **Rules Identified for Proposal.**

22       3.1     In the event that Ecology adopts SMA guidelines substantially in the form and  
23 substance supported for proposal in **Attachment A**, the parties agree that they will not engage  
24 in an administrative challenge to the guidelines under chapter 90.58 RCW nor a judicial  
25 challenge of such guidelines under RCW 34.05.570. However, if Ecology does not provide (1)  
26 a legally adequate SBEIS, and (2) materials sufficient for compliance with the requirements of

1 RCW 34.05.328, including, but not limited to, a cost benefit evaluation, determination of least  
2 burdensome alternative, and implementation plan when the rules are proposed, or (3) if  
3 Ecology fails to allow comment on either the SBEIS or cost benefit evaluations during the  
4 rulemaking notice and comment processes, then parties reserve the right to raise challenges to  
5 the rules based on these issues. If Ecology adopts SMA guidelines that are not substantially in  
6 the form and substance of **Attachment A**, the parties may challenge such rules. During  
7 rulemaking processes, any or all parties may work together to reach further agreements to  
8 identify comments and proposals for changes to proposed rules that they do not consider to be  
9 "substantial" changes from **Attachment A** and which parties agree that Ecology can or should  
10 make.

11 3.2 The parties recognize that Ecology may in the future consider conditions that the  
12 federal government places on funding or that the federal government proposes or demands in  
13 the course of other legal processes, such as ESA processes or consultations. Ecology will  
14 identify any plans or approaches for working with federal agencies as part of rulemaking  
15 documents, and contemplates doing this as part of the implementation plan described in RCW  
16 34.05.328. All parties to this stipulation may have an interest in any actions or inactions that  
17 Ecology may take in response to such federal conditions, proposals, or demands. Therefore,  
18 all parties reserve any and all rights the party may have to seek judicial review or to otherwise  
19 challenge actions that Ecology might take in response to any conditions, proposals, or  
20 demands that the federal government may place on federal funding, or that the federal  
21 government identifies or develops in the course of any other legal processes including ESA  
22 processes or consultations.

23 3.3 The parties agree that they reserve all rights to participate in, comment on, or  
24 seek administrative or judicial review of any future shoreline master program or amendment  
25 of a master program, or any future SMA guidelines or amendments of the guidelines that may  
26 be proposed by Ecology.

1 **4. Agreement to Support Proposals for Legislative Funding and Actions and**  
2 **Contingency on Legislation to Enable Settlement**

3 4.1 The parties agree that they will through their representatives support, and will  
4 not individually or collectively oppose, action by the Legislature that provides funding and  
5 statutory changes that may be necessary to facilitate implementation timing for SMA  
6 guidelines consistent with **Attachment B**, which outlines funding, legislative, and related  
7 subjects.

8 4.2 The parties hereby agree that certain obligations of this stipulation are contingent  
9 upon legislation being adopted that fulfills the basic principles identified in Attachment B,  
10 part 2. If legislation is not adopted during the next session that meets these principles, the  
11 parties shall meet to determine whether to terminate, amend, or continue this stipulation in  
12 light of legislative actions.

13 4.3 Nothing in this stipulation waives any rights that any party or local government  
14 may have to bring a legal action claiming that the costs of updating SMA master programs is  
15 an unfunded mandate, and specifically this stipulation does not waive any right to assert such  
16 claims if Guidelines are adopted but Funding is not provided as contemplated pursuant to  
17 Attachment B. Similarly, no other party waives any defenses that they may have if any such  
18 claims are ever made.

19 **5. Statement Regarding Ecology Commitments Authority If Jurisdictions Fail to**  
20 **Meet Deadlines Set by Legislation for Master Program Update.**

21 Pursuant to RCW 90.58.070(2), the SMA provides "If any local government . . . fails  
22 to adopt a master program for the shorelines of the state within its jurisdiction in accordance  
23 with the time schedule provided in this chapter, the department shall carry out the requirements  
24 of RCW 90.58.080 and adopt a master program for the shorelines of the state within the  
25 jurisdiction of the local government." Based on Attachment B, the parties contemplate that the  
26 Legislature will identify deadlines for updating master programs. If a jurisdiction fails to meet

