

2004	Harris	Ketchum	Lund	Pope	Rider	Spahr	Taylor
Meeting Date							
January 12	P	P	P	P	P	P	P
January 26	P	P	P	P	P	P	P
February 3 (special)	P	A	P	A(ex)	P	P	P
February 5 (special)	P	P	P	P	P	P	P
February 9	P	A(ex)	P	P	P	P	P
February 10 (special)	P	P	P	P	P	P	P
February 19 (special)	P	P	P	P	P	P	P
February 23	P	P	P	P	P	P	P
February 24 (special)	P	P	A	P	P	P	P
March 8	P	P	P	P	P	P	P
March 16 (special)	P	P	P	P	P	P	P
March 22	P	A(ex)	P	P	P	P	P
March 30	P	P	P	A(ex)	P	P	P
April 12	P	P	P	P	P	P	P
April 12 (special)	P	P	P	P	P	P	P
April 26	P	P	P	P	P	P	P
May 10	P	P	P	P	P	P	P
May 24	P	P	P	P	P	P	P
June 7 (special)	P	A (ex)	P	P	P	P	P
June 14	P	P	P	P	P	P	P
June 28	P	A (ex)	P	P	P	P	P
July 12	P	P	P	P	A (ex)	P	p
July 22 (special)	P	P	P	A(ex)	P	P	P
July 26	P	P	P	P	P	P	P
August 9	P	P	P	P	P	P	P
August 23	P	P	P	P	P	A (ex)	P
September 13	P	P	P	P	P	P	P
September 20 (special)	P	P	P	A(ex)	P	P	P
September 27	P	P	P	A(ex)			
October 11	P	P	P	P	P	P	P
October 19 (special)	P	P	P	P	P	P	P
October 25	P	A(ex)	P	P	P	P	A(ex)
October 26 (special)	P	A(ex)	P	P	P	P	A(ex)
November 2 (special)	A(ex)	P	P	A(ex)	P	A(ex)	P
November 8	P	P	P	P	P	P	P
November 22	P	P	P	P	P	P	P
December 13	A(ex)	P	P	P	P	P	P
December 27	P	P	P	P	P	P	P

P = Present

A = Absent

A(ex) = Absent (excused)

January 12, 2004

The Chehalis city council met in regular session on Monday, January 12, 2004, in the Chehalis city hall. Mayor Bob Spahr called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund; Dr. Isaac Pope, Fred Rider, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Jerry Boes, Acting Fire Chief; Dennis Dawes, Acting Police Chief; Becky Fox, Court Administrator; Rob Gebhart, Acting Deputy Fire Chief; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*, and Shawn O'Neil of KITI Radio.

1. **Swearing-in of Judy Schave as City Treasurer.** Judy Schave was sworn-in as city treasurer by Chehalis Municipal Court Judge Steve Buzzard.

2. **Swearing-in of Newly Elected and Re-elected Council Members.** Judge Buzzard administered the oaths of office for Dr. Isaac Pope, District No. 4, Terry Harris, District No. 1, and Tony Ketchum, District No. 3. Superior Court Judge H. John Hall administered the oath of office for Daryl Lund, District No. 2.

3. **Comments from Dr. Isaac Pope.** Dr. Pope stepped down from the council table and addressed the audience as a private citizen. He thanked the community, particularly the residents of the fourth district, for their overwhelming support in re-electing him to the council in spite of the attempted character assassination and false allegations made against him through unethical and unprofessional journalism. He stated that one of the things that bothered him was how the young people of the community would be impacted. He read a portion of an article from W.F. West High School's *C* Newsmagazine that he thought expressed what they felt. The statement read, "Chehalis School Board policy states that student publication must 'meet the standards of professional journalism as evidenced by the daily newspapers commonly distributed in the district.' This clause has caused concern for me lately, as I have seen overwhelming evidence that this newsmagazine would be putting itself in danger by following these standards." Dr. Pope thought adults could learn a lot by listening to children. He thanked the students for having the courage to raise their standards higher by doing the right thing.

4. **Election of Mayor and Mayor Pro Tem for 2004-2005.** Councilor Lund moved to appoint Fred Rider as mayor. The motion was seconded by Councilor Taylor. Councilor Pope moved to re-appoint Bob Spahr as mayor. The motion was seconded by Councilor Harris. Councilor Rider was elected four to three. Councilors Ketchum, Lund, Rider and Taylor voted for Fred Rider. Councilors Harris, Pope, and Spahr voted for Bob Spahr. Councilor Spahr congratulated Mayor Rider.

Councilor Pope moved to appoint Chad Taylor as mayor pro tem, but Councilor Taylor declined the nomination. Councilor Taylor nominated Tony Ketchum as mayor pro tem. The motion was seconded by Councilor Lund. Tony Ketchum was elected unanimously.

5. **Employee Service Awards.** Mayor Rider presented 10-year service awards to Firefighters Ted McCarty and Larry Allen.

Mayor Rider thanked Bob Spahr and Dr. Isaac Pope for their many years of service and hard work. He thought it was a good council that would go places and do things with seven very qualified men at the table.

6. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following items:
- a. Minutes of the regular city council meeting of December 22, 2003;
 - b. December 31, 2003, Claim Vouchers No. 73431 – 73563 in the total amount of \$1,192,593.46; December 31, 2003, Payroll Vouchers No. 21627 – 21788 in the total amount of \$565,973.30; and Transfer Voucher No. 1534 in the amount of \$3,330.31;
 - c. Award contract to Rakoz Electric in the amount of \$60,167.01 for the traffic signal lamp conversion to LED lamps;
 - d. Easement agreement between the city and the Weyerhaeuser Company for a stormwater detention area related to the new Veterans Memorial Museum; and

January 12, 2004

e. Fire Safe Families Project grant from the Children's Hospital & Regional Medical Center and Washington State Department of Health.

The motion was seconded by Councilor Pope. With regard to item "c", Councilor Ketchum thought the replacement project would be done over time. Tim Grochowski stated the project was always planned to be done all at once. He stated the project would reduce energy consumption by about 80%, and he added that LED lamps had a very low replacement rate. The motion carried unanimously.

7. **Citizens Business – World War II Memorial.** Bruce Longnecker (123 N. Market Boulevard #8, Chehalis) stated a WWII Memorial would be dedicated in Washington, D.C., on May 29 at 2:00 p.m. to honor the men and women who served in the armed forces and on the home front during the war. The CWO Robert M. Dowling Veterans of Foreign War Post 2200 and the PFC Milton F. Rosbach American Legion Post 22 planned to hold a ceremony to coincide with the dedication. He invited all to the ceremony and asked that a proclamation be issued designating the day as WWII Veterans Day.

8. **National Avenue Slope/Stability Evaluation.** Tim Grochowski reported on a portion of National Avenue south of the Chamber Way bridge that had been shifting over time. He requested authorization to hire a consultant to determine why the road was slipping. He estimated the cost of the consultant to be \$15-25,000. He indicated the area had been slipping for years and had been asphalted about 18 inches over time.

Councilor Pope asked if that was the same area in which the hillside slide across the road a few years ago. Mr. Grochowski stated it wasn't. The current slipping was farther north than the area Councilor Pope referred to.

Councilor Ketchum asked if the problem was the result of the tree cutting that took place on the hill on the opposite side of the road. Mr. Grochowski didn't think it was, but that would hopefully be something they would find out from the study. He noted the amount being requested today would not solve the problem, but it would hopefully tell staff which direction to go.

Councilor Spahr moved to authorize staff to contract with a consultant for a slope/stability evaluation of National Avenue at a cost not to exceed \$25,000. The motion was seconded by Councilor Ketchum.

Councilor Lund asked how much it would cost to repair the problem and he questioned whether it was really necessary since the area had been slipping for years. He asked if the money could be used to help the city get more traffic flow and people into town, specifically improvements to Chamber Way, which would result in more sales tax. Mr. Grochowski pointed out that National Avenue was a main road. Councilor Spahr added the problem could be something as simple as drainage, but it was something that needed to be looked at.

Councilor Harris asked who owned the property to the west of the road. He thought they might be interested in pitching in with the cost. Mr. Grochowski stated the property was owned by the railroad. The motion carried 6 to 1. Councilor Taylor voted against the motion.

9. **Water Service to Lewis County Water & Sewer District #5.** Dave Campbell stated last year the council conceptually approved entering into an interlocal agreement with the district for provision of water from the city on a wholesale basis. An agreement was being drafted and should be presented to the council in two weeks; however, there was one issue that staff wanted to bring to the council today for discussion and feedback as the agreement was being finalized.

Jim Nichols stated the city agreed in concept to provide wholesale water to the district and an agreement to provide up to 4,000 ERUs was being drafted. The district's request wouldn't cause a problem to the city or impair its ability to serve its customers. The issue today was what percentage of markup should be included in the agreement. The district would pay for the services provided by the city and their own infrastructure needs. And, because they were an outside entity, the idea of some kind of markup above and beyond the cost of providing the service was being investigated. Staff talked to other districts to see if there was a set percentage, but they couldn't find anything consistent.

Councilor Pope stated the city provided services to other entities outside the city and he asked if they could be used to determine an appropriate markup. Jim Nichols stated staff could use them to establish the base fee, but not the markup fee because the others being served outside the city were customers receiving full service versus the district receiving wholesale water. Mr. Nichols offered several scenarios on how to establish the markup. He indicated he had seen markups from 25% to 100%, but each situation was different and was why he wasn't recommending a like markup.

January 12, 2004

Councilor Pope asked if the markup rate would be reviewed in the future. Mr. Nichols suggested there should be some kind of review process. The district's rates would be based on the percentage of benefit they gained from the city's system, so if it cost the city more to make water the district's cost would go up accordingly.

Virgil Fox, representing the district, thought the district and the city essentially agreed on the proposed agreement, except for the issue at hand. With regard to reevaluating the percentage of markup, he stated the agreement provided for biannual review. Another issue brought up by the council related to how the basic rate would be established. He stated the agreement called for the rate to be based on the utility rate study currently being undertaken by the city. Mr. Fox stated the consultant doing the utility rate study indicated the appropriate way to establish the markup was to evaluate what services the district would be getting from the city. They would get the benefit of treated water and the water itself, but they wouldn't get the benefit of the things related to maintaining the rest of the system. Mr. Fox stated because it seemed a little ambiguous as to how they were going to arrive at a markup cost, and because he knew and agreed the city would want some benefit to accrue to their customers, he thought there should be some small additional amount on top of whatever the base cost was. However, they could find no real percentage for what it might be. He thought it was really a matter of the council's discretion of what they felt was fair. Mr. Fox added that Jim Nichols had been excellent to work with, was extremely professional, was prompt in getting back to him, and discussed all the issues in a straight-forward manner.

Councilor Pope thought the council needed some kind of basis to make an informed decision. Councilor Ketchum agreed. Mr. Fox stated he didn't disagree, but he questioned where they would find that information.

Jim Nichols didn't think the utility rate study would look at the particular issue at hand. He thought Councilor Pope's comment was valid, but they really had no information to base it on. He stated the city was setting a precedent and he didn't want the council to make an uninformed decision. He suggested that council tell staff what types of things they would like researched and he would then report his findings in two weeks.

Mayor Rider asked what the approximate cost of the base rate would be, and what the rate would be to the district's customers. Dave Campbell stated the city wouldn't set the rate for their customers. The city's rate would apply to the district as one customer. Mayor Rider understood that, but as far as use, the district would use a certain number of gallons of water and have a certain number of customers. He didn't think the district wanted to end up having the highest water rates in the country, so he thought the city had to set a percentage rate at a level that allowed Mr. Fox to charge a reasonable rate for his water.

Councilor Ketchum asked if staff looked at other entities' base fees during their research. Jim Nichols stated he didn't go to that level of detail because others' rate structures could be totally different from the city's.

Councilor Spahr pointed out that comparing the 8.7% higher rate on consumption charged to customers outside the city limits was comparing apples to oranges as far as the proposed markup for the district because they were talking about very different levels of service.

Jim Nichols stated he would research the additional information addressed by the council, including a rough breakdown of the costs the city would be looking at, the cost of service the district would benefit from, a potential bill for the district, and how other entities' billing systems worked.

Mr. Fox suggested the city use its consultant to do some of the work. Jim Nichols stated he got some information from the consultant, but anything else would probably be beyond the scope of the current contract. He stated he would check to see if the consultant had any information readily available, and he suggested that the district could consider funding additional work on their part. Mr. Fox agreed they needed to find a more analytical approach and he would be willing to help fund additional work.

Jim Nichols stated he would work out the details with the district. He didn't think they could get everything done in two weeks, but staff could present the agreement in two weeks with the understanding that they continue work on establishing a markup cost. Mr. Fox thought that was a good suggestion and the council concurred.

10. **Police and Fire Services Reorganization.** Dave Campbell stated that with completion of the police and fire services consolidation study with Centralia, and, with the election of new council members, it was timely to address the city's own internal police and fire structure. For the past 12 years the city operated a consolidated police and fire services department with one chief and two deputies over each division. Mr. Campbell reviewed three proposed options for reorganization. He

January 12, 2004

recommended that the council approve the third option that would create two separate departments with a chief over each, but have only one of those two departments with an assistant/deputy chief, at least for the time being. He indicated the third option was affordable in that the number of management level positions was the same as budgeted for 2004. However, it would provide one of the two departments with less management depth. If the council approved the proposed option he recommended that for 2004 the assistant/deputy chief position be created for the fire department. He explained there was more office staff available on the police side than on the fire side. In addition, the fire services division had things like fire code enforcement and building plans review, and the differences in work schedules required a little bit more consultation between a chief and an assistant/deputy chief. Mr. Campbell stated he wasn't saying that an assistant/deputy police chief wasn't important in the long run; it was. But, financially for 2004 it was not something they could move toward, unless other positions in the budget were eliminated elsewhere, or if comparable expenditures were cut.

Councilor Ketchum moved to approve separating the police and fire services department into two separate departments, with new chief of police, fire chief, and assistant fire chief positions, and to direct staff to prepare the necessary ordinances and initiate other administrative steps to implement that reorganization. The motion was seconded by Councilor Spahr.

Councilor Harris stated he met with Chief Dawes, Chief Boes, and other employees and he agreed the third option was the best and the one recommended by those he talked to.

Councilor Spahr stated he was concerned when the departments were combined 12 years ago because it was hard to hire someone with both backgrounds. He stated Randy Hamilton was good in the position because he had experience in both fields. Councilor Spahr supported the third option.

Mayor Rider suggested the ordinance be drafted to provide for an assistant police chief position so it wouldn't have to be changed when and if the city was to have that position. The motion carried unanimously.

11. **Staff and City Council Reports.**

a. **Valley View Pump Station Upgrade.** Mark Petrie provided a status report on the Valley View pump station project located on Prospect Street that supplied water to the Valley View and Alderwood developments. The station currently didn't meet confined space issues or reliability. He hoped the project, designed by Brown and Caldwell, would be put out to bid in March. A neighborhood meeting was held in December to inform the area residents about what the new station would look like and to get their feedback. The meeting was unattended so staff planned to schedule another one this month. Mr. Petrie stated the existing station was kind of falling apart, the electrical panels were in need of upgrades, and confined space issues needed to be addressed.

Councilor Pope asked if the upgrade would improve fireflows in the area. Mr. Petrie stated it wouldn't, but fireflow issues were being addressed in the city's draft water system plan currently under review by the state department of health.

b. **Fire-related Grants.** Marilyn Riebe stated the grant accepted by the council today was worked on by she and Captain Brian Slater for a new program called "The Sound That Saves" detector program. The grant was for 100 smoke detectors, \$1,500, and training. The program would target the elderly and hearing impaired. She explained that in older apartment buildings detectors were sometimes removed by prior renters or the batteries hadn't been changed, which caused a real life-safety hazard. The city was also notified recently that it would receive a third FEMA grant for specialized computers and software for installation in vehicles. Jerry Boes stated the software program would provide instant mapping, hydrant locations, addresses, etc. Staff planned to install their pre-fire plans on the computers so they could see the layout of the building they were responding to. He also hoped that sometime down the road they could tie into the dispatch center. Chief Boes stated that Captain Slater left information in each council member's mail box about the program.

Councilor Pope asked if the maps being used for the mapping system would be reviewed prior to their use. Chief Boes indicated they already did that with help from the Lewis County GIS mapping department.

c. **Upcoming Events.** Dave Campbell stated the Centralia-Chehalis Chamber of Commerce annual banquet would be held on January 16, and the Lewis County EDC's annual banquet was set for January 29. He asked council members to contact Caryn Foley if they planned to attend.

January 12, 2004

d. **Council Committee/Board Assignments.** Dave Campbell stated the agenda included a list of various committees and boards, many of which included elected officials. He asked the council to review the list at their next meeting, and if any council member was interested in being on a committee or getting off a committee, they should contact him.

e. **Comments from Councilor Harris.** Councilor Harris thanked the council and city staff for making him feel more than welcome. He stated he was able to tour city facilities and added it was nice to see that the city had good people in place doing good jobs.

f. **Utility Rate Study.** Dave Campbell reported the citizens' utility rate study advisory committee met several times and was now ready to schedule a work session with the council. The council agreed to meet on February 3 at 5:00 p.m. at the community services activity building.

g. **Library Improvement Project Kickoff.** Councilor Lund asked if the library improvement project kickoff campaign had been rescheduled yet. Corine Aiken stated it had not, but she would keep the council informed.

12. **Executive Session.** Mayor Rider announced the council would convene into executive session at 4:20 p.m. after a five minute recess beginning at 4:15 p.m. pursuant to RCW 42.30.140(4)(a) – collective bargaining, for about 15 minutes and there would probably be a decision following conclusion of the executive session. Following conclusion of the executive session, Mayor Rider reopened the regular meeting at 4:35 p.m.

13. **Change in Dental Insurance Plan Carriers for Firefighters Union.** Councilor Taylor moved to authorize staff to prepare contract language and submit the necessary paperwork to switch the firefighters' dental insurance coverage from AWC Plan B to Teamsters Welfare Trust Plan A. The motion was seconded by Councilor Ketchum and carried unanimously. Mayor Rider indicated the change would save the city a little money.

There being no further business to come before the council, the meeting was adjourned at 4:36 p.m.

Mayor

Attest:

City Clerk

January 26, 2004

The Chehalis city council met in regular session on Monday, January 26, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund; Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Rob Gebhart, Acting Deputy Fire Chief; Mansoor Ghorbani, Supervisory Engineer; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

a. Minutes of the regular city council meeting of January 12, 2004;

b. December 31, 2003, Claim Vouchers No. 73564 – 73567, 73569-73578, 735580, 73582 – 73716, and 73718 in the total amount of \$818,675.92; and

c. Acceptance of FEMA assistance to firefighters grant award in the amount of \$17,164 for the purchase of three computers and specialized software.

The motion was seconded by Councilor Ketchum. With regard to item “c”, Mayor Rider asked if the specialized computers had to be purchased from a certain vendor or would local businesses have the ability to bid on the equipment. Jerry Boes stated staff would check to see if a local vendor could supply the equipment.

Councilor Harris asked what happened to excess grant funds if the price of the equipment came in under the award amount. Marilyn Riebe stated the city could request an amendment to apply the funds to the project. The motion carried unanimously.

2. **Council Committee Assignments.** Mayor Rider stated the list of assignments was distributed to the council to seek interest on which committees they would like to serve on. He indicated that he and Dave Campbell reviewed and were recommending appointments to those committees that more than one council member expressed interest in. Councilor Ketchum moved to approve the council committee assignments. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Resolution No. 1-2004, First Reading – Concerning Proposed Streamlined Sales Tax Legislation.** Dave Campbell stated the council recently heard a report from Councilor Harris about proposed streamlined sales tax (SST) legislation intended to try to convince Congress to allow sales taxes to be applied to “remote” sales (e.g., Internet and out-of-state catalogs) which were now exempt from state and local sales taxes. The state of Washington administration through the Department of Revenue was pushing the legislation so Washington could be one of the states on the ground floor to right the rules for all the other states. Mr. Campbell stated that regardless of the arguable prospect for how the future SST may occur on a national basis there was a bill in Olympia this session that would change the state law regarding how sales taxes were collected. The proposal related to sourcing and would specifically change sales tax collections from the point of sale to the point of delivery. Estimates were done as to the impact to cities and counties if the sourcing rule was changed and they showed that Chehalis stood to lose \$93,000 to over \$200,000 a year in sales tax revenue. Mr. Campbell stated a resolution was drafted to oppose the legislation. It provided that if the state legislature found it necessary to pass the legislation it should include mitigation for those cities that would lose revenue, and if it ever came into effect it be made concurrent with the national legislation.

Councilor Harris noted the issue was on the agenda for the AWC legislative action conference.

Councilor Spahr moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Spahr then moved to adopt Resolution No. 1-2004 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously. Mayor Rider stated he was asked to sign a letter, along with numerous other mayors opposing the SST initiative, and would do so if there were no objections.

4. **Administrative Services Organization and Service Agreement with Puget Sound Public Employers for Labor Contract Negotiations and Related Services.** Dave Campbell stated that following the resignation of the former administrative services director, Judy Schave was serving as the interim director, as well as doing her own job, which was becoming difficult.

January 26, 2004

Mr. Campbell outlined his recommendations on staffing the vacancy and the potential reorganization of the administrative services functions. He recommended taking advantage of existing talents, skills, interests and abilities among city hall staff. He proposed changing the titles of administrative services director, finance manager, and city clerk to city clerk, human resources director, and finance director. It would include the same number of positions, but the responsibilities and areas of emphasis would be different. The recommendation was based in part that the consolidated administrative services director position made it difficult to do both finance and human resources well, and it was also a bit more difficult to recruit for a consolidated position. He recommended the council pass ordinances and eventually approve salary ranges for the new positions.

Mr. Campbell further recommended that the city have an outside person or firm act as the lead spokesman for contract negotiations with all bargaining units. He indicated the negotiation process could be contentious and difficult to preserve important working relationships at times. In checking with other jurisdictions that have had experience or were currently working with a firm or individual outside their city he came across a couple, Mike and Bette Meglemre, who owned Puget Sound Public Employers. He suggested that their firm be the primary spokesman for the city, although other city staff would certainly sit in on negotiations. Mr. Campbell emphasized that whether negotiations were done in-house or outside the city, the negotiation group would ultimately take its direction from the city council. He indicated that he found the couple to be very accessible and knowledgeable, and certainly not overbearing.

Councilor Ketchum moved to approve the administrative services reorganization described in Option 2A as outlined by the city manager, including authorization for the city manager to execute a service agreement with Puget Sound Public Employers for labor contract negotiations and related services. The motion was seconded by Councilor Spahr.

Councilor Lund thought negotiations were normally the job of the city manager. He thought bringing in people from the outside could cause some consternation and lack of moral. Dave Campbell stated he acted as the city's lead negotiator several years ago, so his experience and training was not current. He indicated the city attorney and administrative services director had also been involved in that position in the past. Mr. Campbell stated the purpose of having outside negotiators was certainly not to alienate anybody. It was intended to have outside people take direction from the city council on tough or difficult issues because they didn't have to work with employees on a daily basis. It would also bring some outside experience and expertise that city staff didn't have. He reiterated it was a process that had become a field of expertise that went beyond staff's abilities.

Councilor Taylor stated he had some of the same concerns as Councilor Lund. In calling some of the firm's references he found that about half of them had either gone to or were currently in arbitration. He stated he had no problem with the proposed reorganization itself, but he wanted to meet the couple.

Councilor Ketchum stated the city would be treading on new ground during the next contract negotiations and he agreed there needed to be an outside perspective, but he agreed it might be good to meet the couple.

Mayor Rider suggested the issue be tabled and the couple be invited to attend the next council meeting.

Councilor Ketchum suggested the council vote separately on the two proposals. Dave Campbell stated he would like both issues resolved at the same time because it could change his recommendation.

Councilor Spahr agreed it was hard to do negotiations internally, but having outside negotiators could be both good and bad. He agreed with meeting the couple to talk about their philosophy on negotiations. Councilor Spahr moved to table the issue until the next council meeting and to invite the Meglemres to attend the meeting. The motion was seconded by Councilor Taylor and carried unanimously.

5. Staff and City Council Reports.

a. **Final 2002-03 Council Goals Status Report.** Dave Campbell stated the final report was included in the agenda. He requested the council set a date and time to begin the 2004-05 goal-setting process.

Councilor Ketchum stated he would like a representative from Comcast, the city's cable television provider, to attend a council meeting to discuss customer service issues.

Mayor Rider asked when Dan Schooler from Waste Connections was scheduled to come back to the council. Dave Campbell stated he was scheduled to address the council in February about automated collection service.

January 26, 2004

The council agreed to meet on February 5 at 5:00 p.m. to begin the 2004-05 goal-setting process.

b. **Community Rating System (CRS) Annual Recertification**. Bob Nacht stated the CRS program was a national program operated by FEMA to reduce flood damage in flood-prone areas. Certain activities done by local jurisdictions provided credit points, which resulted in reductions in flood insurance premiums.

Bobbi Boone, community service's land use technician, reported she was able to get additional points for a 20% reduction in flood insurance premiums. The council thanked Ms. Boone for her diligence and hard work in attaining the additional points to reduce premiums. Ms. Boone indicated she was able to accomplish the 20% reduction with help from public works and community services staff. Dave Campbell added that a number of private property owners, as well as the city, could stand to see reductions in what they would otherwise pay for their flood insurance as a result of the better rating.

Bob Nacht noted the FEMA fiscal year started October 1, so the rates wouldn't be effective until then for those who applied for and received flood insurance, or who renewed an existing policy through FEMA.

