

## **LETTER OF CENSURE ISSUED TO COUNCILMEMBER MARGARET “PEGGY” SHEPARD**

This Letter of Censure is being issued to Councilmember Margaret “Peggy” Shepard pursuant to Snoqualmie Municipal Code 2.80.080(C).

On February 4, 2021, Mayor Matt Larson submitted a complaint alleging that Councilmember Shepard committed multiple violations of the City’s Code of Ethics, SMC 2.80 et. seq., as well as violations of the State Ethics Act, RCW 42.23 and the Appearance of Fairness Act, RCW 42.36.

Subsequently, the Ethics Hearing Officer was engaged to investigate the complaint and on May 21, 2021 issued an order finding sufficient probable cause existed for a hearing to be scheduled on several of the claims.

On June 22, 2021, the ethics hearing was conducted pursuant to SMC 2.80.070 during which both Mayor Larson and Councilmember Shepard made presentations and provided testimony. Both provided submissions and exhibits in advance of the hearing and after the hearing.

After listening to the presentations and testimony of the parties at the hearing, reviewing the submitted exhibits and applicable statutes and case law, it has been determined that Councilmember Shepard has committed multiple violations of the City of Snoqualmie’s Code of Ethics as set forth below and which are detailed in the Findings, Conclusions and Recommendations attached to this letter:

1. Councilmember Shepard violated SMC 2.80.030(A)(1) in two instances:

- Failing to disclose her communications with King County GIS staff On October 10, 2018 and in seeking documents outside the record of the Salish expansion quasi-judicial proceedings during the Council meetings where the matter was discussed on October 15, 22 and/or 29, 2018.
- Making numerous contacts with staff of the Department of Ecology regarding the scope of the SEPA review of the Mill Site development application.

2. Councilmember Shepard violated SMC 2.80.030(D) in two instances:

- Transmitting emails containing attorney-client communication prepared by City Attorney Bob Sterbank to the mayor, councilmembers and other city staff dated July 17, 2019 to the Washington State Auditor’s Office; and
- Sharing attorney-client communication prepared by City Attorney Bob Sterbank and transmitted to city councilmembers dated October 10, 2019 with her husband.

In both instances, her conduct also violated RCW 42.23.070(4) which provides that no municipal officer may disclose confidential information gained by reason of the officer’s position.

Furthermore, the Mill Site development application remains under review by the City. Councilmember Shepard’s statements to the Department of Ecology and her conduct in inserting

herself into the SEPA review process demonstrates that she has taken a position on this matter and is incapable of providing independence of judgment with respect to any decisions on this application that might come before the City Council. If Councilmember Shepard fails to recuse herself from consideration of any matters involving the Mill Site application, it is recommended that the City Council adopt a resolution excluding her participation in the matter.

Councilmember Shepard is hereby censured for her multiple violations of the City's Ethics Code, for her poor judgment in failing to protect confidential information and for disregarding the due process rights of project applicants by failing to act in an open, transparent and impartial manner.

Dated this 19<sup>th</sup> day of July 2021.

A handwritten signature in black ink, appearing to read "Grant S. Degginger". The signature is written in a cursive, flowing style.

Grant S. Degginger  
City of Snoqualmie Ethics Hearing Officer