1 the statutory deadline for adopting an update of master program set by legislation, then  
2 Ecology shall, within 30 days of such failure, request information from the jurisdiction  
3 describing those actions the local jurisdiction will take to develop a revised shoreline master  
4 program consistent with the revised guidelines, and the anticipated schedule for adoption.  
5 Ecology shall allow the local jurisdiction 30 days to respond to this request. Then, within 30  
6 days following the deadline for the local jurisdiction's response or the local jurisdictions lack  
7 of timely response, Ecology shall determine whether the local jurisdiction is likely to adopt an  
8 updated shoreline master program within one year of its statutory deadline. If Ecology  
9 determines that the local jurisdiction is not likely to adopt an updated shoreline master program  
10 within one year after its statutory deadline, then Ecology shall, pursuant to its authority under  
11 RCW 90.58.070(2) and subject to all applicable laws, adopt an interim shoreline master  
12 program within a year of Ecology's determination. Ecology shall work in good faith to fulfill  
13 its commitments to implement RCW 98.58.070(2) by proposing rules that would adopt these  
14 commitments on a schedule coordinated with proposal and adoption of guidelines. The parties,  
15 however, do not intend Ecology's commitments in this paragraph to be contingent on  
16 rulemaking. If Ecology determines that the local jurisdiction is likely to adopt its update within  
17 1 year of its statutory deadline but the local jurisdiction then fails to adopt, then Ecology shall  
18 commence rulemaking for an interim shoreline master program for that local jurisdiction to be  
19 completed within a year or less. In the event that a party to this stipulation contends that  
20 Ecology is failing to act consistent with law, the party may seek judicial review of Ecology's  
21 response plans or actions to the extent authorized by law, which may include seeking judicial  
22 review under RCW 34.05.570(4).

23       ///  
24       ///  
25       ///  
26       ///

1 The above is stipulated to this 20<sup>th</sup> day of December, 2002 and this stipulation may be  
2 filed in the above captioned case.

3  
4 **CHRISTINE O. GREGOIRE**  
Attorney General

5 

6 JAY D. GECK, WSBA #17916  
Senior Counsel  
7 Attorneys for Petitioner  
State of Washington  
8 Department of Ecology  
(360) 586-6769

9  
10 **DAVIS WRIGHT TREMAINE LLP**

11 *(fax signature attached)*

12 DENNIS D. REYNOLDS, WSBA #4762  
Attorney for Respondent Washington  
13 Aggregates and Concrete Association

14  
15 **PERKINS COIE LLP**

16 *(fax signature attached)*

17 LAURA N. WHITAKER, WSBA #19110  
GALEN G. SCHULER, WSBA #25158  
18 Attorneys for Respondents Association of Washington Business, Adams County,  
Associated General Contractors of Washington, Basta Marine, Inc., Building  
19 Industry Association of Washington, Doug Camenzind, Chelan County, Columbia  
County, Ferry County, Franklin County, City of Hoquiam, Independent Business  
20 Association of Washington, Island County, Jefferson County, Mason County,  
National Association of Industrial and Office Properties, National Federation of  
21 Independent Business, Northwest Marine Trade Association, City of Ocean  
Shores, Pacific County, Pend Oreille County, Rose Ranch, Skagit County, City of  
22 South Bend, Stevens County, Thurston County, United Property Owners of  
Washington, Wahkiakum County, Washington Association of Realtors,  
23 Washington Cattleman's Association, Washington Contract Loggers Association,  
Washington State Farm Bureau, Washington State Grange, Whitman County

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25 **BJORGEN BAUER, PLLC**  
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*Thomas R. Bjorgen*

THOMAS R. BJORGEN, WSBA #10829  
Attorney for Washington Environmental  
Council, 1000 Friends of Washington, Citizens for Sensible Development, Citizens Growth  
Management Coalition, Clark County Natural Resources Council, Friends of Grays Harbor,  
Friends of the San Juans, Hood Canal Environmental Council, Kettle Range Conservation  
Group, Kittitas Audubon Society, People for Puget Sound, Save a Valuable Environment,  
Washington Conservation Voters - Island County Chapter, Washington Public Interest  
Research Group, Wildlife Forever of Grays Harbor, Chris Brown, Fred Ellis, Benella Caminiti,  
League of Women Voters of Washington, Black Hills Audubon Society, and National  
Audubon Society.

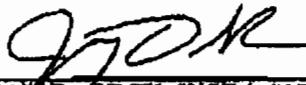
**GRANT COUNTY PROSECUTING OFFICE**

*(fax signature attached)*

STEPHEN J. HALLSTROM, # 13814  
Attorney for Intervenor Grant County

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23 Association of Washington, Island County, Jefferson County, Mason County,  
24 National Association of Industrial and Office Properties, National Federation of  
25 Independent Business, Northwest Marine Trade Association, City of Ocean  
26 Shores, Pacific County, Pend Oreille County, Rose Ranch, Skagit County, City of  
South Bend, Stevens County, Thurston County, United Property Owners of  
Washington, Wahkiakum County, Washington Association of Realtors,  
Washington Cattleman's Association, Washington Contract Loggers Association,  
Washington State Farm Bureau, Washington State Grange, Whitman County

**BJORGEN BAUER, PLLC**

STIPULATION FOR DISMISSAL

8

ATTORNEY GENERAL OF WASHINGTON  
Ecology Division  
PO Box 40117  
Olympia, WA 98504-0117  
FAX (360) 586-6760

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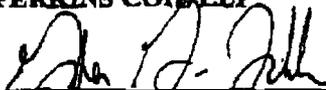
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State of Washington  
8 Department of Ecology  
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