Councilor Rider asked how Chehalis rated compared to other communities. Bob Nacht stated there wasn't a listing of individual jurisdiction's ratings because some were still going through the process. However, staff was in contact with the county and Centralia about what they were doing and how Chehalis could capitalize on shared points. He noted that some of Chehalis's points were actually shared with the county.

c. **Flag Donations**. Jim Nichols reminded the council that the public works department displayed American flags periodically throughout the year and some needed to be replaced. He stated people could make contributions to an account at city hall or make a tax-deductible contribution to The Chehalis Foundation for flag replacement.

d. **Date for Roundabouts Field Trip**. Jim Nichols requested the council set a date to go to Gig Harbor for a tour of roundabouts to give the council an opportunity to see them in action in a manner similar to what may occur on Chamber Way. The council would be joined by WSDOT representatives and interested community members. The council agreed to travel to Gig Harbor on February 20 leaving Chehalis at 9:00 a.m.

e. **Meeting Reminders**. Dave Campbell reminded the council about upcoming conferences and meetings.

f. **City Council Meeting Time**. Councilor Taylor stated that when he was running for office one of the main things he heard was that the council meeting time needed to be changed to a time when people who worked could come. He indicated that people had to take time off of work to attend council meetings. He added that others couldn't even get time off to come to a meeting. He believed elected officials needed to be available to their constituents and he moved that the council direct staff to prepare an ordinance to move the meetings from the second and fourth Mondays at 3:00 p.m. to the second and fourth Mondays at 6:00 p.m. starting in June. The motion was seconded by Councilor Lund.

Councilor Pope asked at what cost that would be to the city. Dave Campbell stated there wouldn't be any staff costs because most of the staff that attended council meetings were managers and mid-managers who were FLSA-exempt, although there might be employees who were eligible for overtime that would be required to attend meetings, but he didn't think that would be very often. He suggested there might be increased costs to the retainer agreement with the city attorney, and some FLSA-exempt employees might qualify for additional executive leave that was provided to them for the extra hours they work.

Councilor Pope asked if Councilor Taylor expected to see more residents at night meetings. Councilor Taylor didn't expect anything, but he expected the council to be more accessible if citizens did want to come.

Councilor Spahr stated evenings meetings were actually better for him, but he pointed out that council members had many other committee meetings in the evening, along with special council meetings. Councilor Spahr moved to amend the main motion to change the meetings to the second and fourth Tuesdays of the month. The motion was seconded by Councilor Pope.

Councilor Harris thought there was a lot to consider and prepare for with having evening meetings. He stated he had seen evening meetings turn into fiascos simply because they were so accessible. He suggested the council think about having one meeting early and one meeting late to help satisfy some of the business community. He also suggested the council consider putting a time limit on public presentations. It was noted that the council didn't have to let anybody speak at council meetings, but they did so out of courtesy, and if the council decided to impose a time limit they could.

January 26, 2004

Councilor Spahr stated there were several city commission meetings that took place in the evening and that could create a problem. Mayor Rider commented that change caused problems, but you just had to adjust to it.

The amendment to the main motion carried unanimously. The main motion, as amended, carried 5 to 2. Councilors Pope and Spahr voted against the main motion. Mayor Rider reiterated that beginning in June council meetings would take place on the second and fourth Tuesdays of the month at 6:00 p.m.

g. **Comments by Councilor Pope.** Councilor Pope stated that Bob Spahr had recently been labeled as arrogant by the local newspaper's editorial board, but indicated that since he had been on the council he had never known Bob Spahr to be arrogant during his term as mayor. He thought Bob Spahr had provided a great service to the city as mayor and he never saw him disrespect anybody. He stated the editorial board indicated that the newspaper had a monopoly on what it printed and how a story was told. Councilor Pope thought that whoever read that statement could decide who was arrogant. He apologized to Councilor Spahr because he thought he was attacked primarily because he supported Dr. Pope.

h. **Chehalis Basin Partnership.** Councilor Spahr reported on the January 23 partnership meeting that he and Patrick Wiltzius attended.

i. **Jefferson Award.** Mayor Rider stated he received a letter from the Seattle P-I for nominations for the Jefferson Award, which was an award that Dr. Pope was the recipient of.

6. **Executive Session.** Mayor Rider announced the council would convene into executive session at 4:30 p.m. after a short recess beginning at 4:23 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, and there would no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 5:02 p.m.

There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

February 3, 2004

The Chehalis city council met in special session on Tuesday, February 3, 2004, at the Chehalis community services activity building. The work session began at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Fred Rider, Bob Spahr, and Chad Taylor. Councilors Tony Ketchum and Dr. Isaac Pope (excused) were absent. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*. Members of the utility rate study citizens advisory committee present included Steven Bates, Todd Christensen, Tom Guyer, Bill Lotto, and Jim Rothlin. Dick Riley and Mike Marshall from Gibbs & Olson were also in attendance.

1. **Executive Session.** Mayor Rider announced the council would convene into executive session at 5:00 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the special meeting was reopened at 5:33 p.m. A short recess was taken until 5:40 p.m.

2. **Water, Wastewater, and Stormwater Utility Rate and Capital Facilities (Connection) Charge Study.** Steven Bates stated several meetings were held between city staff, the citizens advisory committee, and the consultant, John Ghilarducci of the FCS Group, Inc. He stated the main function of the study was to recommend rate increases.

John Ghilarducci indicated that major policy issues were identified, summarized into issue papers, and recommendations were ultimately developed, which guided the technical rate/connection charge analyses.

Several options were discussed, including doing nothing, continuing forward with increasing rates, or looking at other options. As a group they wanted to look “outside the box” and review other alternatives.

Dick Riley offered his services at no charge to review the current status of completed work on the wastewater treatment plant. He indicated that might possibly help the city to better determine the work and costs remaining to finish the project in the required time allowed.

Mayor Rider indicated he would talk with Dave Campbell about setting up a committee to continue review of potential alternatives.

The work session concluded at 7:30 p.m.

Mayor

Attest:

City Clerk

February 5, 2004

The Chehalis city council met in special session on Tuesday, February 5, 2004, at the Chehalis community services activity building for the purpose of holding a work session to begin development of 2004-05 council goals. The work session began at 5:05 p.m. with the following council members present: Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Fred Rider, and Chad Taylor. Councilor Terry Harris arrived at 5:10 p.m. and Councilor Bob Spahr arrived at 5:07 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the news media were in attendance.

1. **Initiation of 2004-05 City Council Goal-setting Process.** Dave Campbell recapped the council's 2002-03 goals. The council then shared their ideas for possible goals for 2004-05. Dave Campbell also reviewed a list of potential goals from the staff perspective. The council agreed to hold another work session on February 10 at 5:00 p.m. to continue the goal-setting process.

The work session concluded at 7:00 p.m.

Mayor

Attest:

City Clerk

February 9, 2004

The Chehalis city council met in regular session on Monday, February 9, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Daryl Lund; Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Becky Fox, Court Administrator; Rob Gebhart, Acting Deputy Fire Chief; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Employee Service Awards.** Mayor Rider presented a five-year service award to Public Works Director Jim Nichols and a ten-year service award to Accounting Technician Betty Dorris.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

a. Minutes of the regular city council meeting of January 26, 2004; and

b. January 30, 2004, Claim Vouchers No. 73568, 73579, 73581, 73717, 73719 – 73849 in the total amount of \$706,102.67; January 30, 2004, Payroll Vouchers No. 21789 – 21942 in the amount of \$529,975.00; and Transfer Voucher No. 1537 in the amount of \$5,047.05.

The motion was seconded by Councilor Ketchum and carried unanimously.

3. **Citizens Business – Base Charges for Sewer Service.** John and Carmen Bartlett (106 Literal Road, Chehalis) addressed the council about their rental home at 739 SW Pacific Avenue. A fire took place at the home on November 14 and there was currently no plumbing in the house. They asked if the base charges for sewer could be eliminated until service was reestablished, which they expected to be in May.

Following discussion about the reason for base rates, Councilor Spahr moved to adjust the sewer base rate from December 2003 to May 2004, or until completion of the remodel. The motion was seconded by Councilor Pope and carried unanimously.

4. **Citizens Business – Lewis County Historical Bike Ride.** Rose Spogen (174 Yates Road, Chehalis) announced the Lewis County Historical Bike Ride would be May 8. They planned to have the same routes as in previous years. She asked for the city's assistance if needed.

5. **Citizens Business – Classic Casino & Bistro Promissory Note for Payment of Delinquent Gambling Taxes.** Mr. Michel Rey, owner of the Classic Casino & Bistro, was not in attendance.

6. **Agreement for the Provision of Water to Lewis County Water & Sewer District #5.** Jim Nichols stated the issue followed up on discussion of the agreement from a month ago, including the markup percentage for providing water service to the district. He indicated they were still working on that specific issue. He asked that the council approve the agreement was to form and content. The agreement provided that the city provide the district water service for 20 years (to coincide with the city's water system plan update) plus subsequent extensions. The agreement was reviewed by the city's attorney, as well as legal counsel for the district. In addition, he requested the council authorize staff to contract with FC\$G to determine the markup factor for the agreement. The work would be paid for by the district.

Councilor Lund asked how soon the consultant could make a recommendation. Jim Nichols hoped it would take no more than a month or two.

Mayor Rider wasn't sure what the word "incentive" meant with regard to number 3 under section 14 on page 5. Jim Nichols explained it related to the markup factor. Bill Hillier suggested a better word might be "consideration."

Mayor Rider stated the agreement provided that the district would have the right to renew the agreement for additional 20-year periods on the same terms as the initial 20-year agreement. He wondered if the city wouldn't want to have some kind of

February 9, 2004

ability to negotiate at that point. Councilor Spahr agreed and added it not only related to money, but water availability or other problems that could arise. Jim Nichols stated those types of situations were covered in the agreement. The agreement didn't provide for specific dollar values, but instead addressed the types and costs of issues that would be factored in. The district also wanted some surety that water would be available to them in 20 years.

With regard to section 10 of the agreement relating to the district's emergency conservation measures, Councilor Spahr didn't see anything that addressed the district's storage capabilities. Jim Nichols stated that was purposely left out because the city's responsibility was to supply water to the district. How they handled it from that point was up to them and contingent upon the district's water system plan.

Councilor Pope asked if they currently had wells. Jim Nichols indicated they did.

Mayor Rider stated the agreement provided there would be no discrimination against the district in favor of Chehalis customers during a shortage. He commented that the city's first concern was to provide water to Chehalis citizens. Jim Nichols stated the provision was certainly at the council's discretion, but the language was included because the district was agreeing to share in whatever mitigation was necessary during a water shortage.

Bill Hillier stated the agreement was drafted by the district. Since there were several minutiae that apparently still needed to be addressed, he suggested the agreement be referred to the council's GMA committee for review and present their recommendations to the full council.

Virgil Fox, representing the district, addressed the concerns brought forward by the council, including those relating to conservation measures, storage, the term of the agreement, and obligations of the district.

Councilor Harris stated he could see both sides of the issue and he wanted to make sure there was a smooth transition in 20 years when the agreement was up for extension.

Councilor Lund was concerned about future homeowners' abilities to secure home loans with the agreement being only for a 20-year term. Mr. Fox indicated that was why they needed to know that water would be available and was why they originally asked for a 40-year or longer agreement.

Mayor Rider directed that the matter be referred to the council GMA committee and he invited Mr. Fox to attend.

Councilor Harris moved to approve contracting with FC&G to determine the markup factor for the agreement and that all costs be paid by the district. The motion was seconded by Councilor Taylor and carried unanimously.

7. Challenges to Annexation Action by City of Napavine. Bill Hillier excused himself from discussion on the item due to a conflict of interest. Dave Campbell stated the Napavine city council passed an ordinance annexing property at the southern end of Hamilton Road west of I-5. It was contiguous to Napavine, but was included in the Chehalis urban growth area (UGA). It appeared there was a legal question as to whether or not that action was sustainable on Napavine's part. It was also questionable as to whether the proper study or consideration was done for changing the UGA designation. He suggested those two general lines of thought be pursued legally in two different venues, along with other potential grounds for challenging the action that would be raised by Loren Combs, a city land use attorney, to be potentially retained by the city. At the same time he believed the council wanted to be open to negotiating a settlement to the issue before any legal decision was rendered by either Lewis County Superior Court or the state Growth Management Hearings Board.

Jerry Graham (370 Hamilton Road, Chehalis) spoke on his own behalf, as well as Betty Hamilton's, about the properties in question. He stated he and Ms. Hamilton petitioned Napavine to annex their properties because there were already three sewer hookups on the Napavine portion that were serviced by Napavine. Their community well (also on the Napavine side) furnished water to several area businesses. He stated that getting building permits was difficult because the properties were split between two different jurisdictions. The cost of installing a sewer line was also an issue. Ms. Hamilton's property was right next to Napavine and she wanted to be in Napavine, and being the only voting member on the property, she petitioned Napavine to annex the property.

Councilor Pope moved to authorize the city manager to sign the engagement letter for legal services from Mr. Loren Combs, and authorize Mr. Combs to file the appropriate and necessary legal challenges to the City of Napavine's annexation

February 9, 2004

action. Inherent in his motion was the expectation that Chehalis officials also explore the possibility of a negotiated settlement with Napavine's representatives during the coming weeks. The motion was seconded by Councilor Taylor and carried unanimously. Bill Hillier returned to the council room.

8. Staff and City Council Reports.

a. **Policy on Use of Public Property for Private Displays.** Bob Nacht provided a recommendation in response to questions that were raised about the use of city property for putting up a religious display on city property. Staff determined it might be appropriate to incorporate that type of a review and approval process into the city's existing development regulations, which already addressed a number of different uses of public property. He stated proposed language was included in the agenda relating to the review and permitting process for use of public property. The agenda also included a new appendix providing for the criteria by which the proposal would be reviewed. Mr. Nacht stated the proposal would be brought to the council through the annual growth management comprehensive plan and development regulation review process.

Councilor Spahr stated the proposal required a detailed site development plan and he asked what level of detail would actually be required. Bob Nacht stated a site plan would identify exactly where a display would be placed so staff could identify issues such as underground irrigation pipes, buried tanks, etc. The elevation requirement would give staff an idea of what the display would actually look like when it was on public property.

Councilor Spahr asked if it would include the downtown holiday decorations. Bob Nacht indicated it wouldn't. The decorations were located upon public right-of-way and the proposed regulations specifically excluded public rights-of-way and public parks because they were regulated through different administrative procedures.

Councilor Spahr moved to direct staff to prepare amendments to chapter 17.93 of the development regulations and the appendices, as presented, for the council's consideration during the annual growth management review and revisions process. The motion was seconded by Councilor Taylor and carried unanimously.

b. **Curbside Yard Waste Collection Service.** Dave Campbell stated the city received a letter from LeMay, Inc., stating their interest in starting a curbside yard waste collection service in Chehalis. Staff notified Waste Connections, the city's current solid waste hauler, about LeMay's proposal and invited them to comment or express their interest, but he hadn't yet heard back from them. He asked for the council's feedback as to whether or not it was something they wanted staff to pursue and in what fashion. He stated the city had a yard waste collection site at Hedwall Park, which had been operated for several years. That level of yard waste collection was available to people in Chehalis and required an annual permit.

Councilor Spahr didn't have a problem with it. It appeared LeMay was asking for the council's consent to allow them to collect yard waste on a voluntary basis and to negotiate with customers on an individual basis instead of negotiating with the city for citywide service.

Councilor Pope didn't think LeMay's proposal would interfere with the service currently being provided by Waste Connections.

Dave Campbell and Bill Hillier believed the city could either negotiate an amendment to the current solid waste contract with Waste Connections to allow them to provide the service, or the service could be put out to bid.

Councilor Harris stated customers were currently having problems with the size of the new solid waste containers. He wondered what kind of problems would be created if people used their yard waste containers for solid waste disposal.

Mayor Rider asked if allowing LeMay to provide the pilot program for one year would conflict with the city's agreement with Waste Connections. Bill Hillier advised the city could probably negotiate with LeMay just as they could with Waste Connections, but the problem was that the past council didn't include a curbside yard waste program when they negotiated the current contract with Waste Connections because of the Hedwall Park yard waste program. The city had a contractual obligation to Waste Connections to keep the Hedwall Park program in place. He suspected that if the city negotiated with LeMay and they started a curbside program that took away a "profit" from Waste Connections on the Hedwall Park program, there may be an issue, but he didn't see that as an issue. He thought the service could be put out to bid, negotiated with a contractor, or the council could determine that the Hedwall Park program was sufficient.

February 9, 2004

Mayor Rider knew that Waste Connections was not getting full dollar value for the program at Hedwall Park because one person would buy a permit and haul for several others, and there were probably folks that couldn't use the current program.

Councilor Spahr stated they were talking about a pilot program. He didn't understand how they could negotiate with a contractor like LeMay for house-to-house yard waste collection when a franchise was required for garbage. Bill Hillier explained that under state law and city ordinance yard waste was not part of the waste stream that was required to be picked up under the city's mandatory collection ordinance.

Councilor Taylor didn't have a problem with the concept, but he asked how a contractor could do something like that. It wouldn't be something that was required so they wouldn't know how many people would participate, which determined what rate would be paid.

Mayor Rider stated that if LeMay was willing to do the program as a pilot project they might be willing to share what their costs were with the city and the city could then determine if it was something the city might want to consider, as long as it didn't conflict with the agreement with Waste Connections.

Councilor Pope asked why the city should be involved if it wasn't going to be a citywide program.

Councilor Spahr stated the theory behind the franchise for solid waste collection was for the contractor to pay for the maintenance of the roads for having their heavy trucks go over them on a weekly basis.

Bill Hillier advised that the council could set a policy that the city wasn't going to get involved in yard waste collection beyond the Hedwall Park program that was currently in place. If LeMay, or any other person, wanted to solicit business through appropriate measures, so be it.

Corine Aiken stated the same presentation was made to the city of Centralia. LeMay needed a minimum customer base of 700 and for that it would cost \$7.60 per month for pickup every other week.

Bill Hillier recommended the council direct staff on what policy they wanted to establish. Mayor Rider directed that the matter be referred to staff for further discussion with LeMay, keeping in mind the issues discussed by the council today, specifically the city's desire to not be involved in anything beyond the current Hedwall Park program.

c. **Wastewater Division Reports.** Patrick Wiltzius stated the wastewater division was required to submit numerous reports to the Department of Ecology every year. After creating the various reports staff decided to put them together into one document, which they had done for the last five years. It provided a lot of detail and was helpful if staff had to refer back to anything. He noted there were only five permit violations as compared to over 20 last year. The violations were for the monthly average of ammonia, which the operators had no control over.

d. **Petitions for Amendment to the Comprehensive Plan and Development Regulations.** Bob Nacht spoke about the annual process for petitions for amendments to the comprehensive plan and development regulations. He stated 20 petitions were filed last year. The window of opportunity for filing petitions opened on February 1 and would run through March 31. He stated the council would receive all of the petitions during the review process according to the schedule that was included in the agenda. Last year the council waived filing fees for the petitions because it was actually the first year after the initial adoption, however, fees would be collected this year.

e. **Meeting Reminders.** Mayor Rider stated that as a result of the special city council meeting on February 3 concerning the utility rate study he put together some notes on what he heard the council's thoughts to be. He asked that the council review the list during their special meeting on February 10.

Councilor Spahr asked if there were cost estimates for any of the suggested items. Dave Campbell indicated there were no estimates for the issues that would presumably be done by consulting or engineering firms.

f. **Chronicle Editorial.** Councilor Spahr clarified some information that was included in a recent editorial in *The Chronicle*. It stated the cost of the city's sewage treatment plant had grown to \$56 million from \$32 million. Patrick Wiltzius thought there had been a misunderstanding when the FC\$G consultant presented figures during the council's February 3 special meeting. He stated the capital improvement plan total was \$56.6 million. That included at least \$15 million relating to potential

February 9, 2003

inflow and infiltration (I&I) issues that may need to be addressed in ten to 15 years whether they went regional or not. In addition, the Prindle and Riverside pump stations had to be done whether they went regional or not, which brought the figure of \$56 million down to the original estimate for the treatment plant, which was currently \$32 million.

g. **AWC Conference**. Councilor Harris stated he attended the AWC Welcome to City Hall workshop. He stated it was very worthwhile and he recommended that all council members attend.

9. **Executive Session**. Mayor Rider announced the council would convene into executive session at 4:35 p.m. for about 20 minutes after a short recess pursuant to RCW 42.30.140(4)(b) – collective bargaining, and there would be action taken following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 5:18 p.m.

10. **Administrative Services Organization and Service Agreement with Puget Sound Public Employers for Labor Contract Negotiations and Related Services**. Councilor Pope moved to approve the administrative services reorganization as proposed by the city manager, including authorization for the city manager to execute a service agreement with Puget Sound Public Employers for labor contract negotiations and related services. The motion was seconded by Councilor Spahr and carried 5 to 1. Councilor Taylor voted against the motion.

There being no further business to come before the council, the meeting was adjourned at 5:19 p.m.

Mayor

Attest:

City Clerk

February 10, 2004

The Chehalis city council met in special session on Tuesday, February 10, 2004, at the Chehalis community services activity building for the purpose of holding a work session to continue the 2004-05 council goal-setting process. The work session began at 5:05 p.m. with the following council members present: Tony Ketchum, Daryl Lund, Dr. Isaac Pope, and Fred Rider. Councilor Terry Harris arrived at 6:20 p.m.; Councilor Bob Spahr arrived at 6:05 p.m.; and Councilor Chad Taylor arrived at 5:20 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Utility Rate Study.** The council discussed a list of ideas compiled by Mayor Rider relating to how he perceived the council's thoughts to be and what direction they wanted to go following presentation of the utility rate study completed by FC\$G during a special city council meeting on February 3. In his memo to the council he suggested that, based on the projected revenue needs and potential user fee impacts laid out by FC\$G over the next three to six years for the city's three utilities (water, stormwater, and wastewater), the council should initiate a review of the factors that were driving those costs, and consider other possible means of helping to pay for them. The general ideas included a management audit of the utilities' operating effectiveness and efficiencies; a review of the capital plans for each of the utilities; for the wastewater utility, a legal and technical review of how the city got to the point they were at relating to TMDL requirements; a reexamination of the various options for complying with the TMDL and consent decree requirements; and besides user fees and applying for grants and loans, consideration of other possible revenues for the utilities. Based on the fact that the clock was still ticking on the consent decree obligations, Mayor Rider wanted to see the reviews completed within six months in order to incorporate any changes into capital projects that were already budgeted for in 2004 and for planning for the 2005 budget. The city should also continue to apply for grants and loans as if the projects would be undertaken as currently planned. It was also noted that the city would need to include its partners on the Sewer Operating Board (the City of Napavine and Lewis County Sewer District No. 1) in discussions relating to this wastewater planning review. In addition, the city would need to meet with Department of Ecology staff to hear what guidance and advice they might have. Mayor Rider provided a list of several individuals, including the utility rate study citizens advisory committee members, which he thought should also be involved in the review. It was agreed that it would be a good idea to first have a presentation on the engineering history of the TMDL process. Dave Campbell stated he would work with Dick Riley of Gibbs & Olson to schedule the presentation.

2. **Continuation of 2004-05 City Council Goal-setting Process.** After adding a few additional goals to the list of potential goals for 2004-05 that were suggested during their initial goal-setting work session held on February 5, the council reviewed and refined the list. It was agreed that another work session would be held on February 24 to prioritize and work toward a consensus decision on what the most important goals were.

The work session concluded at 7:25 p.m.

Mayor

Attest:

City Clerk

February 19, 2004

The Chehalis city council met in special session on Thursday, February 19, 2004, at the Chehalis community services activity building to hear about the engineering history of the Upper Chehalis River Dissolved Oxygen Total Maximum Daily Load (TMDL). The work session began at 5:05 p.m. with the following council members present: Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Terry Harris arrived at 5:45 p.m. and Mayor Fred Rider arrived at 5:20 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Tim Grochowski, Street Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. Engineering History of the Upper Chehalis River Dissolved Oxygen (DO) Total Maximum Daily Load (TMDL).

Dick Riley and Mike Marshall of Gibbs & Olson provided a historical overview of city's wastewater treatment project, specifically the city's response to the upper Chehalis River TMDL. Mr. Riley reviewed the chronological history of the TMDL (beginning in September 1994) and subsequent actions by the city to-date, the study findings and recommendations, the study review task force that was established to respond to the TMDL, the efforts made by the cities of Chehalis and Centralia, and Darigold in working with DOE to amend the TMDL, the lawsuit filed by Chehalis, Centralia, and Darigold against the DOE, and the issuance of a new NPDES permit based on TMDL requirements. Mike Marshall then discussed the city's general sewer plan and facility plan, which were requirements under the consent decree with DOE.

The work session concluded at 7:55 p.m.

Mayor

Attest:

City Clerk

February 23, 2004

The Chehalis city council met in regular session on Monday, February 23, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Rob Gebhart, Acting Deputy Fire Chief; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Recognition of Zopolos Family for Parks Contribution.** Andy Sennes stated that Dave, Delaney and A.J. Otten contacted the city about a year ago about what improvements could be made to the Millett tennis/basketball courts. Mr. Otten informed his neighbors about the improvement project and solicited donations. Harry and Sarah Zopolos stepped forward and donated half of the cost and Mr. Zopolos also challenged his Lion's Club to help with funding. John Kostick was present on behalf of the Chehalis Lion's Club. Several volunteers who worked on the project were recognized, including Donnie Steele, Jose Qafada, and Jacob Guenther. A plaque would be placed at the entrance recognizing Harry and Sarah Zopolos, the Chehalis Lion's Club and the Chehalis Avenue volunteers.

2. **Consent Calendar.** Councilor Ketchum moved to approve the consent calendar comprised of the following items:

- a. Minutes of the special city council meetings of February 3 and 5, and the regular city council meeting of February 9;
- b. February 13, 2004, Claims Vouchers No. 73850 – 74024 in the total amount of \$192,539.27; and Transfer Voucher No. 1535 in the amount of \$4,629.00;
- c. Award contracts for the provision of rock, gravel, and asphalt to various vendors;
- d. Final pay estimate in the amount of \$44,187.91, acceptance of phase 1 of the poplar tree plantation project, and release of retainage in the amount of \$77,844.07 to Boss Contractors; and
- e. Appointment of Charles Hill to the Library Advisory Board for a term expiring December 31, 2008 (replaced Larry Fazzari).

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Citizens Business - Classic Casino & Bistro Promissory Note for Payment of Delinquent Gambling Taxes.** Mayor Rider excused himself from involvement on the item due to a conflict of interest and turned the gavel over to Mayor Pro Tem Ketchum.

Dave Campbell stated a letter was sent to the Classic's owner, Michel Rey, about the promissory note he signed with the city last fall regarding gambling taxes.

Mr. Rey asked for an extension on payment of the note until June or July at which time he would pay the note in full. He hoped to be open at his new location by the end of next week.

Judy Schave stated the original amount of the note was \$6,766 and the current balance was \$2,288, plus penalties.

Councilor Pope asked what would happen if Mr. Rey was not given an extension. Bill Hillier advised that, by city ordinance, the city would have to initiate an action to collect on the note.

Councilor Taylor moved to extend the note until June 1 at which time Mr. Rey would have to pay the note in full. The motion was seconded by Councilor Pope. Councilor Spahr commented the situation put the city in an awkward position in that if everybody came to the city asking to make payments on their taxes the city would be hard-pressed.

February 23, 2004

Councilor Harris asked what would happen if Mr. Rey didn't pay in full by June 1. Bill Hillier indicated the city would execute on the note by initiating a law suit to collect it. Mr. Rey added the state gambling commission would also become involved. The motion carried unanimously. Mayor Rider returned to the table.

4. **Citizens Business - Automated Garbage Collection Update.** Dan Schooler of Waste Connections updated the council on automated garbage collection. He stated they had been working on three issues since he last spoke to the council, including collection issues on some alleys and narrow streets, converting some customers' multiple 32-gallon cans that were collected once per week to one 64-gallon can collected every other week, and the promotion of recycling to reduce solid waste volume. There was still concern among some council members about the shape of the new 32-gallon cans and the fact that they didn't hold the same amount of garbage as round cans. There were also concerns about not having garbage collected every week. It was agreed there were still enough concerns to continue searching for an answers on how to solve the problems. Mr. Schooler indicated his willingness to work with the city.

5. **Citizens Business - Cable Television Service.** Dave Campbell stated the representative from Comcast wasn't able to be here today, but he would be at the next council meeting.

6. **Citizens Business - Chehalis Foundation Update.** Connie Small and Judy DeVaul gave an update on the foundation's work on the renovation of Alexander Park. The area was cleaned up by Martin Sand and Gravel, and a site plan was being developed by Todd Mason Engineering. Ms. Small talked about the proposed plan and layout of the park. Once the plan was approved by the board they planned to hold a community meeting. She stated the project would require the community's financial support. Those who wanted to volunteer on the project should call 748-1987. Judy DeVaul added that \$25,000 was received from the Jim Lintott family in honor of Robert E. Lintott, a longtime Chehalis school teacher.

7. **Citizens Business - Library Improvement Project.** Chehalis Librarian Corine Aiken stated the project kickoff was a great success. In total about \$354,000 of the \$410,000 needed for the project had been collected to-date. They planned to meet with the architect in March to start fine-tuning what needed to be done. She thanked the council for their support.

8. **Citizens Business – Roles of the Mayor, Council, and City Manager.** Councilor Pope stated council members were elected by the citizens, not by any particular interest groups or individuals. In order for the council to understand their responsibilities in the council-manager form of government, he distributed copies of RCW 35A.13.030 and he encouraged the council to review the RCW in its entirety.

9. **Agreement for the Provision of Water to Lewis County Water & Sewer District #5.** Dave Campbell stated the council GMA committee met with Jim Nichols, Bill Hillier, and Virgil Fox of the district to address several issues that were brought forward two weeks by the council regarding the proposed agreement. He indicated that most all of the issues were resolved, excluding the percentage of markup for the city to provide water to the district.

Jim Nichols reviewed the specific changes that were made to the agreement. He noted the consultant was currently working on the percentage markup.

Councilor Spahr stated the only question he had related to what a fair and equitable markup would be. Was it the cost today or 20 years from now? Was there an escalating cost? Jim Nichols indicated the markup would remain the same, unless renegotiated, but the district would pay for the actual cost of the city providing the service. As that cost went up, the markup would be based on the current cost.

Councilor Spahr asked how the district would know what the cost was. Jim Nichols stated they hadn't developed the method by which the city would demonstrate what the costs were. They wouldn't know the specific costs until actually providing the service to the district.

Mr. Fox stated he had confidence in the consultant's ability to come up with a fair and equitable answer to what the markup should be, and he also had confidence in the council's and in Jim Nichol's intent.

Councilor Harris asked Mr. Fox how he felt about the proposed 20-year term for the agreement. Mr. Fox stated it was his understanding the 20-year term was based on the cycle of the city's water system plan, which was acceptable to him.

February 23, 2004

Councilor Spahr moved to approve the agreement in concept, subject to the final markup percentage. The motion was seconded by Councilor Taylor and carried unanimously.

10. **Ordinance No. 765-B, First Reading – Amending City Council Meeting Dates and Times.** Councilor Harris moved to pass Ordinance No. 765-B on first reading. The motion was seconded by Councilor Taylor.

Councilor Harris noted that Centralia held their council meetings on the second and fourth Tuesdays at 7:00 p.m. and he questioned whether that could cause any conflicts.

Councilor Ketchum moved to amend the main motion to provide that council meetings be held on the second and fourth Mondays of the month at 6:00 p.m. The motion was seconded by Councilor Lund.

Councilor Spahr indicated he and Councilor Pope had a prior commitment on Monday evenings.

Councilor Ketchum thought it best to leave Chehalis council meetings on Mondays since other cities met on other nights of the week.

Councilor Pope asked what had happened since the last council meeting. Councilor Ketchum indicated it was simply a matter of having time to think about it. The amendment to the main motion carried 4 to 3. Councilors Harris, Pope, and Spahr voted against the motion.

Before second reading of the ordinance, Councilor Spahr wanted to know if staff would be required to attend evening meetings. He pointed out the council discussed efficiency during a recent goal-setting session. He thought one of the reasons Chehalis was efficient was because staff attended council meetings. If staff was longer going to attend he thought it would make the city a lot less efficient. Dave Campbell stated he planned to talk to department heads about what would be appropriate.

Councilor Pope stated that after talking to former council members about night meetings he didn't think they would make the city any more efficient. Councilor Lund disagreed. He thought the city needed to be available to its citizens.

Councilor Harris stated the last time the council discussed the issue Tuesday evenings seemed to work for everyone. He expressed concern that there had obviously been some discussions going on and he would have liked to have been involved in those. The main motion, as amended, carried 5 to 2. Councilors Pope and Spahr voted against the motion.

11. **Ordinance No. 766-B, First Reading – (Re) Creating the Police Department; Ordinance No. 767-B, First Reading – (Re) Creating the Fire Department; and Ordinance No. 768-B, First Reading – (Re) Creating the Finance Department.** Dave Campbell stated that during the last few weeks the council received recommendations for reorganizing the city organization in several ways. Three of the recommendations required the passage of ordinances relating to the separation of the police and fire services department into two separate departments, and also to recreate the finance department by separating the administrative services department.

Councilor Ketchum moved to suspend the rules requiring two readings of an ordinance. The motion was seconded by Councilor Pope and carried 6 to 1. Councilor Spahr voted against the motion. Councilor Ketchum then moved to pass Ordinance Nos. 766-B, 767-B, and 768-B on first and final readings. The motion was seconded by Councilor Taylor. Councilor Spahr noted his vote against the suspension of the rules was because he thought ordinances of this magnitude deserved two readings. The motion carried unanimously.

12. **Salary Ranges for New Positions.** Dave Campbell stated that part of reorganizing departments was to set salary ranges for the department heads. A recent salary survey was done of cities similar to Chehalis. He stated the recommended ranges were based on the average maximum salaries in those other cities that were considered comparable to Chehalis.

Councilor Harris asked if the finance manager was the same as the finance director in the adopted 2004 budget. Mr. Campbell explained there wasn't a finance director. The 2004 budget included an administrative services director position, which oversaw finance and human resources, and a finance manager that worked for the administrative services director.

Councilor Spahr moved to approve the salary ranges for the new positions as included in the agenda. The motion was seconded by Councilor Lund.

February 23, 2004

Mayor Rider stated he received a message from Casey Beck, president of the IAFF, regarding the proposed salary range for the assistant/deputy fire chief. There appeared to be some major differences between what was being recommended versus what the current acting deputy fire chief was receiving. Rob Gebhart indicated that with the average amount of overtime he had made over the last two years, the proposed wage for the deputy fire chief didn't seem to be high enough. He stated he intended to discuss the issue with the fire chief and city manager. The motion carried unanimously.

13. **Resolution No. 2-2004, First Reading – Resolution Among Lewis County, Chehalis and Centralia, Authorizing the Chehalis-Centralia Airport Governing Board to Borrow \$3,065,700 for Capital Improvements to the Airport; and Resolution No. 3-2004, First Reading – Resolution Among Lewis County, Chehalis and Centralia, Authorizing an Amendment to the 2004 Chehalis-Centralia Airport Governing Board Budget in the Amount of \$3,065,700.** The city's representatives on the airport board (Dennis Dawes and Frank DeVaul) discussed the proposed loan and budget amendment. Mr. Dawes stated the airport's master plan called for several improvements. He noted the airport was in the process of seeking grant funding through the FAA. The second resolution dealt with increasing the budget capacity of the airport. The airport board originally projected \$2.7 million in revenues for 2004 in hopes that they could do some upfront financing through prepaid lease rents; however, that didn't occur, so they were now looking at borrowing money. He stated an anticipated project loan schedule was included in the agenda. He noted the airport was capable of repaying the loan through the current revenues generated by the airport and didn't take into account additional leases that were recently announced. In addition, any grant funding received would go toward the 20-year loan.

Councilor Spahr moved to adopt Resolution Nos. 2-2004 and 3-2004 on first readings. The motion was seconded by Councilor Pope and carried unanimously.

14. **Department of Ecology Groundwater Study.** Dave Campbell stated the city received a request from DOE to assist them in the conducting of a groundwater monitoring study to be carried out in the Chehalis valley, including allowing them access to city wells on the poplar plantation property, as well as other potential access to city property.

Patrick Wiltzius stated DOE wanted to conduct a pilot groundwater monitoring study to determine the direction of flow into and out of the river, plus its general quality. The study was planned for the Chehalis River valley from Napavine to Ground Mound. DOE was looking for private and public wells to gather their data. If enough wells were not found they may need to drill them. The wells would be turned over to the city when DOE was done. DOE indicated they didn't plan to look for problems or assign any cause, but with any data collection it could come back on the city. He noted there were some positive aspects. The city was going to have to monitor its groundwater wells at the plantation site sooner or later and if DOE did it first it would be a small cost savings to the city. He stated Kahle Jennings and Charles Pitz from DOE were in attendance.

Some council members expressed concern about allowing DOE access because of what happened with the TMDL study. It was noted there was a lack of trust of the DOE and the city didn't want to find itself in another situation like what occurred with the TMDL. It was also asked what would happen if something was found and how it could impact the city.

Mr. Pitz stated they would be testing for common field parameters, including temperature, specific conductors, pH, the dissolved oxygen level, common nutrients and other chemicals. He stated his job was to report on the current condition of the system. There could potentially be some liability on the part of the city if it was found that the city was the source of contamination in the groundwater aquifer system, although he didn't anticipate any kind of a problem. Mr. Jennings indicated he understood the city's position, but he couldn't guarantee that there would be absolutely no negative impacts to the city. He stated he could try to pursue that issue with other people in DOE that might be in a better position to do that.

There was continued reluctance from the council. There was a consensus that there should be some kind of benefit to the city for allowing DOE to use its wells. It was agreed that Mr. Jennings and Mr. Pitz attend the council's special work session tomorrow night to continue discussion on the request.

15. **Staff and City Council Reports.**

a. **Meeting Reminder.** Mr. Campbell reminded the council about their special work session set for February 24 at 7:00 p.m. to continue the 2004-05 goal-setting process.

February 23, 2004

b. **Chehalis-Centralia Airport**. Mayor Rider stated he and Dave Campbell met with representatives from Centralia and the county regarding airport governance, and he indicated that Centralia expressed their interest to be out of the airport.

c. **Utility Rate Study**. Mayor Rider stated several issues needed to be addressed relating to the utility rate study. One issue (a review of the engineering history of the city's TMDL) was completed during a special work session on February 19. The remaining issues included a presentation of the capital improvement plans for the city's three utilities and a citizens audit committee to review the operating procedures of the public works department.

Councilors Pope and Spahr wanted to know what the exact duties of the audit committee would be and who would be on the committee. Councilor Pope thought there were certain people who were very antagonistic against the council and the city and he didn't want anyone from outside the city or anyone from the chamber to be on the committee.

Dave Campbell stated he would work on setting a date and time for review of the capital improvement plans.

d. **Chehalis Basin Partnership**. Councilor Spahr stated the next Chehalis Basin Partnership meeting was on February 27 at 9:00 a.m.

e. **Roundabouts Field Trip**. Councilor Harris stated a group recently traveled to Gig Harbor to tour roundabouts. He thought they were dissimilar to those being proposed for Chamber Way. He stated his biggest concern was public education about the use of roundabouts. Mayor Rider added his biggest concern related to truck traffic, although a representative from National Frozen Foods thought his production would actually increase and Jerry Boes was impressed that there was basically no traffic backup, which would benefit emergency vehicles.

16. **Executive Session**. Mayor Rider announced the council would convene into executive session at 5:25 p.m. for about five minutes after a short recess beginning at 5:19 p.m. pursuant to RCW 42.30.110(1)(c) – sale of real estate, and there would be no action taken following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 5:30 p.m. and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

February 24, 2004

The Chehalis city council met in special session on Tuesday, February 24, 2004, at the Chehalis community services activity building. The work session began at 7:05 p.m. with the following council members present: Terry Harris, Tony Ketchum, Dr. Isaac Pope, Fred Rider, Bob Spahr, and Chad Taylor. Councilor Daryl Lund was absent. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Mark Scheibmeir, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Jerry Boes, Interim Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. There were no members of the news media in attendance.

1. **Department of Ecology Groundwater Study**. Kahle Jennings and Charles Pitz from the Department of Ecology were present to continue discussion about DOE's request to conduct a pilot groundwater monitoring study to determine the direction of flow into and out of the river, including its general quality. It would focus on the Chehalis River valley from Napavine to Ground Mound using private and public wells to gather data. Mr. Jennings indicated the city had no history of land application at the Hamilton Farm site where DOE was interested in gathering groundwater samples, so there was no reason that DOE would take any regulatory action based on the data they collected under the pilot project. Chehalis would be required to characterize groundwater quality before land application occurred at the Hamilton Farm site, so the data collected under the pilot project could be useful for that characterization and would provide a small cost savings to the city. Mr. Jennings stated that information on the quality of groundwater collected under the pilot project may prove beneficial to the city when it began its own sampling; it may provide a basis for determining if there had been any change occurring independently from land applications of reclaimed wastewater. He noted DOE would be sampling additional parameters to those the city would be required to sample. Mr. Pitz then reviewed the specific parameters that DOE would be sampling.

2. **Capital Improvement Plans for the City's Water, Wastewater, and Stormwater Utilities**. Dave Campbell stated a review of the capital improvement plans for the city's three utilities would be held on March 16 at 3:00 p.m.

3. **Continuation of 2004-05 City Council Goal-setting Process**. Dave Campbell reviewed a list of projects and activities that were objectives "already underway." The council then reviewed and fine-tuned a list of goals for 2004-05. Those goals receiving high and moderate priority included:

High Priorities

Community newsletter
Fire service master/strategic plan
City hall space planning, renovation
Web site development
Customer service training for employees
Downtown parking system and policies
Tri-agency meetings
Council-staff teambuilding

Moderate Priorities

Newaukum Avenue improvements
Performance evaluation/audit of city services/organization
Business district improvements throughout town
Laptop computers in police cars
New animal shelter

Mr. Campbell stated the final lists of goals would be presented to the council at their next regular meeting for official adoption.

The work session concluded at 8:45 p.m.

Mayor

Attest:

City Clerk

March 8, 2004

The Chehalis city council met in regular session on Monday, March 8, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Administrative Services Director; Joanne Schwartz, Community Services Director; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

a. Minutes of the special city council meetings of February 10, 19, and 24, and the regular city council meeting of February 23;

b. February 27, 2004, Payroll Vouchers No. 21943 – 22093 in the amount of \$506,734.56; Transfer Voucher No. 1538 in the amount of \$3,969.60; and February 27, 2004, Claim Vouchers No. 74025 – 74155 in the total amount of \$287,233.53;

c. Acceptance of a local law enforcement block grant from the Washington Association of Sheriffs & Police Chiefs in the amount of \$9,999 for portable radios; and

d. Completion of computer system upgrade for police department.

The motion was seconded by Councilor Taylor and carried unanimously. Mayor Rider was pleased the city would be purchasing the portable radios from a local vendor.

2. **Citizens Business – Cable Television Service.** Stan Finley from Comcast was not in attendance.

3. **Citizens Business – Consolidation Study Follow-through.** Todd Christensen, President/CEO of the Centralia-Chehalis Chamber of Commerce, read a letter into the record addressed to the mayor, council members, and city staff.

'Thank you for the opportunity to come before you this afternoon to discuss the completed ESCi Public Safety Consolidation Feasibility Study. The Chamber of Commerce appreciates the opportunity to partner to improve our community. We commend you for having participated in the study with us and the City of Centralia. It was a great opportunity to place an issue on the table, discuss it and determine the feasibility. We appreciate this opportunity and accept that complete consolidation is not feasible at this time. We do however believe the information contained in the report is of value. The value is to help to better improve our community through continually improving the great public safety services that already exist in Centralia, Chehalis and surrounding areas.

Today I come before you to notify you of our final payment for the completed study. In doing so we request the following as we move forward in improving our communities.

We would request:

- 1) An outline of the recommendations accepted from the report
- 2) An outline of the recommendations not accepted and an explanation
- 3) A detailed timeline for the implementation of the accepted recommendations

We recognize that these recommendations will have fiscal impact and realize that they will need to be addressed through your current planning and budgeting process.

We appreciate the opportunity to continuing our partnerships for a better community.' The letter was signed by Mr. Christensen.

Councilor Pope asked Mr. Christensen if he was representing the chamber board and if he was given direction by the board to write the letter, and, if so, were there minutes when that direction was given. Mr. Christensen stated he was representing and was given direction from the board to write the letter. He indicated there were minutes to support that direction.

March 8, 2004

Councilor Pope asked if the study was presented to the chamber's membership. Mr. Christensen indicated they had not fully presented it to the membership other than in the joint Chehalis-Centralia council meeting, which meeting was publicized for members to attend and review the information received by both councils.

Councilor Pope stated some of the things they were asking for would definitely have a fiscal impact on the city. He asked what the sense of value was to the chamber in pursuing the matter. Mr. Christensen explained the opportunity for the chamber was to identify ways to improve the community. The chamber saw public service as a critical element provided by government, which was paid for through taxes. He stated the better we could become through public safety services to protect the citizens, both the general public as well as the business community, improving those services and making them more efficient or cost effective, reduced the tax burden. As the area's business organization the chamber saw that as a critical element that fell within their mission statement of "promote, protect and inform the business community."

Councilor Pope asked if the chamber saw some deficit in that function at the present time. Mr. Christensen indicated the chamber recognized through the study that we did have good public safety services in Centralia, Chehalis, and the surrounding community. They also recognized that the report highlighted opportunities for improvement through training, both independently and through joint ventures, and they encouraged those opportunities to capture the economies of scale through joint ventures.

Councilor Pope recalled that during a presentation to the Chehalis city council about the study results, the city manager encouraged staff to pursue working with other jurisdictions where feasible. Councilor Pope didn't think it would be effective to redo the study just for the chamber board.

Mayor Rider noted the council accepted the report in its entirety, so the chamber's first request had already been accomplished. He stated the council hadn't specifically addressed the recommendations by line item, but there was a decision of the council to accept as many of the recommendations as possible.

Mr. Christensen stated that he and both city managers met with the consultants on numerous occasions and they continually asked for a checklist of recommendations, which was what the chamber looked to as a business organization. They recognized some were not feasible based on cost, but they saw others as an opportunity to continue to improve public safety services. Mr. Christensen distributed copies of the chamber's annual directory and most recent newsletter.

4. **Citizens Business – Ron Sharpe.** Ron Sharpe (PO Box 861, Chehalis) stated he owned a building at 223 SW Chehalis Avenue. Water service to the building had been shut off for about three years and his current bill was about \$20,600 for zero usage. He requested that the water be turned on immediately and his dispute about the current bill be placed in limbo because he had a tenant for the building. His second request was to waive the fees because they were illegal. He believed the city's attorney was aware of the situation. Mr. Sharpe offered some recommendations for system changes relating to operations of the water department.

Bill Hillier stated he was in contact with Mr. Sharpe's counsel and a telephone conference was scheduled to take place later this week to hopefully settle the matter. Mr. Hillier didn't think it was appropriate for him to be involved in discussions, but he couldn't stop the council from talking to a party to potential litigation.

Robert Miller of Wooten Primary Care stated he was Mr. Sharpe's potential tenant. His office was looking for another facility to expand their after-hours care. Mr. Miller didn't want to be caught in the middle of Mr. Sharpe's dispute, but he requested that Wooten Primary Care be allowed to put the utility account in their name and the city could carry on its dispute with Mr. Sharpe. He stated they planned to open by the end of April.

The council agreed not to make a decision on the issue until after Mr. Hillier had the opportunity to talk with Mr. Sharpe's attorney.

5. **Ordinance No. 765-B, Second Reading – Amending City Council Meeting Dates and Times.** Councilor Taylor moved to pass Ordinance No. 765-B on second and final reading. The motion was seconded by Councilor Lund.

Councilor Spahr moved to amend the ordinance to change the meeting time from 6:00 p.m. to 5:00 p.m. The motion was seconded by Councilor Pope. Councilor Spahr stated he was proposing the amendment so that meetings didn't run late and

March 8, 2004

lose everyone's attention. He also noted that staff would already be at their offices and wouldn't have to go home, and council members could get to meetings by 5:00 p.m. He stated meetings would get done that much quicker.

Councilor Harris indicated his only concern was that some people might not be able to arrive in time to speak under the citizens business portion of the agenda. He recommended that portion be moved to a later part of the agenda. Mayor Rider stated that if the council was moving the meetings to a later time for the purpose of citizen participation it didn't matter if it was citizens business or another issue on the agenda. If the intent was to get citizens to come to council meetings then they needed to be held later in the evening.

The amendment to the main motion failed 4 to 3. Councilors Ketchum, Lund and Taylor, and Mayor Rider voted against the motion. The main motion carried 5 to 2. Councilors Pope and Spahr voted against the motion.

6. **Resolution No. 2-2004, Second Reading – Resolution Among Lewis County, Chehalis and Centralia, Authorizing the Chehalis-Centralia Airport Governing Board to Borrow \$3,065,700 for Capital Improvements to the Airport; and Resolution No. 3-2004, Second Reading – Resolution Among Lewis County, Chehalis and Centralia, Authorizing an Amendment to the 2004 Chehalis-Centralia Airport Governing Board Budget in the Amount of \$3,065,700.** Councilor Spahr moved to suspend the rules requiring readings of the resolutions. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Spahr then moved to adopt Resolution Nos. 2-2004 and 3-2004 on second and final readings. The motion was seconded by Councilor Taylor and carried unanimously.

7. **2004-05 Council Goals.** Councilor Ketchum moved to adopt the proposed 2004-05 goals list and reporting format. The motion was seconded by Councilor Spahr and carried unanimously.

8. **Resolution No. 4-2004, First Reading – Identifying the Planning Process for the Chehalis Repetitive Loss Plan Update.** Bob Nacht stated the resolution was necessary in order for the city to keep its community rating system class 6 rating. Adoption of the resolution would allow staff to proceed with the plan update. He noted that since the resolution only established the process, and didn't adopt the plan, staff was requesting that the resolution be adopted on first and final reading.

Councilor Spahr moved to suspend the rules requiring two readings of a resolution and to adopt Resolution No. 4-2004 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

9. **Staff and City Council Reports.**

a. **Meeting/Event Reminders.** Mr. Campbell informed the council about several upcoming meetings and events.

b. **Chehalis River Flood Damage Reduction Project.** Councilor Taylor stated he was part of a delegation that would be traveling to Washington, D.C. to talk with representatives from Senator Murray's, Senator Cantwell's, and Representative Baird's offices to seek funding for the Chehalis River flood damage reduction project.

c. **Council GMA Committee.** Councilor Spahr stated the GMA committee recently met with residents of the Holloway Springs neighborhood regarding urban growth areas.

There being no further business to come before the council, the meeting was adjourned at 3:46 p.m.

Mayor

Attest:

City Clerk

March 16, 2004

The Chehalis city council met in special session on Tuesday, March 16, 2004, at the Chehalis city hall. The work session began at 3:10 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund; Dr. Isaac Pope, Fred Rider, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Jill Harwick, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; and Mark Petrie, Water Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*. Others present included Tom Frare of TJF & Associates, the city's water system plan consultant.

Mayor Rider announced that the purpose of the meeting was to review the utility capital improvement plans for the city's three utilities (water, stormwater and wastewater).

1. **Review of Utility Capital Improvement Plans.** Jim Nichols reviewed each of the capital improvement projects that were listed in the recently completed utility rate study. He distributed a summary of the projects broken down by utility, including a brief description for each project. In response to questions from the council Mr. Nichols noted the projects on each of the capital improvement plan lists that were not legally mandated in some way, and those that could be delayed. He understood the council's concern and indicated the council could delay some of the projects to whatever extent they deemed appropriate, but he pointed out that the recommendations were based on staff's familiarity with the system, the needs of the system, and the intention of addressing things before they became a problem and took ten times the amount of the money to fix at a later date.

The council agreed to meet on March 30 at 5:00 p.m. at the activity building to continue review and discussion on the utility capital improvement plans. Jim Nichols stated he would provide a map for the next meeting showing the locations of the projects. Bob Spahr requested a copy of the public works budget for the next meeting so the council could review what revenues would be needed to carry out the projects for the various utilities.

The work session concluded at 5:00 p.m.

Mayor

Attest:

City Clerk

March 22, 2004

The Chehalis city council met in regular session on Monday, March 22, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum arrived at 4:00 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Rob Gebhart, Interim Deputy Fire Chief; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Swearing-in of Fire Chief Jerry Boes.** Municipal Court Judge Steve Buzzard administered the oath of office for newly-appointed Fire Chief Jerry Boes, who was accompanied by his wife. Chief Boes introduced other members of his family who were in attendance.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

a. Minutes of the regular city council meeting of March 8, 2004; and

b. March 15, 2004, Claims Vouchers No. 74156 – 74329 in the total amount of \$231,645.94.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Citizens Business – Ron Sharpe.** Mayor Rider stated Ron Sharpe and Dr. Robert Miller wanted to address the council about Mr. Sharpe's water service at 223 SW Chehalis Avenue. He stated the council would be discussing the matter under executive session later on the agenda.

4. **Citizens Business – Cable Television Service.** Stan Finley from Comcast was not in attendance.

5. **Cost Analysis of Centralia Proposal to Treat Chehalis Wastewater.** Dave Campbell stated his proposal was in response to a proposal from Centralia's mayor for Centralia to treat Chehalis's wastewater. A proposal from FC\$G (the same consulting firm that prepared the city's recent utility rate study) was included in the agenda for FC\$G to cost-out Centralia's proposal. He noted Centralia's proposal would not provide year-round use by Chehalis; it was for only up to 5 million gallons per day. FC\$G's consultant was anticipating that the study could be completed within about two months.

Councilor Spahr asked how the consultant would take into consideration items like the temperature TMDL, the consent decree, and flow limits. Mr. Campbell stated part of the scope of work would include discussions with Centralia and Chehalis officials about their plans and capabilities, and how the proposal could be implemented technically.

Councilors Spahr and Pope were concerned that Centralia's proposal would limit Chehalis's growth. Councilor Pope asked how the study would be able to predict the city's growth. Dave Campbell thought that type of question would be addressed in an interlocal agreement between the two cities if the proposal was determined to be cost effective.

Councilor Taylor stated that if Chehalis decided to accept Centralia's proposal the properties that were purchased for the new wastewater treatment plant (the Barnes and Hamilton properties) could be sold. He asked if that would impact the study. Dave Campbell indicated it was something that should be considered.

Councilor Harris stated Centralia's proposal indicated it was not a contractual offer, but it was based on current calculations on price per gallon. He asked if the term "price per gallon" was the norm. Dave Campbell thought contracts such as these were probably based on flow or amount of contribution, whether in terms of "per gallon" or "per million gallons."

Councilor Harris stated the proposal was based on five, or possibly ten-year increments. He thought that placed some pressure on Chehalis. He asked if the existing plant would have to be kept on-line for the times when the city might have too much flow. Dave Campbell stated there would be times during the year when the city's flow exceeded 5 million gallons a day. The city would have to have some type of treatment and storage during those periods of time.

March 22, 2004

Councilor Pope stated that based on the figures the price per gallon came out to \$1.00, which was contrary to what was indicated by Centralia. He added that once Chehalis was out of the river it would never get back in it (permitted outfall), which meant Chehalis would never have control of its future.

Mayor Rider asked Councilor Pope how the figures came out to a dollar a gallon. Councilor Pope suggested that Mayor Rider do the math.

Councilor Lund didn't think there was enough information for the council to make a good decision and they needed to keep looking at all alternatives.

Councilor Spahr moved to approve and authorize the city manager to sign the proposed contract agreement with FC\$G, including a budget amendment of up to \$12,840. The motion was seconded by Councilor Pope. Councilor Spahr stated he thought it would be good to have a third party study the issue.

Councilor Taylor stated FC\$G's proposal was to look at the financial feasibility of Centralia's proposal. He asked when they would look at whether or not it could be done from an engineering standpoint.

Councilor Pope commented that Centralia was at capacity now. Mayor Rider indicated that according to Dick Southworth and Mayor Browning Centralia was not at capacity. The only problem they had related to treating Chehalis wastewater was the ability to pump it through their pipes. Mayor Rider asked how Councilor Pope knew Centralia was at capacity. Councilor Pope stated it was discussed during the special council work session on the history of the TMDL process. Councilor Pope suggested that Mr. Southworth and Mayor Browning be invited to a council meeting.

The motion carried unanimously.

6. **Poplar Tree Planting.** Dave Campbell stated the next component of the existing plans to create a poplar tree plantation was the actual planting of the trees. It had been constructed and prepared, and was now ready for the trees. Staff was recommending seeking proposals to do the work.

Patrick Wiltzius stated there was still some preparation work going on, including spraying of herbicides to eliminate any remaining vegetation. They hoped to get the trees in within the next month otherwise the window of opportunity would be missed. He asked the council to pre-approve a tree planting contract. Staff would use the small works roster process to select a contractor based on both the low bid and the experience of the contractor. The estimated cost was \$15,000 to \$20,000.

Councilor Lund stated the bid specifications included in the agenda indicated bids were due on March 25. He asked how that could be done in three days. Mr. Wiltzius stated the specifications in the agenda were only a draft, and bids would actually be opened on April 2.

Councilor Spahr moved to pre-approve the tree planting contract and allow staff to enter into a contract provided that the contract did not exceed \$20,000. The motion was seconded by Councilor Harris and carried unanimously.

7. **Staff and City Council Reports.**

- a. **Meeting/Event Reminders.** Mr. Campbell informed the council about several upcoming meetings.
- b. **Lewis County Solid Waste Advisory Committee.** Councilor Taylor indicated he was unable to get to most of the meetings of this committee. He stated that Councilor Harris was willing to take his place.
- c. **Chehalis River Flood Damage Reduction Project.** Councilor Taylor reported on his trip to Washington, D.C. to speak to Congressmen Baird and Dicks, and staff representing Senators Cantwell and Murray to seek funding for the Chehalis River flood damage reduction project. He stated he would notify the council once allocations were announced, but he noted it was a successful trip.
- d. **Knowledge Bowl.** Councilor Spahr stated several groups competed in the recent Lewis County Literacy knowledge bowl event, however the city's team wasn't as successful as they would have liked.

March 22, 2004

e. **Comparison of Utility Rates**. Councilor Spahr shared some rate comparisons he had done between a Chehalis utility bill versus a Centralia utility bill for 200, 800, and 1,000 cubic feet of use per month for residential, commercial, and industrial customers. He also looked at utility rates in Kelso and Longview. He thought it gave the council some good information about rates in other nearby communities.

e. **Cardinal Glass**. Mayor Rider stated he represented the city on the Lewis County EDC board and on the Industrial Commission. He stated there had been a lot of discussion about Cardinal Glass's ability and struggle to build their facility in the Winlock area. He encouraged anyone in support of the project to share their thoughts in upcoming public hearings before the county commissioners.

f. **Citizens Business – Ron Sharpe**. Bill Hillier advised the council that it would be best to discuss the matter in executive session as it related to Ron Sharpe's water service at 223 SW Chehalis Avenue.

8. **Executive Session**. Mayor Rider announced the council would convene into executive session at 3:55 p.m. after a short recess beginning at 3:51 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation. Following conclusion of the executive session, the regular meeting was reopened at 4:24 p.m. Councilor Ketchum arrived during the executive session.

9. **Citizens Business – Ron Sharpe**. Mayor Rider stated the council discussed the matter of Mr. Sharpe's water service at 223 SW Chehalis Avenue. Bill Hillier explained that based on Mr. Sharpe's attorney's letter both attorneys would meet by this Friday to discuss two alternatives regarding Mr. Sharpe's nonpayment of his utility bill, but regardless of which alternative Mr. Sharpe decided on, water would be restored to the building.

10. **Executive Session**. Mayor Rider announced the council would convene into executive session at 4:27 p.m. pursuant to RCW 42.30.110(1)(g) – review performance of a public employee. Following conclusion of the executive session, the regular meeting was reopened at 5:20 p.m. and there being no further business to come before the council, the meeting was immediately adjourned

Mayor

Attest:

City Clerk

March 30, 2004

The Chehalis city council met in special session on Tuesday, March 30, 2004, at the Chehalis community services activity building. The work session began at 5:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund; Fred Rider, Bob Spahr, and Chad Taylor. Councilor Dr. Isaac Pope was absent (excused). Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Jerry Boes, Fire Chief; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

The purpose of the meeting was to continue review of the utility capital improvement plans for the city's three utilities (water, stormwater and wastewater).

1. **Review of Utility Capital Improvement Plans.** Jim Nichols distributed a map outlining the locations of all the proposed projects. He also reviewed some modifications that were made to the project spreadsheets contained in the agenda. As requested, pages from the 2004 adopted budget pertaining to the three utilities were distributed. The council indicated their desire to have a more detailed picture of revenues and expenditures in order to determine if any of the projects could be delayed or eliminated.

Councilor Lund stated that the city should be run like any other business and should not be spending money on projects it couldn't afford. He made a motion to halt all projects under all three utilities except for the projects relating to meter replacement, and source and master meters. Councilor Taylor seconded the motion so the issue could be discussed. The council held a lengthy discussion about the impacts of halting all projects, including the need for a more detailed financial picture before making any decisions. The motion failed 4 to 2. Councilors Lund and Taylor voted in favor of the motion.

Jim Nichols stated that in addition to financial information he would compile a list of pros and cons and implications for each project if it was to be delayed or eliminated. The council agreed to hold another work session on April 12 at 5:00 p.m. following their regular meeting.

The work session concluded at 6:40 p.m.

Mayor

Attest:

City Clerk

April 12, 2004

The Chehalis city council met in special session on Monday, April 12, 2004, in the Chehalis city hall. The work session began at 5:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund; Dr. Isaac Pope (left at 5:55 p.m.), Fred Rider, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Jerry Boes, Fire Chief; Tim Grochowski, Street Superintendent; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neill of KITI Radio.

The purpose of the meeting was to continue review of the utility capital improvement plans for the city's three utilities (water, stormwater and wastewater).

1. **Continued Review of Utility Capital Improvement Plans.** Dave Campbell stated that at the request of the council, additional project and financial information was included in the agenda. Jim Nichols reviewed the status of the various capital improvement projects, the consequences of postponing or proceeding with them, and staff's opinions of their relative importance. Each project was rated from the staff's perspective as 1 to 5 (with 1 being the highest level of priority). After much discussion the council eliminated all projects in the water and stormwater utilities with a rating of 4 or 5. The council then reviewed those projects with a rating of 3 in the water and stormwater utilities. The Riverside/Newaukum water main project's rating was changed from 3 to 1; the water filter plant motorized inlet valve project's rating was changed from 3 to 5 and eliminated; the Fairview water main upgrade and high level reservoir projects were left at level 3 priorities and kept on the project list; the Kresky Avenue flood mitigation feasibility study project's rating was changed from 3 to 5 and eliminated; the SE 1st Street storm system interconnect/replacement (between SE Washington and S. Market Boulevard) remained at a level 3 and was kept on the list; and the Dillenbaugh Creek improvement project was changed from a rating of 3 to 5 and eliminated from the list. No changes were made to the wastewater utility CIP.

The work session concluded at 6:20 p.m.

Mayor

Attest:

City Clerk

April 12, 2004

The Chehalis city council met in regular session on Monday, April 12, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, and Chad Taylor. Councilor Bob Spahr arrived at 3:02 p.m. and Councilor Tony Ketchum arrived at 3:06 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Proclamation – Altrusa Awareness Day**. Mayor Rider read and presented a proclamation designating April 11 as Altrusa Awareness Day. Helen Anderson accepted the proclamation on behalf of Altrusa International of Centralia/Chehalis.

2. **Employee Service Award**. Community Development Manager Bob Nacht was honored for 25 years of service.

3. **Certificate of Commendation**. Mayor Rider stated the city was presented a certificate of commendation from the Washington Territorial Commission, signed by Secretary of State Sam Reed, in recognition of its pivotal role in the history of the Washington Territory.

4. **Consent Calendar**. Councilor Spahr moved to approve the consent calendar comprised of the following items:

a. Minutes of the special city council meetings of March 16 and 30, and the regular city council meeting of March 22, 2004;

b. March 31, 2004, Payroll Vouchers No. 22094-22252 in the amount of \$546,048.39; Transfer Voucher No. 1539 in the amount of \$6,051.65; and March 31, 2004, Claims Vouchers No. 74330-74462 in the total amount of \$129,345.11; and

c. Final acceptance of the South National pump station upgrade project and release of retainage to Rognlin's, Inc., in the amount of \$13,371.30.

The motion was seconded by Councilor Ketchum.

With regard to the second paragraph under item 1 of the minutes of the special city council meeting of March 30 (Review of Utility Capital Improvement Plans), Councilor Taylor stated the vote on the motion was 3 to 3, not 4 to 2. Mayor Rider stated he did vote in the affirmative on the motion.

With regard to the seventh and eighth paragraphs under item 5 of the minutes of the regular city council meeting of March 22 (Cost Analysis of Centralia Proposal to Treat Chehalis Wastewater), Councilor Taylor stated Mayor Rider asked Councilor Pope how he arrived at \$1 per gallon and Councilor Pope suggested that Mayor Rider do the math. Councilor Taylor thought the eighth paragraph should either be taken out or there should be some clarification added to the minutes on how Councilor Pope's figure was calculated.

Councilor Pope stated he didn't read any calculations into the minutes and he wasn't now going to provide any documentation on how he arrived at the figure. He suggested that Councilor Taylor make a motion to remove the eighth paragraph from the minutes. Councilor Taylor moved to remove the eighth paragraph from the minutes.

Councilor Spahr indicated the minutes reflected what was said at the meeting, and the council couldn't add something to the minutes that wasn't said.

Mayor Rider stated the minutes were a historical record and in the future when someone read the minutes there would be nothing to quantify Councilor Pope's figure. He indicated he tried to do the math, but couldn't come up with the dollar figure.

Councilor Harris asked if every statement that had ever been made had to have written proof of what was being said in past minutes. Mayor Rider indicated no, but there had been challenges to certain statements in the past.

Dave Campbell noted the council's discussion today would be reflected in the minutes of this meeting.

April 12, 2004

Mayor Rider restated Councilor Taylor's motion to remove the eighth paragraph from the minutes. Councilor Taylor stated he wanted it kept in, but he wanted to see the math to put it in there. Bill Hillier advised Councilor Taylor that the meeting couldn't be reinvented, but if Councilor Taylor wanted the minutes clarified he could make clarifying statements at this meeting, which would be put into the minutes, he could ask for clarification from Councilor Pope, or he could move to have the paragraph removed from the minutes, although there had to be some basis for having it eliminated.

Mayor Rider stated Councilor Taylor's motion died for lack of a second. Mayor Rider stated the other proposed amendment was to the minutes of the March 30 meeting regarding the vote on the motion which should have been 3 to 3 instead of 4 to 2. Councilor Lund moved to amend the March 30 minutes to amend that the vote failed 3 to 3, instead of 4 to 2. The motion was seconded by Councilor Taylor. The motion carried 4 to 3. Councilors Harris, Pope and Spahr voted against the motion. The main motion, as amended, carried unanimously.

5. Citizens Business – Lewis County Needs Assessment. Debbie Campbell, Executive Director of the United Way of Lewis County spoke about a joint project between United Way of Lewis County and Leadership Lewis County to complete a Lewis County needs assessment. Ms. Campbell provided a brief history of United Way of Lewis County's humanitarian role in the county over the last four decades. She stated the United Way board of directors was looking towards a new strategic direction and they hoped to move from a fundraising organization only to a community building and impact type of organization. In discussions, the board found they all had different opinions about the needs of Lewis County and agreed they needed to go to the community and talk about and identify the county's current needs. During the next 18 months the two organizations would be working with other local organizations to conduct surveys and establish focus groups asking leaders and community members about the community's needs and strengths. Ms. Campbell explained what they hoped to gain from the assessment.

Caryn Foley, a member of Leadership Lewis County, provided a brief overview of the leadership program. She stated that one of the requirements of the program was a class project, and after looking at several projects, this year's class chose the community needs assessment because they felt it was a project that would benefit the entire Lewis County community.

Jim Nichols, also a member of Leadership Lewis County, reviewed the project, including community partner groups, the need for the assessment, and goals of the project. He stated the needs assessment was an opportunity for the city to comment, provide input and feedback, and to be involved in the process, and he encouraged everyone to express their ideas, donate their time, and if possible, contribute funding. He stated contributions had been received from several organizations.

Caryn Foley distributed volunteer sign-up forms and encouraged the council members to get involved. She indicated that funding was needed to keep the project going, and in speaking with Bob Nacht and Joanne Schwartz she thought the needs assessment could be beneficial to the city during its update of the comprehensive plan. She requested that the city contribute \$2,500 to the needs assessment using community development block grant funds.

Councilor Spahr asked if that was a legitimate use of the funds. Bob Nacht indicated it was, and after reviewing one of the sample surveys that would be used, it appeared that a significant portion of the survey would be very useful in the comprehensive plan review and update process.

Councilor Ketchum moved to appropriate \$2,500 to the Lewis County needs assessment project using community development block grant funds. The motion was seconded by Councilor Taylor. Bill Hillier stated a contract for services would need to be prepared to show that the city was receiving benefit for the appropriation of funds. The motion carried unanimously.

6. Interlocal Agreement with the Lewis County Sheriffs Office for Joint Response to Emergency Situations. Dennis Dawes stated the agreement would benefit the city in several ways, including increasing the number of officers available and the amount of equipment that could be shared between the two departments; however, the agreement would not provide any great savings to the city. He stated the next step would be to create standard operating procedures.

Councilor Spahr moved to approve the interlocal agreement for the joint response to emergency situations by the Lewis County Sheriff and the Chehalis police department, and authorize the mayor to sign the document on behalf of the city. The motion was seconded by Councilor Taylor.

With regard to command and control, Mayor Rider noted the agreement provided that the parties would jointly make operational decisions for operations regarding incidents occurring within the Chehalis city limits. He asked if that would cause

April 12, 2004

any problems. Dennis Dawes indicated it wouldn't. It would be addressed in the standard operating procedures to provide that the chief administrator of the city would be in charge of any operation within the city limits. The motion carried unanimously.

7. Feasibility of Additional Component of the Flood Damage Reduction Project. Dave Campbell stated the item came from the executive committee of the Centralia-Chehalis flood reduction project, which included representatives from the two cities, as well as Lewis, Thurston and Grays Harbor Counties. The project, known as the river mile 66 habitat and flow conveyance facility (formerly the Mellen Street bypass), was a proposed part of the flood control project, but was not part of the Corps' approved plan at this point. It was discussed in the past and was identified as a potential feature, but the environmental evaluation to make sure it would work and would be accepted had not been done. A proposal from Pacific International Engineering (PIE), which was the firm under contract with the county to do the flood control work, was being proposed to look at the project and hopefully make it a part of the overall flood reduction project. Mr. Campbell noted however that there was no guarantee that it would be accepted as part of the project, although it offered great benefit to the upstream areas of the valley to reduce the flood levels in the vicinity of Chehalis and it would potentially reduce the overall costs of the project. The levees, which were a part of the project now, could be substantially reduced in both height and length, reducing the project costs by millions of dollars. The environmental analysis proposal from PIE would be reviewed by the resource agencies and the tribes that had potential input into the design of the project. The estimated cost of the study was \$84,000, which would be split between Chehalis, Centralia and Lewis County.

Councilor Taylor added that this part of the project was probably one of the most important parts of the entire project as far as Chehalis was concerned. He moved to approve up to \$28,000 as the city's share of a feasibility study for the river mile 66 habitat and flow conveyance facility as a potential component of the flood reduction project. The motion was seconded by Councilor Spahr and carried unanimously.

8. Wastewater Division Audit Committee. Dave Campbell stated the issue was an adopted moderate priority council goal for 2004-05 and was also discussed during the review of the recent utility rate study. It was suggested that audits be done of city services and operations, and the wastewater division, because of the interest in the potential rate impact with future wastewater system improvements, was suggested to be a good place to start. It would be a management audit, not a financial audit, and it was designed to see if there were ways to improve existing operations efficiencies. It was suggested that a committee of local business people be put together to conduct the audit. After writing to about 20 people, Mr. Campbell stated he received eight applications from interested individuals. He also suggested that a council member serve on the committee and perhaps chair it. He envisioned the process to take a few weeks and indicated that staff would provide the necessary documents for the committee to do its work in order to provide recommendations to the council.

Councilor Lund moved that Mike Abbott, Todd Christensen, Jim Day, Anne Garrett, Mark Giffey, Paul Gunn, Dave Kuper and Bob Serl be appointed to the wastewater division audit committee and that Todd Christensen chair the committee. The motion was seconded by Councilor Taylor.

Councilor Taylor asked why the committee would not be looking at finances. Dave Campbell indicated that previous council discussions indicated it would be management-related. He noted the city went through a financial audit every year from the state auditor's office.

Councilor Pope asked what was meant by current operation and maintenance policies and practices. Mr. Campbell stated there were policies and procedures that staff followed when they did their work in the wastewater division, whether it was at the plant or in the field and were the sorts of things that might be part of the process. Councilor Pope asked if some of those things could be considered technical in nature and he asked who on the committee could provide such expertise. Mr. Campbell stated some of it would be considered very technical and staff would provide the expertise if necessary. The motion carried 6 to 1. Councilor Pope voted against the motion.

9. Staff and City Council Reports.

a. **2002 Audit Report.** Judy Schave stated the city received its 23rd consecutive clean audit. She noted one of the recommendations however related to the use of lodging tax revenues, specifically expenditures that were not in compliance with the state statute and expenditures that did not have detailed documentation to support them. She indicated both issues were addressed. Ms. Schave stated the 2003 audit was scheduled to begin in July and would require a single audit.

April 12, 2004

b. **GMA Population Allocation.** Bob Nacht stated the county requested direction regarding whether or not the city planned to request additional population allocation and/or urban growth area (UGA) during this year's review and updating of the countywide planning policies and comprehensive plans. He explained that the state Office of Financial Management gave all growth management planning counties and cities population allocations that were distributed through the county to the cities of Lewis County. The county was challenged on its population allocations and in December of 2000, as a result of a State growth management hearings board decision, the county allocated another 430 acres to Chehalis beyond what the city originally requested in 1998. The city had originally requested a population base of 8,600 for a 20-year planning period, but with the additional allocation of acreage it increased that population base to 10,230. It was staff's position that the additional acreage and projected population was more than adequate.

Councilor Taylor moved that the city not request additional population allocation or urban growth area from the county during this year's review and update of the countywide planning policies. The motion was seconded by Councilor Spahr and carried unanimously.

c. **Panhandling.** Mayor Rider stated he had heard complaints from business owners about individuals panhandling at some street intersections and at entrances to some businesses, and loitering in front of businesses.

Bill Hillier stated that chapter 7.04 of the Chehalis municipal code addressed issues relating to panhandling. The code did not cover loitering, but if someone was on private property that would be considered trespassing. He stated business owners should contact the police if they had a problem. Dennis Dawes added it was not a problem to enforce individuals on private property, but it was difficult to deal with panhandlers. He suggested that some of the city's ordinances be reviewed because they were somewhat vague and unenforceable.

d. **Letter from Department of Ecology.** Mayor Rider stated a letter was received from DOE in response to a meeting between city representatives and DOE staff where city officials requested DOE staff to meet with Chehalis citizens regarding issues relating to the mandates placed on the city by DOE. Mayor Rider stated there was hope that things would become better between the city and DOE under the new leadership of Linda Hoffman. He reported that DOE representatives agreed to meet with the citizenry and talk about the mandates and all the issues related to them. In addition, DOE staff would be at the Chehalis Tea Party meeting tomorrow night.

e. **Chehalis Basin Partnership.** Councilor Spahr stated the partnership had drafted a watershed management plan as a result of the legislature giving communities an opportunity to have a voice in what was done in their basins and the future planning of them. During the process of developing a plan the partnership found there was a lack of information about the basin and before they set about planning they should probably have more information. He provided an example that the river was greatly overused by permits to draw water, but no one really knew and in actuality there was more water in the river today than there was in the 1950s. The plan would be sent for county review and public hearings, and he encouraged citizens to attend.

There being no further business to come before the council, the meeting was adjourned at 4:15 p.m.

Mayor

Attest:

City Clerk

April 26, 2004

The Chehalis city council met in regular session on Monday, April 26, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Proclamation – Elks Youth Week**. Mayor Rider read and presented a proclamation designating May 2-7 as Elks Youth Week. Clark Embum accepted the proclamation on behalf of Elks Lodge No. 2435.

2. **Employee Service Award**. Community Services Office Manager Sharon Ferrier was honored for 20 years of service. Mayor Rider announced Ms. Ferrier was retiring at the end of the week.

3. **Consent Calendar**. Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes of the regular city council meeting of April 12 and the special city council meeting also of April 12, 2004;
- b. April 15, 2004, Claim Vouchers No. 74463-74632 in the total amount of \$418,128.85;
- c. Appointment of Barbara Harrell to the wastewater division audit committee; and
- d. Update of utility rate analysis due to capital improvement plan changes (revised scope of work for the utility rate analysis by FC\$G in the amount of \$1,040).

The motion was seconded by Councilor Ketchum and carried unanimously.

4. **Citizens Business – Newaukum Village Homeowners Association**. Sheila Unger (140 Newaukum Village Drive, Chehalis) and Todd Mason (Mason Engineering), representing the association, presented a certification of intent to provide water for the rehabilitation of the association's water system. Ms. Unger stated they were successful in obtaining a grant to complete the project and the city would have 74 new customers. They were also required to submit a scope of work to finalize the grant award process. In addition, the city had until May 15, 2005 to amend its water system plan to include the association.

Bill Hillier stated he reviewed the document and changes were made to reflect that the city would provide water subject to entering into an agreement that was acceptable to both the association and the city.

Todd Mason stated the scope of work would include an itemized breakdown of the projected costs that included connection charges based on 2003 rates, since that was when the project began. He stated the city's water ordinance included a provision to allow customers asking for more than 27 ERUs to negotiate a rate reduction up to ten percent.

Councilor Spahr asked if the system would be dedicated to the city. Mr. Mason indicated the system would be designed and built to city standards, and dedicated to the city.

With respect to the negotiation of connection charges for 27 or more ERUS, Bill Hillier stated the provision applied to one customer making one request. In the case of the association there were 74 customers.

Mayor Rider asked what the difference was between the 2003 and 2004 connection charges. Bill Hillier stated the difference was about \$126 per connection. If the council chose to negotiate the rates up to ten percent, the cost would be reduced by about \$260 per connection based on 2004 rates.

Councilor Spahr asked if there were existing water meters. Dave Campbell stated there were no existing water meters. Councilor Spahr noted that would be an additional cost to the residents.

Councilor Ketchum moved to authorize the mayor to sign the certification of intent to provide water. The motion was seconded by Councilor Taylor and carried unanimously.

April 26, 2004

Councilor Ketchum moved to use the 2003 connection charge rate since the process was started in 2003 and the grant was written using the 2003 rate. The motion was seconded by Councilor Spahr and carried unanimously.

5. **Lewis County Historical Bike Ride.** Rose Spogen reminded the council about the bike ride on May 8 sponsored by the Chehalis/Centralia Optimist Club. She stated the money would be used for two \$500 scholarships to be awarded to eighth grade students in hopes that they use it as seed money for their continuing education.

6. **Mark-up Rate for the Provision of Water to Lewis County Water & Sewer District #5.** Jim Nichols stated the mark-up rate was the last "piece of the puzzle" regarding the provision of water service to the district. In February, the council approved an agreement, as to form and content, for the provision of service to the district with the exception of the mark-up rate. A study was done by FC\$G, the same consultant who performed the rate study, and they determined that 5.91% would be an appropriate mark-up rate. He stated Mr. Virgil Fox supported the proposed rate on behalf of the district.

Councilor Ketchum stated that during prior discussions staff provided information relating to comparable mark-up rates from other jurisdictions. He recalled that the council requested more in-depth information on those comparables. Jim Nichols stated the information that Councilor Ketchum was referring to was an attempt to find other comparables to refer to because that was going to be the best means of coming up with a figure at that time; however, they found there was really no formula or set rate in the industry, and was why the council chose to have FC\$G do the analysis. Mr. Nichols also pointed out that the district would only be purchasing wholesale water; they would not be receiving the same "full service" as other customers.

Councilor Spahr stated the consultant used a "return on rate basis" method for determining the mark-up rate, and recommended that the initial ROR should be monitored to assure that sufficient revenues were generated to recover all cash operating and capital costs. He asked how that would be done. Jim Nichols stated it was the type of thing that would need to be done in the future to see how the system was performing and to look at the finances. He stated the 5.91% was based on current financial information, but if that information changed they could certainly reevaluate the rate. He recommended a five- to ten-year reevaluation cycle. Councilor Spahr indicated he wanted to make sure the city was providing a profit to its citizens.

Councilor Spahr moved to approve a mark-up rate of 5.91% to be included in the previously approved interlocal agreement for the city to provide wholesale water to Lewis County Water and Sewer District #5. The motion was seconded by Councilor Pope. Virgil Fox stated the mark-up rate was acceptable to him and was done efficiently by FC\$G. Councilor Spahr asked if the motion should include a reevaluation cycle. Jim Nichols suggested that it not be included in the motion because the city needed to respond as things changed. Mr. Fox pointed out they were only talking about the mark-up rate; the actual charge, per the agreement, would be varied and evaluated according to the contract. The motion carried 6 to 1. Councilor Ketchum voted against the motion.

7. **Right of Way Use Along Chehalis Western Railroad Line Within the City Limits.** Bill Hillier provided a depiction of the right of way of the old Chehalis Western Railroad as it ran through the city limits, crossing three city rights of way (West, Prindle and Main Streets). He stated the city had about six easements (permits) for the city to cross railroad right of way for water, sewer and storm drainage lines. The city of Tacoma recently acquired the railroad and was proposing to "update" the cost of crossing their railroad rights of way for utility purposes, and other jurisdictions and private property owners were notified of the increases. Tacoma indicated the permits that were issued in the past were not up to date, not only in their format, but also in the fees that were being charged. They were now requesting a \$500 application fee and \$500 a year for each crossing. Mr. Hillier suggested joining forces with the city of Centralia and others to have the rights of way appraised, and he asked for the council's authorization to acquire the services of an appraiser to provide a fair value that Tacoma should be able to charge. He stated the city owned three crossings and he believed that at the time the railroad came through the city had already been platted. There was now the question of whether those crossings were sold to the railroad or whether the railroad acquired permits/easements from the city. Once that was determined there may be some additional ability to come to an agreement. He estimated the city's portion of the appraisal costs would be about \$300.

Councilor Pope moved to retain the services of an appraiser to value the use of the Tacoma railroad right of way and to report back to the council those findings. The motion was seconded by Councilor Spahr. Councilor Lund asked how much the railroad was being charged for stormwater for having an impervious surface. Councilor Harris asked if other cities, in addition to Centralia, should be contacted. Bill Hillier indicated his goal was to extend the network. The motion carried unanimously. Dave Campbell stated he would find out the answer to Councilor Lund's question.

April 26, 2004

8. Staff and City Council Reports.

a. Dave Campbell stated he received a fax from FC\$G, the city's utility rate consultant, this morning following up on the scope of work the council approved with them to analyze the option of having the city's wastewater treated by Centralia. Several council members suggested that a peer review be done of the engineering assumptions, work, and cost estimates to pursue that option if it turned out to be feasible. He distributed a proposal from FC\$G to work with a firm called Murray, Smith & Associates (MSA) to do the work at a cost not to exceed \$10,000. It was estimated that the work would be completed within 30 to 45 days.

Councilor Spahr stated MSA's proposal indicated they completed a similar project for the city of Aberdeen a few years ago. He asked why they couldn't find out what Aberdeen's costs were. He noted the city's storage capacity would be a lot more.

Councilor Taylor stated his main concern was whether the idea of Centralia treating the city's wastewater would even work. He thought several items in the scope of work were "extra", such as reviewing certain things already done by Gibbs & Olson. Mr. Campbell thought that was the sort of thing the council was interested in having a different engineering firm look at. He stated Councilor Taylor's request would be covered under the original scope of work to be done by FC\$G.

Mayor Rider thought the request was to actually look at the original proposal from Gibbs & Olson and compare it to the work proposed by CH2M Hill. Councilor Spahr stated that proposal, which was done in 1999 when they were talking about building a plant between the two cities, didn't require the huge storage capacity the city would have to build now.

Dave Campbell reiterated the underlying study would be done by FC\$G to analyze the feasibility of using the treatment plant in Centralia and also to compare the cost of that versus the city's current plans to build a treatment plant and have discharge at a poplar plantation. The request before the council now was to have another engineering firm review the facilities that were determined necessary or advised by Gibbs & Olson, and the estimated costs.

Councilor Pope stated the cost of the original study was \$12,000 and this proposal was another \$10,000. He indicated that data always proposed more questions, and he asked where it would end. He hoped the council would look at the data, ask the questions, and make a decision in the best interests of its citizens.

Councilor Ketchum moved to amend the scope of work with FC\$G to allow them to subcontract with MSA to perform the peer review analysis at a cost not to exceed \$10,000. The motion was seconded by Councilor Taylor and carried 5 to 2. Councilors Pope and Spahr voted against the motion.

b. **DOE Access to City Wells.** Patrick Wiltzius provided a status report on DOE's request to access groundwater wells on the poplar plantation property. The state attorney general's office did not want to provide a hold harmless agreement, so staff's position was that if the state would not provide a hold harmless agreement the city would not allow access. DOE did request data the city had relating to well water depths and groundwater reports, which would be provided to DOE to help in their study of groundwater levels.

c. **Tour of Centralia Wastewater Treatment Plant on April 29.** Dave Campbell stated the Chehalis Tea Party arranged a tour of the Centralia treatment plant on April 29 at 5:45 p.m. He asked that council members let him know if they would be able to participate. Councilor Spahr noted this was the first official invitation for Chehalis council members to tour Centralia's plant.

d. **Short-course on Planning.** Dave Campbell stated a short-course on planning was scheduled on April 29 beginning at 6:30 p.m. in Centralia at the railroad depot. Mayor Rider stated the tour and the course might conflict if council members wanted to do both. He asked if the tour could begin earlier.

e. **Downtown Cleaning Project on May 2.** Joanne Schwartz distributed information about a spring clean-up of the downtown area on May 10 from 10:00 a.m. to 2:00 p.m.

f. **Petition.** Mayor Rider stated he received a petition from citizens and business owners of the north Chehalis area regarding problems with vagrants loitering in the area. Dennis Dawes informed the council that public drunkenness was not against the law, but the other complaints could be addressed. Bill Hillier suggested they try enforcement under the existing ordinances and see if the problems get solved, but, if the problems persisted, they could revisit the ordinances.

April 26, 2004

g. **Chehalis Basin Partnership.** Councilor Spahr stated notices were received from the Grays Harbor County Department of Public Services regarding a joint county meeting relating to the partnership's basin watershed management plan. He encouraged everyone to attend.

h. **Wastewater and Stormwater Fees.** Councilor Spahr stated information was distributed from the Washington State Government and Information Services regarding comments on wastewater and stormwater fees. He stated he planned to get the information to Chehalis Tea Party members because if someone wanted to be an advocate of keeping expenses down for local government this was the place to start. For example, in 1988 a citizens' initiative required state wastewater discharge permits to be completely supported by permit fees. Now, every two years, DOE increases permit fees to continue funding the program. They were now looking at establishing permit fees for certain municipal stormwater systems and nobody knew how that would impact the city. He stated it was very important for citizens to voice their opinions. He noted members of the environmental community would be there pushing for stronger and stronger laws. A public hearing was set for May 12 at the Cowlitz County utility district beginning at 1:30 p.m.

i. **Wastewater Issue.** Councilor Harris thanked the Chehalis Tea Party for hosting a community forum where the entire council was present, along with DOE representatives. During the forum a question was asked about how Chehalis would pay Centralia if that was the chosen option. He stated there would be times during the wet weather months when Chehalis would be shipping 5 million gallons a day to Centralia, but only 1 to 1.2 million gallons were passing through customers' meters. This would mean 3.8 to 4 millions gallons would be shipped to Centralia and the city would be charged for it, but would have nobody to bill. Councilor Harris stated that was a huge issue that needed to be addressed. Councilor Spahr noted that was one of the reasons the city went with their own system.

Dave Campbell didn't think there would be any way of billing that on a customer-by-customer-basis. It would just have to be an overall cost of business and distributed to all customers.

Councilor Harris stated it would be difficult to estimate how much the city would be shipping at certain times, and it wouldn't want to shortfall that estimate. Dave Campbell agreed that the city wouldn't want to do that on a consistent basis, although it might be able to get away with it on a month-to-month-basis as long as it could recover the costs at a later date.

Councilor Spahr stated that when the city remodeled the plant in the 1980s, Darigold used to use the plant, which was designed to treat human waste and raw food. Darigold would store their waste and all the city requested was that they let the plant know when they were shipping it and staff could divert it into a holding tank and then feed it gradually. Darigold wouldn't do that so consequently thousands of gallons of raw waste would inundate the plant and it would take several hours to get it back up to par. In trying to charge for that service Darigold found it was cheaper to build their own plant.

Councilor Taylor stated he was also trying to figure out that same issue. He suggested that when there was more water it wouldn't cost the city any more because the city was already passing the costs onto its customers. Councilor Harris stated the city was only collecting costs for what actually went through a meter.

Councilor Spahr stated the Chehalis plant was going to be designed to handle upwards to 13 million gallons and it would cost the same to handle 13 million gallons as it would for 1 million gallons, but if it's send to Centralia it would cost a certain amount per gallon.

Mayor Rider stated it would still cost a certain dollar amount to process the waste.

When it went from 1 to 1.5 million gallons up to 13 million gallons that other 12 million gallons wasn't running for free. It was built into customers' fees.

Jim Hill (1963 SW Snively Avenue, Chehalis) understood the city had a problem with water that it didn't know where it was going, and also problems with inflow and infiltration, which was what he thought the council was talking about right now. He thought that was where the city was double-charging itself by not collecting fees on the water it couldn't account for. He stated the city wasn't collecting fees on the stormwater, and he didn't think they should, but he indicated that was where it was going to cost a lot of money to send it to Centralia.

April 26, 2004

Councilor Lund stated people would like to be able to drill wells to water their lawns, but the city has an ordinance prohibiting that to prevent cross contamination. Mark Petrie stated that if people had private wells within the city's water system they had to install a cross connection control device, which was a Department of Health requirement.

9. **Executive Session**. Mayor Rider announced the council would convene into executive session at 4:40 p.m. pursuant to RCW 42.30.110(1)(c) – sale of real estate. Following conclusion of the executive session, the regular meeting was reopened at 5:05 p.m. and there being no further business to come before the council, the meeting was immediately adjourned

Mayor

Attest:

City Clerk

May 10, 2004

The Chehalis city council met in regular session on Monday, May 10, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Proclamation – Salvation Army Week**. Mayor Rider read and presented a proclamation designating May 9-15 as Salvation Army Week. Captain Ron Wehnau accepted the proclamation on behalf of the Salvation Army.

2. **Proclamation – Small Business Week**. Tom Duffy, representing the Centralia-Chehalis Chamber of Commerce, accepted a proclamation from Mayor Rider designating May 17-21 as Small Business Week.

3. **Consent Calendar**. Councilor Ketchum moved to approve the consent calendar comprised of the following items:

- a. Minutes of the regular city council meeting of April 26, 2004;
- b. April 30, 2004, Payroll Vouchers No. 22253-22408 in the amount of \$529,295.84; Transfer Voucher No. 1540 in the amount of \$4,098.72; and April 30, 2004, Claim Vouchers No. 74633-74779 in the total amount of \$383,783.28; and
- c. Engineering services agreement with Berger/Abam Engineers in an amount not to exceed \$6,200 to conduct a seismic analysis of city reservoirs.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff and City Council Reports**.

a. **National Flood Insurance Program Community Rating System Classification Report and Washington Surveying and Rating Bureau (WSRB) Building Code Effectiveness Grading Classification Report**. Bob Nacht provided information relating to the city's participation in the national flood insurance program community rating system (CRS), and the WSRB building code effectiveness grading schedule classification (BCEGS). With respect to the CRS program he reported the city received 2001 rating points, which equated to a 20% reduction in flood insurance premiums for property within the city limits. He stated the last component of the CRS program, the repetitive flood loss plan, would be presented to the council at their next meeting. Mr. Nacht stated a new program, the BCEGS, was instituted a few years ago to compliment the fire services rating. The new program established credit points relating to building code and inspection programs and the city was notified it received a class 3 rating for residential and commercial properties. He noted that, while not required, insurance carriers could use the classification number to offer insurance premium discounts to eligible properties.

b. **Upcoming Meetings**.

* Dave Campbell stated the May 12 GMA committee meeting was rescheduled to May 19.

* A public hearing on the shorelines permit for the proposed new wastewater treatment plant was set for May 26 at 7:00 p.m., followed by a public information session. Bob Nacht stated the public works department, through its consulting engineer, applied for the required shorelines permit for the construction of the wastewater treatment plant. The facility was on a critical construction timeline, and irrespective of what policy decisions the council may ultimately make, the physical plant had to be done during a construction timeline. The shorelines process required a public hearing when there was either a request for such or when the issue was of broad public significance. He emphasized that the scope of the public hearing would be limited to the physical impact that the plant may have on the environment, and would not address rates or any of the other policy decisions the council was currently wrestling with.

* A council-management staff meeting was scheduled for June 7 at 6:00 p.m.

May 10, 2004

c. Follow-up on Public and Council Concerns about Loitering, Soliciting, Vagrancy, and Similar Observations.

Dennis Dawes stated he found one individual living on private property owned by I.P. Callison & Sons and he was asked to leave. He then contacted management at the facility and advised them it was their responsibility to clean up the mess left behind by the individual. He suggested they post no trespassing signs on the property and to call the police when there were people on the property. The second area he looked at was under the Chamber Way bridge. He found no individuals, but there were signs that someone had been there. Signs were posted at the area about not staying under the bridge because of concerns that individuals might dig out and mitigate the bridge's structure. A third location off Kresky Avenue located on private property contained private encampments although no individuals were located. Previous conversations between the property owner and officers indicated the owner had no problem with individuals staying on the property. He stated six bicycles were removed from the city right of way, however. Chief Dawes stated the city was limited in what it could do to prohibit individuals from standing on the right-of-way holding signs asking for money and/or food, but they could not approach people or cars, or impede traffic.

Bill Hillier reiterated that any kind of direct solicitation for funds by individuals was a violation of city ordinances, and unwanted conduct on private property was considered trespassing. In addition, certain conduct occurring on private property could be addressed through the nuisance ordinance. However, he stated that people had the right to be on public property as long as they were not obstructing traffic or creating some type of problem.

Councilor Spahr suggested that if it wasn't profitable for a person to stand on the right-of-way they wouldn't be there. With regard to private property, he asked if building codes would apply to any structures that might be built. Dennis Dawes stated they were living in tents, not building structures. Bill Hillier stated staff would notify the health department in those cases.

Mayor Rider thanked Chief Dawes for his work on the matter, but he didn't think it was the kind of image the city needed to portray. Chief Dawes agreed and he stressed that people needed to contact the police department when situations occurred. Dave Campbell added that in cases where people were leaning against buildings or occupying doorways off the public sidewalk they could be asked to move along.

d. Comments from Councilor Harris. Councilor Harris stated he needed to make an apology to the mayor, the council, and to the city. After finding a flyer on his door from the Chehalis Tea party suggesting that citizens attend a meeting, he decided to go to the meeting as a citizen, not a city council member. He distributed copies of a letter written to Mayor Rider following the meeting suggesting that he was sent to the meeting by the mayor. Councilor Harris indicated that was not the case. The letter also stated that he was mistaken in thinking the meeting was a public debate. During the meeting questions came up about why the city paid \$1.5 million for \$400,000 worth of property. Councilor Harris stated he tried to address the question, which he thought had already been resolved during a previous Chehalis Tea Party meeting where DOE representatives were present and there was discussion about how property was assessed versus how it was valued. While he was trying to explain that he was asked to keep his comments to himself and was told it would be best if he didn't speak anymore, although he did speak a couple more times. Following the meeting he spoke to members of the Tea Party and he commended them for volunteering their time to do something they believed in. He reiterated he just wanted to find out what was happening because the door hanger that was left indicated the city anticipated a 150% increase in the amount of current bills as soon as June. He thought that was a little frightening to anyone who would have seen it and not known exactly what was going on. He stated he would probably stay away from public meetings unless what he was saying agreed with what was going on.

Councilor Spahr asked if Mayor Rider sent Councilor Harris to the meeting. Mayor Rider stated he didn't. He also stated that the letter indicated he had told members of the Tea Party that he would take a hard look at the petitions, and would be impressed by 1500 signatures. Mayor Rider stated he did make that statement.

Councilor Spahr asked Barbara Harrell, a Tea Party member, if they actually put the flyers on the doors with misinformation. Ms. Harrell stated she didn't write the flyers, but the council was right in that they did contain misinformation. She stated they were no longer being put on doors.

Councilor Harris added he was also told by members of the Tea Party that they would make sure their meetings were private from now on. Councilor Lund questioned what good a private meeting was. Councilor Spahr noted that when the Tea Party started getting two pages of print in the newspaper that wasn't private; it was public.

e. Chehalis Basin Partnership. Councilor Spahr stated the involved counties were currently holding public hearings on the draft watershed management plan.

May 10, 2004

5. **Executive Session**. Mayor Rider announced the council would convene into executive session at 3:45 p.m. following a break beginning at 3:36 p.m. pursuant to RCW 42.30.110(1)(c) – sale of real estate and RCW 42.30.110(1)(i) – potential litigation. Following conclusion of the executive session, the regular meeting was reopened at 5:50 p.m. and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

May 24, 2004

The Chehalis city council met in regular session on Monday, May 24, 2004, in the Community Services activity building. Mayor Fred Rider called the meeting to order at 3:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief, Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Consent Calendar**. Councilor Spahr moved to approve the consent calendar comprised of the following items:
 - a. Minutes for the regular city council meeting of May 10, 2004;
 - b. May 17, 2004 Claim Vouchers No. 74780-74931 in the amount of \$324,222.47; and
 - c. Final acceptance of the traffic signal lamp conversion to LED lamp project and release of retainage in the amount of \$2,790.68 to Rakoz Electric.

The motion was seconded by Councilor Taylor.

Mayor Rider asked for clarification on item "c". He asked if there was an overage on the original bid amount, or if the amount that the PUD was willing to pay was less. Tim Grochowski indicated there was no overage on the original bid of \$60,167.01 and the city would receive an incentive pay of \$21,158.31 from the PUD, which was 50% of the estimated eligible project costs for the red and green bulbs. The motion carried unanimously.

2. **Resolution No. 5-2004, First Reading – Adopting the 2004 Chehalis Repetitive Loss Plan**. Dave Campbell stated that council had received informational reports recently regarding FEMA's evaluation of the city's activities to limit damage from flooding through the community rating system classification process. As part of that process, the city adopted a repetitive loss plan that needed to be updated every five years.

Bob Nacht stated the plan was the same, but certain information relating to addresses and references to current planning efforts was updated, particularly at the county level. All of the state agencies, FEMA and a number of other agencies had reviewed the plan, and no comments had been received to-date, so staff was proceeding with presentation of the plan.

Councilor Pope asked whether any of the property the city had purchased several years ago through a buy-out program would be included in the plan. Mr. Nacht stated the issue with this plan was to address repetitive loss property. Property that did not have any structures on it could not be considered repetitive loss property. Since the structures on the properties that were purchased by the city had been removed, those properties could not be a part of this program.

Councilor Spahr asked if there was any reason not to suspend the rules requiring two readings of the resolution. Mr. Nacht stated there was no specific reason not to, however he recommended the resolution have two readings because of the processing requirements of FEMA.

Councilor Spahr moved to adopt Resolution No. 5-2004 on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Introduction of the 2004 Petitions for Amendment to the Comprehensive Plan and Development Regulations**. Bob Nacht indicated the petitions were included in the agenda and he would answer any questions.

Council Taylor asked if there was a petition to split the Braun NW property. Mr. Nacht referred to Petition 04>039. He explained that Braun NW was initially permitted through the county to build their new facility. A zone line was identified that transected the property into two different zones - commercial and industrial. Mr. Nacht stated the petition that was presented would decide how the property would be zoned. He noted that Braun NW representatives were requesting that the zoning not be

May 24, 2004

corrected at this point because they were planning some sight development and the existing zoning would be conducive to their plans. Mr. Nacht indicated staff would be recommending at the public hearing that the petition be rejected.

Councilor Ketchum moved that council set a date of June 14 at 6:15 p.m. for a public hearing regarding 32 petitions to amend the Chehalis comprehensive plan and development regulations. The motion was seconded by Councilor Lund and carried unanimously.

4. Staff and City Council Reports.

a. **2003 Year-end Budget Status Report.** Judy Schave provided council with an analysis of the revenue and expenditure activity for 2003. Ms. Schave reported that sales tax revenues were up in the general fund due to the new retail outlets along I-5. She also reported that the natural gas tax was significantly down because of WestFarm Food's (Darigold's) interpretation of state law that allows the city to impose a use tax on brokered natural gas. According to the auditor in charge of WestFarm Food's audit, their request to be refunded for taxes paid to the state would be denied. The auditor stated that perhaps when they received notice of that, they would start paying their current taxes.

Councilor Ketchum asked if any of the back-taxes would be paid. Ms. Schave stated the auditors will start their audit for 2003 at the end of 2004, which would take about six months to complete. It wouldn't be until mid-year 2005 before they would be required to pay any back-taxes. Mr. Campbell hoped they would start paying immediately. Mayor Rider asked what the city could do if they didn't start paying the tax. Mr. Campbell indicated the city would be talking to them through its attorney. Mr. Hillier added the city had the authority to pursue collection of the tax through city ordinance.

Ms. Schave continued her report on the general fund stating the beginning 2004 unreserved cash and investments were \$283,558 less than projected, largely due to unpaid natural gas taxes and some mid-year expenses in the general fund that drew down some unreserved monies.

Councilor Ketchum asked whether or not the unreserved went up a little since the city wasn't expecting money back from the flood study. Mr. Campbell noted the money wasn't received until 2004.

Ms. Schave stated water revenues were up slightly, again due to new business, noting the largest new customer was the Chehalis power plant, Tractebel. In 2004, almost \$2.8 million was budgeted for the beginning reserved/unreserved retained earnings which actually ended up being closer to \$3.6 million. Four projects (the high-level water reservoir, the Newaukum Avenue water line, the Valley View pump station, and the Fairview water main) were carried over to 2004, attributing to the greater-than-budgeted water fund beginning reserves.

With respect to the wastewater fund, Ms. Schave noted the fund also saw increased revenues due to the growth along I-5. Operating expenses for this fund came in under what was budgeted due to some treatment plant projects that were carried over into 2004. The wastewater reserved and unreserved beginning retained earnings ended up a lot higher than projected due to a cash flow timing situation. In December, the city received expense reimbursements of \$2.7 million in loans from the State Revolving Fund and the Centennial Clean Water Fund. She stated that with the significant planning and capital project expenses for the wastewater system, a major portion would be drawn down from the retained earnings in the wastewater fund.

b. **Downtown Skateboarding Ordinance Status Report.** Dave Campbell reported that late last year the council passed an ordinance prohibiting skateboarding and other types of wheeled devices on sidewalks in the downtown area. At that time, the council requested that a status report be given after six months.

Dennis Dawes reported that 15 individuals received warnings. When the ordinance first went into effect, officers were instructed to issue warnings until signs could be installed. Since the signs went up, eight field interview cards were filled out, which meant that officers had stopped and talked to individuals. Chief Dawes reported he wasn't aware of any calls in other areas outside the central business district regarding reckless skateboards or anything else. Chief Dawes stated there was an emerging issue related to motorized scooters, and there had been a few calls about their use in the downtown area. He stated the ordinance didn't cover motorized scooters on sidewalks. He stated they were covered under state law and would be addressed accordingly.

May 24, 2004

Councilor Taylor asked if motorized scooters were okay to be ridden on the street. Chief Dawes stated that they were treated the same as a bicycle, although he anticipated they would be addressed and regulated separately during the next legislative session.

Councilor Harris asked if any of the same individuals were contacted more than one time. Chief Dawes stated there had been no double contacts.

Mayor Rider asked Chief Dawes if motorized scooters had to follow the same rules as bicycles, specifically relating to safe operation. Chief Dawes indicated they did and individuals would be cited for unsafe operation.

Mayor Rider asked why it took so long to get the signs up. Chief Dawes stated that it had to do with determining what kind of signs would be installed. They considered painting pictures of bicycles and skateboards with lines through them on the sidewalk, but some people in the downtown area thought that would have a negative tone, so they decided to go with the signs that were now installed.

Councilor Spahr thought the ordinance was working adequately and that the council take another look at it in six months.

Mr. Chuck Haunreiter indicated he was surprised to see the signs go up before the six-month review of the ordinance. He stated Mayor Rider had indicated to him that he was going to try to revise the ordinance since state law already prohibited the unsafe operation of skateboards and bicycles, so it wasn't necessary to prohibit those who were operating them safely in the downtown area. Mayor Rider stated the council passed an ordinance and the signs needed to be put up to enforce it. He thought the signs should have been put up the next day, but he accepted the chief's explanation as to why they weren't. He stated his discussion with Mr. Haunreiter had nothing to do with the ordinance that had already been accepted and passed for a six-month period of time.

Mayor Rider stated he hadn't changed his position about the necessity of the ordinance, but when the council made a decision he supported that decision, even if he voted against it. He agreed with Councilor Spahr that the issue be revisited in another six months, although he still didn't think it was needed.

Councilor Taylor indicated the law stated that reckless behavior could be regulated. Councilor Taylor thought the need for the ordinance was that someone could be riding safely, but accidentally run into someone. He didn't think anyone was saying that people were driving reckless. Councilor Taylor stated he wasn't in favor of the ordinance in the beginning because he didn't want to put any more restrictions on the kids that were in the downtown area.

Chuck Haunreiter suggested the city ban cars from the downtown area because he had seen accidents where cars were pulling out and running into other cars because of poor visibility. He also didn't think there was enough foot traffic to warrant the ordinance. Mr. Haunreiter stated that when officers saw someone doing some illegal they could cite them, but he didn't think the city should bother people who were casually going along.

Mayor Rider added it just wasn't the central business district and if the issue was important enough maybe they should consider a ban in other areas of the city.

Mr. Campbell stated another status report would be presented to the council in six months.

Mr. Haunreiter asked if anyone had considered fixing up the old tennis courts near Chehalis Avenue to make a place for the kids to play. Mayor Rider stated the Chehalis Foundation was looking into that, but they were currently working on the Alexander Park project.

c. **Shoreline Management Permit Public Hearing.** Mr. Campbell reported that a public hearing was scheduled for Wednesday, May 26 at 7:00 p.m. at the community building at Recreation Park to discuss the proposed new wastewater treatment plant. And, prior to the public hearing, a public information form would be held regarding the plant.

May 24, 2004

d. **Council-Staff Work Session**. Mr. Campbell stated a council-staff work session was scheduled for June 7 at 6:00 p.m. at the Activity Building.

e. **Chehalis River Basin Partnership Meeting**. Councilor Spahr reported the partnership's next meeting was scheduled for May 28.

f. **City Manager Evaluation**. Mayor Rider reported the council would be doing Mr. Campbell's evaluation on June 28.

g. **Wastewater Treatment Proposal from the City of Centralia**. Mayor Rider asked about the status of the proposal. Mr. Campbell stated a report would be presented during the council's June 14 meeting.

There being no further business to come before the council, the meeting was adjourned at 3:35 p.m.

Mayor

Attest:

City Clerk

May 24, 2004

The Chehalis city council met in special session on Monday, May 24, 2004, in the Community Services activity building. The work session began at 3:45 p.m. with the following council members present: Fred Rider, Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, Interim Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief, Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **Public Safety Building Committee Report and Recommendations.** Chief Dawes introduced the committee members that were present. He then gave a historical perspective to-date, including identification of potential sites, choosing an architectural firm, reviewing preliminary site plans and financing options. He stated the committee's recommendations included:

1. Approve the building plan submitted by the public safety building committee.
2. Select one of the financing options recommended for consideration (an increase in utility tax by 2% or the sale of GO Bonds).
3. Direct staff to prepare the appropriate resolution for action, planning for placement on the ballot not later than the special election date in February 2005.
4. Exercise the purchase option to tie up the Lewis County public services building for an additional twelve months (due in October) at a cost of \$5,000.
5. Express its appreciation for the work of the committee members, recognize that they completed the charge of the committee approved in February 2003, and reserve the ability to call on them for service to help "market" the plan the council approves to proceed with this project.

Councilor Pope proposed to accept the five recommendations.

Councilor Lund suggested, and Councilor Taylor agreed, that the council postpone the issue until September or until the rate study was settled. Councilor Lund then made a motion to table the issue until not later than the first meeting in September. The motion was seconded by Councilor Spahr and carried unanimously.

The work session concluded at 4:45 p.m.

Mayor

Attest:

City Clerk

June 7, 2004

The Chehalis city council held a special meeting on Monday, June 7, 2004, at the Chehalis community services activity building. The work session began at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Fred Rider, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

1. **2004-05 Council Goals Status Report**. Dave Campbell reviewed the first quarterly report of the 2004-05 goals adopted three months ago.

Councilor Pope asked for clarification on the goal relating to the utility rate study, specifically if any rate changes had been proposed. Dave Campbell stated a report was prepared for the council a couple months ago, but the council had not taken any action on it.

Councilor Harris asked for an update on the goal 5, the hiring of a new police chief and a new fire chief. Dave Campbell stated Jerry Boes was recently appointed fire chief, and the process for selecting a new police chief was underway.

Councilor Spahr asked what the city's roll was with respect to goal 3, airport governance. Dave Campbell stated Mayor Rider was representing the council at meetings with Centralia and Lewis County about ideas for changing how airports in Lewis County were governed. Any proposed changes would come before the council. Mayor Rider indicated that in speaking for himself, he wasn't in favor of merging all the county airports. Further discussion on the issue was scheduled to take place with all the airport boards.

Councilor Spahr inquired about the various options for printing and distributing a city newsletter. Joanne Schwartz stated she talked with Frank DeVaul of DeVaul Publishing and he was working on a proposal for the city. She noted there was currently no money budgeted for a newsletter.

Mayor Rider asked about customer service training for employees. Caryn Foley stated she planned to focus on training for front counter staff, but she would need to work with various department heads.

Councilor Spahr asked how goal 6, downtown parking system and policies, under the 2004-05 goals differed from goal 1, downtown revitalization, under 2004-05 objectives already underway. Mr. Campbell explained that goal 6 was just one component of the whole downtown revitalization goal.

Mayor Rider asked for an update on the Newaukum Avenue improvement project. Jim Nichols indicated it was still being worked on, noting the water and street designs were complete. They were still working on obtaining the necessary easements from property owners.

Councilor Pope asked if goal 10, performance evaluation/audit of city services and operations, was the committee that was appointed to evaluate the wastewater division. He asked if they were made aware of their liability and the fact that the city would not cover them for liability. Mr. Campbell indicated that had not been discussed. They had only talked about what their role was and what the council expected of them.

2. **Chamber of Commerce Way Roundabouts and Traffic Improvements**. The presentation was made by Jim Nichols and Washington State Department of Transportation (WSDOT) representatives Jonathon Abuyan, Bart Gernhart, and Rich Hensley.

Jim Nichols gave a brief history about the increasing congestion along Chamber Way. Staff had been looking at the issue in great detail for the past year, working with WSDOT to determine what options were available. Turn lanes were investigated, but showed limited benefit because they wouldn't really solve the current problems. The focus then turned to roundabouts and since then, there had been a lot of debate and discussion about their potential effectiveness. WSDOT representatives provided several aerial photos showing where the roundabouts would potentially fit in. Four to five roundabouts could be installed along Chamber Way. The representatives then provided a computerized demonstration of the different

June 7, 2004

alternatives using existing and projected conditions that were created using the aerial photos and traffic counts. No action was taken by the council.

3. **City Purchasing Practices and Policies.** Dave Campbell explained the various purchasing practices used by the city with respect to construction contracts, vehicle purchases, and smaller items. He explained that a number of purchases took place by phone or in writing, usually requiring at least three quotes. Others were made by each department on an individual basis, mostly based on where past purchases were made.

Councilor Pope stated that staff had the experience of purchasing and asked why the issue was coming up now. Mr. Campbell stated some council members had questions as to the city's purchasing policies and procedures.

Councilor Lund stated he noticed that staff was purchasing vehicles off the state contract and he wondered why local businesses weren't given an opportunity to bid.

Dennis Dawes stated that part of the reason was because dealers couldn't go on-line and match state bids because that would circumvent state law. He stated he would personally prefer to buy from local dealers, but the state purchased in volume, which allowed them to sell at a much lower price. He stated he was a stickler for buying local, but sometimes state law didn't make that easy to do. Chief Dawes noted that while the city was saving money by purchasing off the state contract from out-of-town vendors, some of the services that went along with those purchases stayed local. The council asked that staff give consideration to local vendors before shopping out of town. The consensus of staff was that they preferred to buy local whenever possible.

There being no further discussion, the meeting was adjourned at 8:15 p.m.

Mayor

Attest:

City Clerk

June 14, 2004

The Chehalis city council met in regular session on Monday, June 14, 2004, in the Chehalis Virgil R. Lee Community Building. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Swearing-In.** Municipal Court Judge, Steve Buzzard, swore in James M. Larson as city treasurer.
2. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following items:
 - a. Minutes of the regular city council meeting of May 24, 2004;
 - b. May 28, 2004 Claim Vouchers No. 74932-75055 in the amount of \$82,115.11; and Payroll Vouchers No. 22409-22565 in the amount of \$511,685.07; and
 - c. The rejection of bids for three water projects (the 100,000-gallon high-level reservoir, the Valley View pump station, and the Fairview water line).

The motion was seconded by Councilor Ketchum.

Councilor Spahr asked if it would be better or possible to bid all three projects together. Jim Nichols said it could potentially be done, but the projects were at three different locations and were far enough apart that they would be treated as three different projects by contractors, so there would be nothing to gain.

Councilor Harris asked why the bids were almost double from the engineers' estimates. Jim Nichols stated there were several reasons, including timing, the size of the projects, and the bidding climate. Since the projects were somewhat of a smaller size, there wasn't much interest. He noted that when the projects were re-bid, they would do it much earlier in the year to ensure that contractors could fit these types of projects into their schedules. The motion carried unanimously.

3. **Citizens Business - Presentation of Petitions by the Chehalis Tea Party.** Sheryl Gafford and Barb Harrell addressed the council regarding freezing the construction of the wastewater treatment plant and increasing rates. They stated the proposed rates would be a financial burden on citizens and businesses. They presented two different petitions for consideration. The first petition, listing 1,139 signatures, requested stopping any proposed rate increases until January 2005, and the second petition, containing 1,012 signatures, requesting freezing and/or delaying construction of the new wastewater treatment plant until January 2005.

Mayor Rider thanked the Tea Party members for being concerned citizens. He stated the issues were important and he appreciated their involvement. He stated the council would take the petitions into consideration.

Ms. Gafford asked that the petitions be seriously considered, noting that the decisions made by the council, on behalf of the citizens of Chehalis, would have a profound effect on everyone.

Mr. Wayne Galvin, a former council member, spoke about the wastewater treatment plant issue. While he admired the citizens' participation, he wondered where they were five years ago when the process started. He stated he was a Chehalis resident on a fixed income, and was as concerned as anyone about the wastewater treatment plant and the utility rates. While serving as a past council member he was involved with the details of, and the decisions made, regarding the wastewater treatment plant. He also served on a committee that advised on the selection of the engineer firm for the project. As a councilmember it was his goal to find the least costly solution for the citizens, regardless of personal or political issues. Mr. Galvin stated that over the years there had been many independent studies and analysis of the project to determine the least expensive route, and all of the studies showed the current plan to be the most economical and least costly. He noted the longer

June 14, 2004

the council waited to make a decision, the more the utility bills would escalate and there wouldn't be anything to show for it. He encouraged the council to endorse the project as currently proposed and move on.

4. Public Hearings - 2004 Petitions for Amendment to the Comprehensive Plan and Development Regulations.

Bob Nacht provided the council with a brief overview of the 32 petitions. He stated the planning commission held a public hearing on the 32 petitions in May, and there was considerable testimony on two of the petitions (#04-039 – the Braun NW complex re-zone and #04-045 – the Forest Manor retirement center re-zone). The planning commission recommended not to adopt #04-039 or #04-045, but to approve the other 30 petitions.

Councilor Taylor asked for background on petition #04-039. Bob Nacht explained that about a year ago, Braun NW proposed to develop property on North Star Drive. At that time it was identified that the property they wished to develop had two zones on it - commercial and industrial. Through the county permitting process, an administrative decision had to be made as to which zone would be applicable because the permitted uses in the two different zones differed. It was determined that the Braun NW proposal was a permitted use in the zone and the county permitted the project.

Subsequent to that, and through the city's annual amendment process, staff presented a petition to rezone the Braun property to make it all one zone. In discussions and through the planning commission's public hearing process, Braun representatives and others submitted letters requesting that the city not alter the zoning at this time because Braun had identified some potential development on the property that was consistent with the zoning.

Mayor Rider closed the regular meeting and opened the public hearing at 6:26 p.m.

Mr. Brian Kelly spoke against petition #04-045 and he requested that the council approve the recommendation of the planning commission. He stated the petition would rezone the property from R-1 to R-3. He stated the property was five miles out of town, with no multi-family dwellings along Jackson Highway. Mr. Kelly's client, Kathy Samuelson, owned a 200-acre parcel of timber land immediately behind Forest Manor and she was concerned that there was no place for children in single-family dwellings to play. He noted that Ms. Samuelson also had problems in the past with people using her property. Mr. Kelly submitted that the proposed zoning was incompatible and inconsistent with surrounding uses. He stated the issues were different when Forest Manor was used as a retirement home. He suggested that the proposed development should be located in closer proximity to needed services, such as fire, medical, and other city services. With respect to rezones, Mr. Kelly stated that statute 17-09140(G) puts the burden on the petitioner, but the petitioner, Mr. Riley, wasn't in attendance at the planning commission meeting. However, there were a number of resident's in attendance who objected to the rezone. He stated there was a lot of concern about the proposed rezone and the legal criteria for it. He requested that the council approve the denial of the rezone and uphold the planning commission's determination.

Mr. James Currey also spoke against petition #04-045 and he thanked the planning commission for its recommendation. He stated the community was very concerned and had issues like economic values and the impact that multi-units would have on single-unit properties. He was also concerned about the children, public transportation, and the fact that half of the property was within the 100-year flood plain. Mr. Currey asked that all of the people from Jackson View Estates stand and be recognized.

Mr. Bill Brickell reiterated Mr. Currey's comments. He felt the community really didn't need multi-family units there. He thought the Department of Social and Health Services was behind the development, not Mr. Riley.

Mr. Nelson Hunt spoke against petition #04-045. He stated he was speaking on his own behalf as a resident of Jackson View Estates. Mr. Hunt echoed Mr. Kelly's remarks relating to ordinances, amendments, and rezones in that it just didn't meet any of the criteria. He stated the comprehensive plan was presumed to be the best plan because of the amount of planning that went into it and that rezoning the subject land was to be discouraged and only allowed under certain circumstances. He also noted there was a requirement to have a bus stop within 300 feet of a development located on an arterial street. He wasn't aware of any bus service there or whether it could be provided out there. Mr. Hunt encouraged council to accept the planning commission's recommendation and deny the petition.

June 14, 2004

Mr. Brown understood that zoning was a tool to give uniformity and compatibility to build in designated areas. Certain areas were found and selected in the planning phases of a development so that each building or home would conform to similar standards and quality to ensure that a certain quality of environment and value would be adhered to in the future. People make major investments in their homes and property and were drawn to Jackson View Estates because of the environment, the quality, and the value that an R-1 zone gives. He stated the R-1 zoning was given to the area in order to maintain compatibility for future house development.

Mr. William Riley, the proposed developer, indicated he was his understanding that today's public hearing was only a preliminary discussion of the matter. He explained his office listed the property for sale, but no sales ever went through. One of the sales had to do with the Department of Social and Health Services, but he stated he was not affiliated with that department. During the process, they became acquainted with the next door property owners who wanted to sell their property as well, but they were told it would do no good under the present zoning. Mr. Riley said he met with Bob Nacht, filled out the application, and submitted it. Mr. Riley recognized that the maximum density was an issue and there would need to be amenities for that many units. He was looking for feedback on what sort of things might be required. He believed the location was a good spot for his development. Mr. Riley noted the property would be of no interest to most developers under its present zoning. He requested that the matter be delayed for further discussions, and apologized for all the consternation in the neighborhood.

There being no other public comment, Mayor Rider closed the public hearing and reopened the regular meeting at 6:50 p.m.

Councilor Pope moved that the council direct staff to prepare an ordinance and incorporate all the proposed amendments except #04-039 (the Braun NW complex) and #04-045 (the Forest Manor retirement home). The motion was seconded by Councilor Harris.

Councilor Spahr asked if the Forest Manor property was zoned R-1. Mr. Nacht stated that was correct. The county designated approximately 430 acres east of Jackson Highway and south of the existing city limits as urban growth area and three different zoning designations could be made, including residential, commercial or industrial. If an area was designated as resident the default zone was R-1.

Councilor Spahr asked how the R-1 zone limited the Forest Manor property. Mr. Nacht stated that the Forest Manor property was a vested development since it was there prior to the zoning designation, and it would continue to exist as a non-conforming use. He stated there had been a number of uses of the Forest Manor property, which had typically been institutional uses. To his knowledge, it had not been used as single-family residential.

Mayor Rider asked what the difference was between an accessory living quarter and an accessory dwelling unit. Bob Nacht stated the issue had to do with the definition and how it applied in the land use arena. An accessory living quarter was typically not involved in a dwelling unit or a kitchen. It had to do with what was called a "Granny Flat" or a "Service Quarter" where it's an accessory part of a dwelling unit that another person, who may not be a family member, lives. They don't have a separate part of a dwelling unit that they essentially live in. An accessory dwelling unit is typically associated with a caretaker or security unit. In the case of a residential unit, it would be a mother-in-law unit that was a separate unit as opposed to a duplex or a second dwelling unit used for a rental or as otherwise used.

Mayor Rider asked if the bottom end of the duct work in flood-prone crawl spaces had to be one foot above the flood plain. Mr. Nacht stated that was correct. He stated an issue came up during the last CRS audit that indicated the city's ordinance wasn't specific in requiring that duct work be elevated to a certain protection level. FEMA's criteria and guidelines also require that duct work be elevated. The motion carried unanimously.

5. Public Hearing – 2005-10 Six-Year Transportation Improvement Plan. Jim Nichols noted the document in the agenda packet was only a draft and would be refined after comments from the public hearing. He stated changes were made to the plan and projects were reprioritized based on changes that occurred and because of the needs of the city's transportation system. The Chamber Way improvements were moved to the top of the list and were designated as a high priority. The Newaukum Avenue and National Avenue projects, both of which were on last year's list, have been designed and included in the plan, and the downtown Market Boulevard improvements were again included.

June 14, 2004

Councilor Ketchum asked if any projects had been removed from last year. Mr. Nichols didn't believe so. Items were just moved around. With regard to the Chehalis Avenue issue, Councilor Ketchum asked if it was a separate project that was not on the list. Mr. Nichols stated that was correct. It was included in the federal aid projects.

Mayor Rider asked if there were any changes to the other projects included in the plan. Mr. Nichols stated the other projects had the same priorities.

Mayor Rider closed the regular meeting and opened the public hearing at 7:00 p.m. There being no public comments, Mayor Rider closed the public hearing and reopened the regular meeting. Mayor Rider stated there would be no action taken on the issue today, but staff would prepare the necessary resolution for adoption on first reading on June 28.

6. **Resolution No. 5-2004, Second Reading – Adopting the 2004 Chehalis Repetitive Loss Plan.** Mr. Campbell stated the issue was the second reading of the resolution adopting the new Chehalis repetitive loss plan, required every five years in conjunction with the review of the community rating system evaluation.

Councilor Ketchum moved that the council adopt Resolution No. 5-2004 on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

7. **Resolution No. 6-2004, First Reading – Declaring Property to be Surplus.** Mr. Campbell stated the resolution was required by state law to dispose of surplus property.

Councilor Ketchum moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Ketchum then moved that the council adopt Resolution No. 6-2004 on first and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

8. **Additional Summer Help.** Mr. Patrick Wiltzius requested that council authorize a reappropriation within the existing budget to hire, on a temporary basis, additional help this summer to deal with the maintenance of the recently planted poplar plantation.

Councilor Spahr moved that the council authorize an additional full-time summer help position for the wastewater treatment plant. The motion was seconded by Councilor Taylor.

Councilor Harris asked about the pay scale for the position. Mr. Wiltzius believed the current wage was around \$10.00 per hour. Councilor Harris asked if it wouldn't be better to hire a couple part-time employees rather than one full-time employee. Mr. Wiltzius explained it would be the same pay schedule. He added there would be no retirement benefits paid on the employee, so the cost would be the same.

Councilor Harris asked what kind of skill would be needed. Mr. Wiltzius stated he was looking for someone who could drive a tractor.

Councilor Taylor stated he supported the request and would rather pay a temporary summer help employee \$10.00 an hour rather having one of existing treatment plant operators do the work.

The motion carried 6 to 1. Councilor Ketchum voted against the motion because he felt the issue should have been worked when the poplar plantation process began. That would have given the council time to study the request instead of bringing before the council at this time.

9. **Water System Acquisition and Rehabilitation Program Grant for Newaukum Village Homeowners Association.** Dave Campbell reminded the council that the item had been brought before the council a couple times during recent months. The city received a grant offer and would administer it on behalf of the association. A proposed agreement for engineering services for the project was also included in the agenda.

Jim Nichols noted the grant was a relatively new acquisition rehabilitation program through the Public Works Board on behalf of the Department of Health for the need to replace the residents' failing systems. The association proposed to connect to

June 14, 2004

the city's water system and the grant would pay for a portion of the construction costs and connection fees. The association members would be responsible for the remaining portion of those costs. Because the grant was issued to the city it would have to be administered by the city on the association's behalf and the city would be responsible for overseeing the entire process. Mr. Nichols stated the city received a submittal from Mason Engineering and approved them for the design and construction work. At this time, the association needed authorization from the council to accept the grant and approve the contract for engineering services, but the approval of the grant was conditional contingent up an agreement being entered into between the city and each specific homeowner to ensure they would reimburse the city for any costs not covered by the grant.

Councilor Taylor moved that the council authorize staff to sign the grant agreement in the amount of \$469,773, conditioned upon the execution of agreements with the homeowners and provisions of funding to cover costs not paid by the grant, and the engineering services agreement with Mason Engineering in the amount not to exceed \$40,000. The motion was seconded by Councilor Spahr.

Mayor Rider noted that Todd Mason called him prior to the meeting to extent his support. Mr. Mason indicated that working with staff and the homeowners was going well and he looked forward to working on the rest of the project.

Ms. Shelia Unger, a homeowner, thanked the council and was looking forward to being a city water customer. The motion carried unanimously.

10. **Memorandum of Understanding (MOU) for the Design of Roundabouts to Improve Chamber of Commerce Way.** Dave Campbell stated the proposed MOU was between the city, Lewis County, and the Washington State Department of Transportation (WSDOT) for improvements to Chamber Way, specifically roundabouts at selected locations.

Jim Nichols stated the issue had been addressed many times during the past year. He distributed a conceptual view of the proposed project, but he noted a final design had not yet been developed. The MOU would actually initiate the process of the design. It would utilize \$675,000 that the county had access to through a federal appropriation for I-5 interchange improvements in Lewis County. The city's project fit into the program and the MOU would acknowledge the city's desire to move forward with roundabouts and for WSDOT to serve as the lead in design of the project. Mr. Nichols noted there were other alternatives, but he believed the concept of roundabouts had gained some momentum. He stated questions came up relating to installing turn lanes and extending Louisiana Avenue, but he thought those solutions would only be a band-aid at best. He noted it wasn't the ultimate fix, but no one had funding for that.

Mayor Rider stated that in all of the discussions on the issue it was told that turn lanes were not a viable solution and hopefully the WSDOT representatives in the audience would verify that.

Councilor Taylor stated he was in favor of the roundabouts. He drove them every day in Olympia and they seemed to work real well.

Councilor Spahr moved that the council approve and authorize the mayor to sign the MOU to formally commit Chehalis to the design and eventual construction of roundabouts along Chamber of Commerce Way. Councilor Taylor seconded the motion.

Councilor Harris thanked staff and WSDOT for their involvement, but he still had concerns about the roundabouts, specifically about public education on using them.

Mr. Nichols stated Councilor Harris's concerns were valid. Design issues were important to ensure that people were educated in the proper use of roundabouts. There would need to be adequate shoulder area so if an accident occurred there was a bypass for traffic to flow. The design process would include an extensive public outreach program.

Councilor Lund was not in support of the project. He was concerned about elderly drivers. It was also his understanding that if Louisiana Avenue was extended the roundabouts would not be needed.

June 14, 2004

He stated that during the recent council work session, WSDOT representatives indicated the city would get more bang for its buck if turn lanes were installed. He asked why the city was going to spend \$6 million for roundabouts when it could spend \$1 million to extend Louisiana Avenue.

Mayor Rider stated the roundabout project was \$3 million. Councilor Lund stated the total project would be about \$6 million, plus cost overruns.

Councilor Ketchum stated he received an email today from someone who used roundabouts frequently and didn't think they would work in Chehalis. Councilor Ketchum noted he used roundabouts every day in Lacey. He thought they were poorly designed. His company's trucks had problems using them. He stated he wanted to see the design phase take place, but he didn't want to make a decision until that took place.

Mayor Rider stated he was still trying to understand the dollars involved and the cost benefit ratios. He understood the issue with turn lanes hinged on how fast the city developed. He didn't think that non-development of the area was in the scheme of things. There was a potential for growth. The airport had things included in its master plan, and the city owned property there as well.

He thought more information was needed from WSDOT to develop plans to satisfy Councilor Ketchum's concerns and to provide more figures. He also suggested that the airport could provide the city with ideas on the potential for growth. In talking with a WSDOT representative, it would take three to four weeks to gather the additional information. Mayor Rider asked if that would create any problems with the project.

Mr. Nichols stated it wouldn't. The funding wasn't hinged to a deadline that he was aware of. He stated WSDOT was willing to refine their model to include both turn lanes and the Louisiana Avenue extension to determine how much more development the city could handle. Mr. Nichols stated it was important to note that when the council looked at the cost benefit ratios during the recent work session, they didn't include the Louisiana Avenue extension.

Councilor Pope thought that the concept of roundabouts was the best option based on the data presented during the work session. He wondered what new data could be found to change the outcome. Jim Nichols stated WSDOT would intensify the level of analysis to better determine what the percentages and traffic allotments should be for future traffic.

Mayor Rider thought it would give the council a better idea on how much more development could be done.

Council Harris asked why a turn lane couldn't just be added in appropriate areas. Jim Nichols stated it was not just a matter of making line adjustments. It would be a true road widening project to accommodate the additional lanes, and currently, there isn't enough room. Councilor Harris asked if it would be a legal issue of compliance with codes. Mr. Nichols stated it would because there were standards that had to be followed.

Councilor Spahr asked if there would be money available to do the turn lanes. Mr. Nichols stated that hadn't been investigated. There could be the potential to use the \$675,000 for design and possibly some of the construction costs for turn lanes, but he didn't think the city could utilize any federal appropriation that it had for the I-5 bridge towards the extension of Louisiana Avenue.

Mayor Rider stated that it boiled down to, depending on growth, WSDOT indicating that turn lanes would be a short-term solution and roundabouts would be a long-term solution. The council had to either make a decision or ask for more information.

Mr. Larry Cook suggested that everyone drive through the roundabouts on the Yelm Highway. He thought roundabouts on Chamber Way would create a bottleneck. He thought that if the council chose to move forward with the project, they needed to use a European design, which contained two lanes.

Mayor Rider asked if Mr. Cook was opposed to roundabouts, or was just concerned about the design. Mr. Cook stated that if they were properly designed they were functional, but he had yet to see one in Western Washington that was properly designed.

June 14, 2004

Councilor Lund agreed with Councilor Harris. He thought the state engineers had enough common sense to see that the city didn't have to go by the exact inch when installing lines for turn lanes. He thought the state could help by allowing some leeway when lining Chamber Way. Councilor Lund asked where the other \$3 million was and did the city get written approval for the \$3 million for the design of the bridge to use for the roundabouts. He suggested the council hold off spending any money on design until it got something in writing stating that it could use that \$3 million for the project.

Mr. Nichols stated the \$3 million that he referred to earlier was from an appropriation received last year that was sponsored by Senator Murray for bridge improvements. He stated the city hadn't received a written confirmation that the money could be utilized for roundabouts. A commitment was made that the city would receive a decision this summer. He felt strongly that the chances were very likely that money would be allowed for roundabouts.

Todd Christensen, from the Chamber of Commerce, thought several items needed to be addressed with respect to roundabouts, specifically as they related to truck traffic and slope since Chamber Way was heavily utilized for heavy loads, as well as multi-truck trailers. He concurred with Councilor Harris that signage needed to be appropriately addressed.

Ms. Susan Gonzales asked what the percentage was that WSDOT was paying. She asked if the signal lights could be resynchronized and that a current traffic count be done since the last one was done before all the new development went in.

Mr. Nichols stated the lights were currently timed and synchronized together, and it was currently the best they could be. He stated WSDOT maintained both the signal lights for the city.

With regard to funding, Mr. Nichols stated the city had potentially \$675,000 for design, a previous federal appropriation, the potential use of \$3 million federal appropriation, and the potential for another \$2 million federal appropriation that was dedicated to the bridge. The city had not really focused on the \$2 million appropriation because it had not been formally acted upon like the \$3 million one from last year. There were also transportation improvement board grant funding opportunities. And, there were several developments potentially coming to town that would pay their fair share of the improvements based on the percentage of traffic load they would be adding to the corridor. He indicated the city know more about the different kinds of funding as time went on, but it couldn't wait until the end of the year to see how it all lined up because it might miss some funding opportunities already in motion.

Mr. Jim Hill stated he traveled with city staff and members of WSDOT to tour the roundabouts in Gig Harbor. They observed several different types of vehicles going through the roundabouts. Some had more difficulty than others, but they made it. He supported the concept of roundabouts. He stated the traffic was moving all of the time and were not designed to stop traffic. Mr. Hill stated that, as a senior citizen, he felt he could negotiate roundabouts. Mr. Hill stated he looked to the council for leadership and sometimes he didn't see it. If the council accepted the concept of roundabouts, just to study it, they would show him some leadership and vision.

Councilor Ketchum agreed the analysis needed to be done, but he wanted more information on the other potential projects, like the extension of Louisiana Avenue.

Mayor Rider repeated the motion as stated by Councilor Spahr. He thought that if the motion was approved, the city would be building roundabouts.

Councilor Ketchum asked whether or not the council would get to approve the design. Mr. Campbell stated the council could be involved in approving the design. It was also contingent upon funding.

Mayor Rider stated the council either needed to vote on the motion or table the issue until more information was gathered.

Councilor Ketchum reiterated he didn't want to approve the building of roundabouts unless he could approve the design.

June 14, 2004

Councilor Lund asked if the city would be spending \$600,000 of the county's money if the motion was approved. Mayor Rider indicated that was correct.

Councilor Ketchum stated they couldn't make a decision unless they had the information. He thought the council needed additional information for them to do their job.

Mr. Nichols clarified the intention of the proposal that the council would be committing the city to move forward with the project. There would certainly be a way to involve the council in the design process. If the issue was analysis, which is different from design, then the council should table the issue and direct staff to work with WSDOT to analyze the turn-lanes versus roundabouts in greater detail.

Councilor Harris agreed that the council should have input as to the design of the roundabouts.

Councilor Taylor thought the motion would provide that the council buy into the concept of roundabouts and then eventually build them. He asked if an amendment to the motion would be appropriate to provide that Councilor Ketchum be on a committee to review the design of the roundabouts. Mayor Rider thought that would be in order.

Councilor Spahr asked if it was WSDOT's usual mode of operation to design something and plop it into a city without first consulting the city. Bart Gernhart of WSDOT explained their role was to design state highways. They asked for public involvement in projects that were perceived to be somewhat controversial, including input from the council. They were not going to force a project or alternative on the city if the city wouldn't support it and they would be willing to go with whatever alternative the council wanted to go with.

Councilor Spahr stated the provided that the lead agency for the project would coordinate and oversee selection of the engineer and negotiate the scope of work, and these tasks would be carried out in conjunction with the city. It also provided that the state would supply the city and county with a complete set of plans and specifications upon acceptance of the work by the city.

Dave Campbell also noted the agreement speaks solely to design work and didn't have anything to do with construction.

Mr. Nichols stated Mr. Hillier was correct. The MOU was specifically design focused, but the city and WSDOT didn't want to invest a time and thousands of dollars for it to be thrown away. He referred to it as a token formalization of the long-term goal of putting in roundabouts, realizing that the MOU only dealt with design.

Councilor Spahr stated all they were asking for was a commitment. He thought it was a good MOU and would get the city going in the right direction with a project that would work for 10 to 15 years, or more.

Councilor Ketchum wanted the MOU clarified that any designs would come back to the council for approval before any construction was done. The motion passed 5 to 2. Councilors Harris and Lund voted against the motion.

Mayor Rider called for a five minute recess at 8:15 a.m. He called the regular meeting back to order at 8:25 p.m.

11. **Employee Service Award**. Mayor Rider recognized Fire Captain Brian Slater for 25 years of service to the city.

12. **Comparative Analysis of Centralia Wastewater Treatment Offer**. Mr. Campbell reminded the council that about three months ago they received a proposal from the city of Centralia to consider the idea of Centralia treating Chehalis's wastewater instead of proceeding with the city's current plans to build a new treatment plant. The proposal would allow Chehalis to send up to five million gallons of wastewater per day to Centralia's new treatment facility. A study was done by John Ghilarducci of FC&G and was ready for presentation.

Mr. Ghilarducci summarized the options and the comparative financial analysis that was done. The first option, Option A, was that Chehalis would construct and operate its own treatment plant at a cost of \$33 to \$35 million. Current financing included \$5 million in grant monies and zero percent loan money from the state revolving fund. He stated Option A had a small

June 14, 2004

O&M impact for the power costs associated with the new treatment plant. The second option, Option B, would be that Centralia provide treatment of Chehalis's wastewater. There were also two alternatives with Option B. The first would be that Chehalis would build and operate a pump station and conveyance. That would move the wastewater from Chehalis to Centralia's Mellon Street plant at a price per gallon of .0032776, or 2.45 per hundred cubic feet. The second alternative would be that Centralia would build and operate the pump station and conveyance, and would be responsible for getting the water to the Mellon Street plant. Centralia would charge .003674 per gallon or 2.75 per hundred cubic feet. Once the capital cost of the conveyance and pump station was paid off, the cost would drop down to the level of the first alternative.

Mayor Rider asked if the drop in price was an assumption or if it was actually proposed by Centralia. Mr. Ghilarducci stated it was a written part of the offer.

Other important features of Option B were that Centralia would only take a maximum flow of 5 million gallons per day and the quoted prices will be fixed for five years. After five years, there was no guarantee as to what those prices would do, but it was assumed that they would go up. He stated Chehalis averaged less than two million gallons per day, but it was the peak days during wet winter months that greatly exceeded the five million per day and caused an issue. Any increases in fixed costs would be levied at the same percentages for both Centralia and Chehalis and both would share in future capital costs. He noted that Chehalis could sell property that was currently reserved for the new treatment plant. Chehalis's annual O&M costs would be reduced by an estimated \$800,000. Chehalis would need to build an equalization storage basin in order to hold peak flows, and that storage facility and the pumping and conveyance to the storage basin would be \$15.1 million. Mr. Ghilarducci stated the cost of the conveyance with Alternative B-1, the less preferred of the two, was estimated to be almost \$9 million. If Option B-1 was selected the city would need to incur that additional cost to get the effluent to Centralia. Either option would be online in 2008, and any costs incurred by Chehalis would be unrecoverable, except the property sale.

Mr. Ghilarducci stated the final cost per million gallons starting in 2008, if flows occurred as expected, would be as follows based on \$4,000 per million gallons of flow:

Option A	=	\$2.65 million or 2.93 per ccf
Option B – Alt 2	=	\$2.90 million or 3.19 per ccf
Option B – Alt 1	=	\$3.10 million or 3.44 per ccf

and in 2030 the cost would be:

Option A	=	\$2.732 million
Option B – Alt 2	=	\$4.918 million
Option B - Alt 1	=	\$4.58 million

Mr. Ghilarducci stated that given the assumptions made and the information at hand, Option A was more favorable, with the biggest, single factor being the requirement that Chehalis build the needed capital facilities in order to take Centralia up on its offer.

Councilor Spahr noted the recommendation was basically what was determined back in 1999.

Councilor Pope noted some unforeseen costs had not been taken into consideration that Centralia would have to incur in order to meet the Department of Ecology requirements of their TMDL, as well as the permitting process. That additional cost would need to be shared with them. Mr. Dave Knight of the Department of Ecology stated the permitting fees would not change. There would be associated costs in the engineering that would not have been captured as far as getting the new design for each facility.

Councilor Pope asked if there was a question of I&I. Mr. Knight stated there would be a need for capital facilities on the part of Centralia as well, because the facility in Centralia was designed for certain peak flows that Centralia currently had, so they would need a similar storage facility for those peak flows.

June 14, 2004

Mr. Ghilarducci thought the additional facilities that would be required on Centralia's part were included as part of the offer price.

Bob Spahr indicated Chehalis's consent decree limited the city to three million gallons per day in the summer and that was one of the reasons Chehalis decided to get out of the river during the summer months.

Councilor Harris stated that when he visited the plant in Centralia, they were addressing the temperature TMDL up river from where the flow goes and had laid out the idea of shading the river. He asked Mr. Knight if he had any knowledge or cost factor of what it would be for Centralia. Mr. Knight stated they had some preliminary discussions with Centralia and talked about the feasibility of doing a study. No modeling had been done to determine how many miles would have to be planted. Until they got a few years data, the Department of Ecology wouldn't know what they would be required to do to meet the temperature TMDL.

Mayor Rider asked if the poplar plantation could be used. Mr. Kahle Jennings of the Department of Ecology stated the city wouldn't want to pay for a pipeline to get reused water back to it. That would be prohibited.

Councilor Spahr asked the Department of Ecology about the comment made in regard to Centralia having to add onto their plant because their plant was built to meet their peak flows. Mr. Knight said the Centralia facility was authorized to have a certain capacity. What it's capable of treating as far as its BOD and TSS, those flows if combined with Chehalis during the summer and put it into that plant, that current plant would not have the capacity to treat both flows right now. It would have to be expanded before it was feasible. He was not sure if those would be shared costs.

Mr. Ghilarducci thought the addition of clarifiers was also addressed by Centralia and that they would be included in the offer.

Mr. Chuck Weiland of Lewis County Sewer District No. 1 asked that if the city built an overflow or lagoon, would there be a lid on it so it wouldn't smell. Mr. Knight stated a lid wasn't included in the costs. The lagoon was only in the scenario if Chehalis was to go in with Centralia.

Patrick Wiltzius discussed future concerns relating to future TMDL and limited capacity. He asked what would happen if the Department of Ecology didn't approve the Centralia option. What about the inflation costs after five years? With the city's option, it would be developing refined water for potential reuse around the community. If it was sent to Centralia it would probably be too expensive to implement that option. In reviewing all the information and figures, Mr. Wiltzius determined that in 30 years it would cost \$91 million if Chehalis went with Centralia and about \$75 million if Chehalis built its own plant.

Councilor Taylor thanked Mr. Ghilarducci and city staff for providing the document. He appreciated a second look at the numbers. He asked for a couple more days to look at the information before making his decision.

Mayor Rider stated that if the council accepted the document the way it was it would allow them to approve the site fill project.

Councilor Pope stated the city had invested a tremendous amount of money to get this study that was supposed to help them make a decision regardless of how it turned out. He asked what more information was needed to make a decision. The study came to the same conclusion that it did in 1999.

Mayor Rider stated he was willing to make a decision now. He and Mr. Campbell thought the council may have needed more time since they only had three days to review the information. He stated a decision needed to be made by June 27 to meet the deadline for the site fill contract.

Councilor Harris made a motion to follow the draft proposal by FC\$G, and approve Option A – for Chehalis to construct its own new wastewater treatment plant. The motion was seconded by Councilor Pope.

Councilor Spahr noted the financing was in place and it was time to move on and put the study behind them so people knew where they were going with the project.

June 14, 2004

Councilor Taylor stated that when the council agreed to do the study he indicated he would go with the numbers and it didn't matter which option. His concern was to save as much as they could, but he would have liked to have more time review the study. The only reason he would vote no was because he would have liked more time.

Councilor Lund agreed with Councilors Pope and Spahr. The study showed Option A as the best option. And, in business sense, he thought there would be enough development in the community to warrant two regional plants.

Councilor Ketchum somewhat agreed with Councilor Taylor, but he stated looking at the study for a couple more days wouldn't change the numbers. He stated this study was the fourth he had seen on this matter and all four came to the same conclusion.

The motion carried 6 to 1. Councilor Taylor voted against the motion, noting he only voted no because of the timing.

13. **Bids for the New Wastewater Treatment Plant Site Fill Project.** Councilor Spahr moved that the council award the contract for the site fill of the new wastewater treatment plant site to Tapani Underground for an amount not to exceed \$1,238,172.47, and to authorize the public works director to sign an engineering services agreement for construction management with Gibbs & Olson in an amount not to exceed \$194,500. The motion was seconded by Councilor Lund.

Councilor Ketchum expressed concern about paying Gibbs & Olson \$194,000 to sit and manage the site. Mr. Wiltzius stated some of their services included an archeologist which was required to be onsite when any ground disturbing activities occurred. A geotechnical engineer would be monitoring the settling plates and soils testing, all of which were within the normal parameters percentage of the contract. The motion carried 6 to 1. Councilor Taylor voted against the motion, again because of the timing.

14. **Staff and City Council Reports.**

a. **Employee Service Awards.** Mr. Campbell recognized Water Treatment Operator Gary Cabe for 20 years of service to city.

b. **2004 Annual Water Quality Report.** Mark Petrie reported this was the city's fifth annual water quality report required by the Department of Health and EPA. The purpose was to give the citizens an update on water quality, where their water comes from, and the treatment process. They also provided educational information for the citizens on upcoming projects and water conservation.

Mr. Campbell reminded the council there would be an executive session at 5:00 p.m. on June 28. Councilor Ketchum noted he would not be at that meeting.

Councilor Harris thanked the members of the Chehalis Tea Party for their hard work, but he didn't believe their work was done yet. He suggested a citizen's action committee be started to look for more funding to help alleviate the stress off the citizens. He felt it was time to change the focus from where we've been to where we need to go.

Ms. Barb Harrell stated the Tea Party members had talked to their state representatives who were concerned for the citizens of Chehalis being able to afford to live here. Ms. Harrell stated that if the city was willing to work with them, they would be willing to work with the city to try to get more funding so that we can all enjoy our wonderful community.

Mayor Rider stated to Ms. Harrell that if there was a need to knock on doors the council would call on them, and, if they needed elected officials, they could call on the council for support.

Councilor Lund mentioned he received a letter from Mr. Ken Schwartz indicating he needed some things to be done in his neighborhood. The street department and Dave Campbell got right on it and took care of it. Mr. Schwartz wanted to thank everyone involved for taking care of it so fast.

Mayor Rider reported he had the privilege of representing the city by reading a proclamation at the World War II memorial dedication. A plaque was presented to the city for its participation.

June 14, 2004

15. **Executive Session.** Mayor Rider announced the council would convene into executive session at 9:35 p.m. after a short recess beginning at 9:25 p.m. pursuant to RCW 42.30.110.(1)(c) – sale of real estate, and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 10:15 p.m. There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

June 28, 2004

The Chehalis city council met in executive session on Monday, June 28, 2004, at the Chehalis city hall. Mayor Fred Rider called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr and Chad Taylor. Councilor Ketchum was excused. Staff present included Dave Campbell, City Manager; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Joanne Schwartz, Community Services Director; Caryn Foley, Human Resources Director; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Rider opened the executive session pursuant to RCW 42.30.140(4) – Collective bargaining. At 6:00 p.m. Mayor Rider announced that the executive session would close and be reconvened after the regular meeting.

The Chehalis city council met in regular session on Monday, June 28, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dennis Dawes, Interim Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; Patrick Wiltzius, Wastewater Superintendent; and Dale Miller, Police Sergeant. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Presentations.**

- a. Joanne Schwartz, introduced Rebecca Teitzel as their new office manager.
- b. Bruce Longnecker, Veterans of Foreign Wars/American Legion Post No. 22, presented the city with a plaque to honor the men and woman who served in WWII.

3. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes of the special city council meeting of June 7, 2004 and the regular city council meeting of June 14, 2004;
- b. June 15, 2004 Claim Vouchers No. 75056-75208 in the amount of \$73,003.20;
- c. Cashier position at swimming pool;
- d. Acceptance of poplar tree planting project as complete and approval of final pay estimate and retainage to Tree Management Plus, Inc;
- e. Proposed easements involving the new wastewater treatment plant; and
- f. Appointment of Jim Hill to the library board to fill an unexpired term through 2004 and a full term through 2009.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Unfinished Business.**

a. **Ordinance No. 769-B, First Reading – Amending the Chehalis Development Regulations and Zoning Map.** Bob Nacht stated the ordinance did not include or adopt the two rezone petitions that the council determined should not be included. Those two petitions being the Braun NW complex and the five acres south of Forest Manor on Jackson Highway.

Councilor Taylor moved to pass Ordinance No. 769-B on first reading. The motion was seconded by Councilor Spahr and carried unanimously.

June 28, 2004

b. **Resolution No. 7-2004, First Reading – Adoption of the 2005-10 Six-Year Transportation Improvement Plan.**

Dave Campbell explained the resolution was a follow-up to a public hearing held two weeks ago. It included staff recommendations for the updated six-year transportation improvement plan for the years 2005-2010.

Councilor Spahr moved that council adopt Resolution No. 7-2004 on first reading. The motion was seconded by Councilor Lund. Councilor Harris asked, if by approving the resolution, did that stipulate the city would be going ahead with the Chamber Way improvements? Mayor Rider indicated the plan was basically a wish list for the city. The motion carried unanimously.

5. **New Business.**

a. **Resolution No. 8-2004, First Reading, Authorizing the Chehalis-Centralia Airport Board to Borrow up to \$3,065,700 from Lewis County for Certain Improvements to be Repaid from Airport Revenues.** Mr. Campbell reminded council that earlier this year, council authorized the airport board to seek money to implement a capital improvement plan that was previously approved in the airport board's master plan. Mr. Campbell stated that going to the private sector to borrow money was problematic and potentially not supported by state law.

In talking with the city of Centralia and the county, the county, agreed to loan the money to the airport board for the improvements.

Mr. Campbell introduced Ms. Rose Bowman, Lewis County treasurer and chair of the Lewis County finance committee and Mr. Eric Johnson, chairman of the board of commissioners, also a member of the finance committee, to present to council the resolution.

Ms. Bowman clarified to council that the resolution should authorize the county to borrow on behalf of the airport board, because, while the airport board would be managing the projects, the county would be borrowing the money. She noted that Chehalis, Centralia and the county would have to collectively approve the borrowing of the money. Ms. Bowman stated the county would be running a construction line of credit for the airport while the projects were under construction. Once the projects were complete, they would review the process and see what the long-term debt looked like and at that time determine if it should be issued through an outside entity such as a bank or bond, or if they would continue to keep it in-house. Ms. Bowman also brought up the matter of Centralia no longer wanting to be an owner of the airport. She stated that if all three entities adopted the resolution, they would be saying that Centralia would no longer be part owner of the airport, leaving Chehalis and the county ultimately responsible.

Mr. Eric Johnson added that by signing the resolution, it would signify the intent of Centralia to withdraw from the ownership agreement, and the city and county could move forward in putting a new management structure in place.

Councilor Pope asked Mr. Johnson if there was going to be a committee set up to discuss the governance. Mr. Johnson stated that at some point they would be back to talk with the city about what the new joint agreement would look like to manage the airport without a third party.

Councilor Spahr inquired as to what exactly the money was going to be spent on.

Dennis Dawes, a Chehalis representative on the airport board, stated most of the expense would be the implementation of full instrument approach. The plan also included additional hangar space, a new airport office, a fixed base operator hangar, an office area that could be used for future commercial aircraft related material, and a meeting room.

Mayor Rider stated this was no different than the original loan that the city approved recently. Mr. Dawes stated that was correct, but instead of authorizing the airport board to go to a bank for the funding, they would go through the county.

Councilor Spahr asked if they would be looking for grants. Mr. Dawes said they would always be looking for grants for anything they could get.

June 28, 2004

Councilor Pope wanted to be perfectly clear there would be no tax increase for the purpose of loaning the money to the airport. Mr. Dawes stated that Councilor Pope was correct. Everything being done at the airport was from money paid on lease payments to the airport and no local tax revenue would be used.

Mayor Rider asked Mr. Hillier about some additional wording and also stated he had some concerns about just the two entities, Chehalis and the county, signing with Centralia not officially out yet. Mr. Hillier stated he had a discussion with the county prosecutor's office and although they agreed the additional wording would have been a good addition, he noted that the city has made a record of what they asked for and felt it was clear that the position of Centralia was that they were getting out. If for some reason they choose to take a different course of action, between now and an un-eventual point where there might be a default by the airport, the city would revisit the obligation for Centralia to join in the repayment of the loan.

Councilor Taylor wanted to know when the project would be complete. Mr. Dawes said they had one issue to deal with, but hoped it would be complete in the next couple years.

Ms. Bowman stated that according to the resolution, that particular group of projects would be complete in 2006.

Mr. Johnson noted the loan was to pay for infrastructure development of the air site facilities.

Councilor Harris asked if it was a 30-year variable loan. Ms. Bowman said, it was a construction-type loan. They would draw from the line of credit and pay interest only until the project was complete and then they would refinance. The interest rate for the permanent debt would be decided at that time.

Councilor Taylor moved to adopt Resolution No. 8-2004 on first reading. The motion was seconded by Councilor Lund and carried unanimously.

6. Staff and City Council Reports.

a. **Public Works Trust Fund Loan Offer.** Mr. Patrick Wiltzius reported to council that the city would not be accepting a Public Works Trust Fund (PWTF) loan that was offered to the city earlier this year. Mr. Wiltzius noted that the city currently had two potential loan offers to finance the wastewater treatment plant. One was a \$10 million PWTF loan at ½% interest. They also had the proposed Department of Ecology (DOE) funding package which included a \$33.4 million loan at 0% interest and a \$3.7 million grant. When DOE makes their final loan offer list, which is expected to be done by August, essentially the treatment plant and pump station upgrades will be funded and the city wouldn't need the \$10 million PWTF loan.

Councilor Pope asked when they planned on declining the PWTF Loan. Mr. Wiltzius stated they would not decline it until DOE came out with their final list and the PWTF board had already given the city an extension until the first of August to decline the loan.

b. **Council-Staff Mid-year Work Session.** Mr. Campbell stated that July was traditionally the month that a work session was scheduled with council to go over where the city was in the current year with respect to the 2004 budget and the projections for 2005. Council set a meeting date of July 22, at 5:30 p.m. at the community services activity building.

c. **Lewis County Planned Growth Committee.** Councilor Spahr reported the committee met that afternoon and adopted new planning documents and population projections to be sent to all councils and municipalities in Lewis County the first part of August and due back by August 27.

d. **Initiative 864.** Councilor Harris reported on initiative 864, repealing property taxes by 25%. Mayor Rider stated it would be about \$250,000 according to the Association of Washington Cities, noting it would be a one-time reduction. Mr. Campbell noted the interpretation of how it would apply to Chehalis was that it would be the amount of the reduction from the current levy. Councilor Spahr was under the impression it was more than one year.

Ms. Bowman stated it would happen every year, but the city would start out at ground zero each year.

Councilor Harris felt it was important to get the information out there and let the public know that the city would be negatively affected by this initiative.

June 28, 2004

e. **Streamline Sales Tax.** Councilor Harris talked about the issue dealing with the streamline sales tax initiative, stating the city needed to make sure that it goes concurrent with federal law on internet and catalog sales and holds everyone else harmless. He noted Lewis County would be one of the county's to lose under the streamline sales tax plan.

f. **Veterans Memorial Museum.** Mayor Rider reported he attended the annual dinner for the Veterans Memorial Museum. They received over \$10,000 in contributions to help finish the museum.

g. **ChehalisFest.** Mayor Rider reminded council members that ChehalisFest was coming up and judges were needed for the barbeque and mint dessert contests.

h. **Safety Issues Corrected.** Councilor Lund thought it was great that city crews were being responsive to citizens needs. He thanked Mr. Campbell and Tim Grochowski's crew for handling a safety issue at National Frozen Foods.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 6:55 p.m., following a break at 6:50 p.m. pursuant to the continued discussion of RCW 42.30.140(4) – collective bargaining and RCW 42.30.110(1)(i)-potential litigation. Following the conclusion of the executive session, the regular meeting was reopened at 7:55 p.m. and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

July 12, 2004

The Chehalis city council met in regular session on Monday, July 12, 2004, in the Chehalis city hall. Mayor Pro-tem Tony Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Mayor Fred Rider was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Jim Nichols, Public Works Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Swearing-In.** Superior Court Judge David Draper swore in Dale Miller as Chief of Police. Fire Chief Jerry Boes swore in William Nacht as Assistant Fire Chief/Fire Marshal and Michael Cooley as Firefighter/Engineer.

2. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following items:

- a. Minutes for the regular city council meeting of June 28, 2004;
- b. June 30, 2004 Claim Vouchers No. 75209 - 75342 in the amount of \$246,129.18; and Payroll Vouchers No. 22566-22757 in the amount of \$586,442.44;
- c. Interlocal agreement between Chehalis and Lewis County regarding the allocation of funds for low-income housing needs;
- d. Building permit fees for two new wastewater pump stations; and
- e. Demolition of Barnes property structures.

The motion was seconded by Councilor Spahr.

Councilor Spahr asked if the demolition was for the materials pulled from the buildings on the property. Mr. Campbell stated the contractor would remove the buildings on the property for salvage value. The city would be obligated to remove the trash and debris not associated with the buildings themselves. The motion carried unanimously.

3. **Unfinished Business.**

a. **Resolution No. 8-2004, Second Reading – Authorizing the Chehalis-Centralia Airport Board to Borrow up to \$3,065,700 from Lewis County for Certain Improvements to be Repaid from Airport Revenues.** Mr. Campbell stated council had adopted the resolution on first reading two weeks ago. He followed up by saying a newspaper article he recently read reported the airport board's recent estimates for capital projects were coming in higher than the original estimates. He noted the Board would have to prioritize which projects it would do up to the dollar value they were authorized to borrow from the county. He stated it was apparent they would not be able to do everything on their capital facilities plan as a result of some of the higher cost estimates. The resolution still allowed them to borrow up to the \$3,065,700 from the county.

Councilor Pope moved that council adopt Resolution No. 8-2004 on the second and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

b. **Ordinance No. 769-B, Second Reading - Amendments to the Chehalis Development Regulations and Zoning Map.** Mr. Campbell stated the ordinance was approved two weeks ago on first reading. A public hearing was held prior to that, as well as a meeting by the planning commission in bringing the recommendations. The ordinance approved a number of amendments to the development regulations and zoning map. It excluded two petitions the Braun NW complex and the five acres south of Forest Manor on Jackson Highway.

Councilor Harris moved that council pass Ordinance No. 769-B on second and final reading. The motion was seconded by Councilor Taylor, and carried unanimously.

July 12, 2004

4. **New Business.**

a. **Ordinance No. 770-B, First Reading – Mid-year Budget Amendment.** Mr. Campbell stated the city presented a mid-year budget amendment to council during the progress of the fiscal year, which was designed to formalize a number of budget amendments or changes council had already acted on during the earlier part of the year.

Jim Larson gave a brief summary of the items listed in the budget amendment. He noted there were items in the amendment that were unexpended in 2003 and were carried over to 2004. The city also received a number of grants for police, fire and other activities. He asked that council authorize an appropriation to allow for those monies to be spent. The amendment also included items council had previously authorized earlier in the year.

Councilor Taylor moved that council pass Ordinance No. 770-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Lewis County Homeland Security Committee Communications Project.** Mr. Campbell introduced Joanne Schwartz and Steve Mansfield from the homeland security committee to present the report and respond to any questions council might have.

Joanne Schwartz explained that since 9-11 and the formation of the homeland security committee, money had been coming down from the federal government, to the state, to the regions and finally to the counties. The Lewis County homeland security committee identified the need for a county-wide communications system. The committee wanted to do something that would have great significance for the county as a whole. The communications systems would be used for all events, not just terrorist activities. Ms. Schwartz noted she attended the county commissioners meeting earlier in the day and they adopted a resolution approving the project. The same information would be presented to Centralia on Tuesday for their approval as well.

Steve Mansfield stated there was a little over \$614,000 that would come into Lewis County in the next two years. Some would come in the 2003 grant, and the rest in the 2004 grant. The committee's efforts would be to consider how they were going to put the money to use in Lewis County. One of the major concerns is the in-operability of communications. The monies needed to be used to enhance counter terrorism measures that worked within our region.

Mr. Mansfield stated a study needed to be done to tell the committee what they needed to do, and how they needed to do it. They felt they would need to hire someone with the expertise to identify the needs of the county. He noted it was going to be exciting to see what technology would come Lewis County once the study was done. It would also give the committee the ability to acquire other monies outside homeland security for the project. As grants became available through federal and state agencies, the committee would already have a mechanism in place to identify the needs in the county. Mr. Mansfield stated there may be some associated costs involved with the program as far as the services that were built into the system once it was in place, but felt it was something they needed to do.

Councilor Spahr inquired about the \$614,000. Mr. Mansfield stated he thought there was \$249,000 for the 2003 grant and \$369,000 for the 2004 grant. The funding received in 2000-2001 bought protection equipment for fire and law enforcement personnel.

Mr. Campbell said it was explained to him that the \$614,000 should be more than enough to do the study, but would not come close to the money needed to replace or upgrade the existing communications system. He stated it would put us in line for other monies down the road to do the project in different phases.

Jerry Boes noted there were certain areas in the east-end of the county where fire districts couldn't communicate to Central Dispatch. He was hopeful the project would eliminate those kinds of problems. In the past, whenever there had been a major incident, the number one issue was always the communications system.

Tim Grochowski added that he and Roger Schang, Lewis County Public Works Department, both had a concern of security for the water and wastewater plants, and public works facilities, but believed communications was the number one issue at this time and supported the efforts of the committee.

July 12, 2004

Councilor Harris asked if surrounding counties were working with similar programs and whether or not the communications they were talking about would stop at county borders. Mr. Mansfield stated the system would give them inner-connectivity with other counties.

Councilor Taylor inquired as to what kind of equipment would be used. Mr. Mansfield stated the study would identify the type of equipment needed. They were looking at high speed cable to connect with the weaker points in Lewis County. They would use what they currently had and connect it together with new technology. The committee wanted to get the best they could for the money they had available and they needed guidance from a technical perspective to help them get there.

Councilor Pope stated it was wonderful that they were going to improve the communications system. Another concern he had was the physical structures in Lewis County. He inquired if anyone had looked at the possibility of someone removing structures, such as bridges, that could potentially paralyze the whole state. Mr. Mansfield stated they were looking at infrastructure and bridges, as well. He also stated they were hoping to employ one full-time employee for emergency management to handle all of the homeland security business so staff could get back to the things they needed to do to try to keep citizens safe during an emergency or disaster situation.

Councilor Harris inquired about ground reach and aerial interruption and also asked about a sub-surface communications back-up. Mr. Mansfield stated it was called a hardened system and currently the county did not have the money to put one in place.

Councilor Spahr moved that the council endorse the Lewis County homeland security communications project. The motion was seconded by Councilor Taylor. Councilor Spahr noted he hated studies, but in order to get something like this going and on the agenda, they had to start at ground zero. The motion carried unanimously.

5. Staff and Council Reports.

a. **Employee Service Awards.** Mr. Campbell announced the city had several employees, who as of July would receive service awards for different increments of tenure with the city. Laura Rockhill, Public Works Office Clerk/Receptionist II - 5 years; Michelle White, Utility Customer Service Representative - 5 years; Sharon Page, Wastewater Lab Tech II - 10 years; and Sharon Douglas, Police Department Administrative Assistant - 15 years. Mayor Pro-tem Ketchum added that he wasn't able to attend the reception for Dennis Dawes, but wanted to congratulate him on his 28 years of service to the city. He noted it wasn't often you had people stay in a position that long anymore, and he did a good job and the city would miss him.

b. **Council-Staff Mid-year Work Session.** Mr. Campbell reminded council and staff about the special council meeting on Thursday, July 22, at 5:30 p.m. at the community services activity building. They would be going over the current year budget and the projections for 2005.

c. **Replacement of Representatives.** Mr. Campbell stated Councilor Ketchum needed to be replaced on the Twin Transit Board and Councilor Lund needed to be replaced on the Historical Museum Board. The Twin Transit representative would need to be an elected official, while the Historical Museum Board representative could be a non-elected official, someone from the community appointed by council to represent the city.

Councilor Lund accepted the appointment to represent the city on the Twin Transit Board. Mayor Pro-tem Ketchum noted that the Lewis County Historical Museum Board met the 4th Mondays of the month at 5:30, and would be a conflict with any councilor. A suggestion was made that past councilor, Wayne Galvin, who was already on the board, be appointed to represent the city. Mr. Campbell stated he had talked with Mr. Galvin and he said he would consider it if the council wanted to appoint him. Mr. Spahr indicated that Mr. Galvin would be an excellent representative. Mr. Campbell said he would get it touch with Mr. Galvin and ask if he would accept the appointment.

d. **Downtown Clean-up.** Joanne Schwartz reported that on Sunday morning, city crews and staff spent over six hours washing down the streets and sidewalks of the central business district.

July 12, 2004

e. **ChehalisFest.** Any council members interested in serving as a judge during ChehalisFest, should contact the Chamber or let Joanne Schwartz know they are interested.

f. **Update on Newsletter and Web-site.** Joanne Schwartz stated she had a conversation, about six weeks ago, with Frank DeVaul. They discussed options and she showed him what they had historically done. Mr. DeVaul was to present her with a plan and cost. She will get back to him to find out the status. Mr. Campbell stated the web-site was partially up and running. We had a summer intern, a year-ago at this time, who actually found a vendor and got the site registered. Mr. Campbell advised council the city would probably have to look into getting resources in another way other than staff to really develop that site and make it useful for the public.

g. **Tree Removal.** Councilor Lund thanked Andy and his crew for removing a tree and shrub on the corner of Market Boulevard. and National Avenue that was blocking the view of drivers entering onto National Avenue.

There being no further business to come before the council, the meeting adjourned at 6:50 p.m.

Mayor

Attest:

City Clerk

July 22, 2004

The Chehalis city council met in special session on Thursday, July 22, 2004, at the Chehalis community services activity building. The work session began at 5:30 p.m. with the following council members present: Fred Rider, Terry Harris, Daryl Lund, Bob Spahr, Tony Ketchum and Chad Taylor. Councilor Pope was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, Supervisory Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; Rebecca Teitzel, Community Services Office Manager; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Rob Gebhart, Fire Captain. Members of the news media in attendance included Dian McClurg of *The Chronicle*.

Mayor Rider announced that the purpose of the meeting was to review the 2004 Mid-year budget status report and the 2005 budget projections, guidelines and issue papers.

1. **2004 Mid-year Budget Status Report.** Jim Larson provided an analysis of revenue and expenditure activity during the first two quarters of 2003 and 2004.

2. **2005 Budget Projections, Guidelines, Schedule, and Issue Papers.** Dave Campbell presented staff's projected guidelines for presentation of the recommended 2005 budget. He informed council the general guidelines were similar to ones they've seen in prior years. He told council the city would not assume any new taxes or user fees, and no tax or user fee rate increases in 2005. The only exception could be the new rates resulting from the water, wastewater and storm utility rate study that would be discussed at the next regular meeting.

Councilor Taylor stated he would like to see no increase in utility rates, and asked for the second sentence in guideline No. 1 to be removed. Mr. Campbell stated the council could do that, but it would end up showing projects halted in terms of their ability to move ahead. Councilor Lund agreed with Councilor Taylor and didn't want to see any rate increases. Mayor Rider asked if the rest of council, present, agreed. Councilor Spahr stated he wanted to leave item No. 1 as it was written. Councilor Harris had no preference and Councilor Ketchum said he would like to see a budget with that statement removed. Since the majority wanted to see the second sentence removed from guideline No. 1, Mayor Rider instructed staff to make that change in the guidelines.

Mr. Campbell informed the council that staff projected current operating revenues of \$6.3 million for the general fund in 2005, and expenditures of \$6.75 million. He noted the projections were based on existing programs, staffing and service levels, the existing organizational structure and the mid-year analysis of major revenue sources and expenditures. Staff then presented issue papers for the council's consideration, which the council ranked in priority as high, medium and low. Council ranked all ten of the 2005 budget issue papers as high priority.

The work session concluded at 8:05 p.m.

Mayor

Attest:

City Clerk

July 26, 2004

The Chehalis city council met in regular session on Monday, July 26, 2004, in the Chehalis city hall. Mayor Pro-tem Tony Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Mayor Fred Rider arrived at 6:18 p.m. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Mansoor Ghorbani, Supervisory Engineer; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Presentation of Community Rating System (CRS) Award.** John Pennington of the Federal Emergency Management Agency presented the city with a plaque for achieving a CRS Class 6 rating. The rating will provide a 20% reduction in flood insurance premiums for properties within the city beginning in October 2004. Mayor Pro-tem Ketchum and Bobbi Boone, Land Use Technician, accepted the award on behalf of the city.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes for the regular city council meeting of July 12, 2004;
- b. July 15, 2004 Claim Vouchers No. 75343 - 75527 in the amount of \$814,398.61;
- c. Appointment of Wayne Galvin as the city's representative on the Lewis County Historical Museum Board;
- d. Award contract for the purchase of both chlorine and sulfur dioxide to Jones Chemical, Inc.; and
- e. Award contract for the purchase of aluminum chlorohydrate to Kemiron Companies.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizens Business.** Mr. Jim Hill addressed council regarding the issue of city employees and noted he would like to see a section added to the council agenda to have city department heads report on what was happening within their own departments, such as reporting on projects that were on going, or recognizing employees for a job well done. He stated it would give council, as well as the public, an opportunity to see or hear some of the good things that were going on in the city. Mr. Hill stated the city was lucky to have many fine hardworking employees who provide a great service to the citizens of Chehalis.

Councilor Spahr noted the agenda currently had a line item which allowed staff and council to report. Mr. Hill stated he usually heard Council reports, but didn't hear anything from the individual departments. Mr. Hill said he would like to see the section expanded to allow the department heads to speak. Councilor Spahr agreed the city had good people and they were doing a tremendous job and noted the city was in the process of getting a citywide newsletter out in the very near future.

Councilor Harris stated he too would also like the department heads to take a couple of minutes one-by-one to get involved with staff reports and let council know what was happening within their departments.

Mr. Campbell stated the current agenda staff reports were probably a little more formal than what Mr. Hill was suggesting, but the city could expand on it at appropriate times to bring council up to date on projects or activities that didn't always make the agenda or the council newsletter on a regular basis.

4. **Unfinished Business.**

a. **Ordinance No. 770-B, Second Reading – Mid-year Budget Amendment.** Mr. Jim Larson addressed council stating there were two items added to the mid-year budget amendment since the first reading two weeks ago. Both items had been previously approved by council earlier in the year. They included \$25,000 for a slope analysis on National Avenue, and \$28,000 to fund the city's share of a study to evaluate the feasibility of an additional component of the flood reduction project.

Councilor Taylor moved that council pass Ordinance No. 770-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

July 26, 2004

b. **Final Report of Utility Rate Study.** Mr. Campbell stated that after several months of work by council it was time to come back to the utility rate study report which was originally reported on in February. He noted John Ghilarducci of the FCS Group was not available in person, but would be available by phone if there were any questions. Mr. Campbell reported the water utility revisions to the capital improvement plan council approved earlier, resulted in an average rate increase of about 6% per year through 2008 and 9.2% in 2009. With the information received earlier this year from the Department of Ecology (DOE) regarding the grant/loan situation, staff felt comfortable the optimistic scenario was something they could rely on. The wastewater rate increases resulted in an average increase of about 10.3% per year through 2008 and 8.8% in 2009. The stormwater rates in the final report came to a cumulative increase of about 87.6% through 2009.

Mr. Campbell stated as a result of the councils work earlier in the year, the proposed connection fees would be less than what they were currently and in some cases, less than what was previously recommended. The connection fee for the capital facilities charge for the water utility was recommended at \$2,071 per meter equivalent. The new rate was based on the meter size instead of an estimated usage. The connection fee for the wastewater utility fee would be \$3,030, which was also down from what was currently in place, but up slightly from what was calculated earlier. The new stormwater utility connection fee would be \$489.

Councilor Spahr asked if it would complicate the loan with DOE if council reviewed the increases on an annual basis rather than increasing the rates by a percentage based on the rate study recommendations. Jim Larson stated it could be done by comparing the actual revenue with what was predicted.

Councilor Harris asked if additional grant funding was received, would it be applied to the loan to allow the percentages to be smoothed out even more across the years or would it be taken off at the end of the loan. Mr. Campbell stated the rate study assumed the city would eventually get \$5 million for the wastewater treatment plant project in grant money and the balance of the costs would be paid for by a 0% loan. Mr. Campbell stated it was the city's intent to pursue other opportunities and if the city received additional grant monies, it would help offset the costs required from the rate payers.

Mayor Rider asked if future sales tax revenue could be used to help retire the debt. Mr. Campbell again stated any additional monies allocated toward the payment of the loan would reduce the amount the city would have to collect from rate payers. Councilor Harris asked if other types of revenues could be used to apply toward the loan. Mr. Campbell stated Bill Hillier did some research and received correspondence from other attorneys as to what revenues could and couldn't be used by the utilities, but stated he wasn't ready to give a definitive answer at this time. Mr. Hillier stated historically you couldn't generate general fund dollars to support a utility. He stated there may be an exception to that, but he was not prepared to say there was. At this time his conclusion would be there is no exception, but the city would continue looking into it.

Councilor Taylor stated the amount of revenue the city would need to generate by 2009 from sales tax would be extremely large and didn't know if it would be enough to help offset the debt. He noted last week council talked about no tax increases and was now asking staff to look at their budgets and try to find ways to save money to help the tax payers out. Councilor Taylor said he would like to see what an average utility bill of a rate payer would look like with the proposed increases. Mr. Campbell said Jim Larson had calculated, with certain assumptions, what the average rate payer impact would be with the proposed increases. Councilor Pope asked if the city shouldn't also take a look at what a bill would be if the city chose to do nothing. He stated, in the past, council did not want to raise taxes and kept putting it off and then the city had to make tremendously large increases to service its debt. He wanted people to be mindful that if nothing was done, it would eventually catch up to them.

Mr. Campbell told council the only thing they would be doing at this time would be to direct staff to prepare an ordinance. Assuming the council did direct staff to prepare the ordinance, staff could add additional information showing what an average bill with the proposed rates would cost a rate payer.

Councilor Taylor stated he understood past councils did not want to raise taxes, and after looking at all of the information, he understood if they did nothing it would put the city in a very bad position. He wasn't in favor of any rate increases, but he wasn't going to put the city in a financial position where it would go bankrupt.

July 26, 2004

Councilor Lund stated he somewhat agreed with Councilor Taylor and would prefer to wait on making a final decision on any rate increases. He also liked Councilor Spahr's idea about reviewing the rate increases each year and noted as development occurred, the city may not need to raise rates the whole percentage. He felt the city needed to be pro-active and run like a business. He suggested the city start being creative by finding ways to increase revenues. He suggested the city start taking advantage of the city's water rights and look at different options for the use of the Barnes property. He continued by stating the city should either lease the Barnes property the way it was, fill and developed the land with streets or construct buildings and lease them out, whichever would be most profitable for the city.

Mr. Campbell stated the development of the Barnes property, or whatever mechanism occurred would be similar to the scenario of additional grant money. Whatever additional revenue might be received would help offset the amount of money rate payers would be paying.

Mayor Pro-tem Ketchum asked Jim Larson if he would give council the figures he came up with for the average water bill increase using the recommended rate increases. Mr. Larson explained there were a lot of variables in calculating a water bill and based on the assumptions and a study done a couple of years ago analyzing the city's billing data to see how much the average customer used in a month, which averaged out to be 8.5 cubic feet per month, the first year increase for the average residential home in Chehalis would be about \$8 per month or \$16 per billing period for water, sewer and stormwater. Mr. Larson stated it was important for council to re-examine the increases each year to make sure the city was accomplishing what it needed to accomplish without overcharging the users.

Jim Hill asked if council could start reporting the proposed increases in dollar figures instead of percentages. Mr. Campbell used the stormwater utility as an example stating it was a much lower base to begin with, even though the percentage sounded much more onerous. The dollars involved with the stormwater utility were quite a bit less than water and wastewater.

Councilor Harris asked if the rates would go back down after 2009 if they were increased now, to accumulate funding, rather than waiting until later. Mr. Larson stated the city would have to continue to pay the debt service for 20 more years. Mr. Campbell noted the analysis done by the FCS Group on Centralia's treatment offer showed the revenue needs dropping off in the year 2026 or 2028.

Jim Hill asked if that included the debt reduction the city would be receiving from Napavine and Lewis County Sewer District No. 1. Mr. Campbell stated the updated information in the report did include the revenue from Napavine and the District, which hadn't been accounted for in the original study.

Councilor Harris asked if the city could smooth out the increases for a longer period of time. Mr. Larson stated DOE would not extend the period of the loan past 20 years. Councilor Taylor stated he had been working with Jim Larson and Marilyn Riebe trying to get the city an additional 10 years, but found as Jim Larson did, DOE would not give the city that option.

Mr. Campbell stated one other additional source of funding the city was working on, besides DOE, was the US Department of Agriculture. He noted they had a rural development grant and loan program which could eventually be out there if the city was fortunate to be successful with that application. He noted the downside to USDA loans was that they charged interest.

Mr. Larson stated at this point staff was asking for direction to prepare an ordinance. He asked council to go with the information they had, and the sources of funds the city knew about, and move forward with a plan, even though the plan may change down the road. He explained if council missed the opportunity at this time to start implementing the plan, it would just make things worse later on.

Mayor Rider stated he thought Mr. Larson was absolutely right, council and staff had looked at options the city could take, and it was time to set things in motion. He noted council and staff would work diligently to do everything they could to find a way to reduce the increase to tax payers.

Councilor Pope moved that the council direct staff to prepare an ordinance incorporating the utility rates and charges recommended in the FSC Group reports, including the second revisions. The motion was seconded by Councilor Spahr.

July 26, 2004

Councilor Spahr moved to amend the motion to put in an annual review of the rate study. Councilor Pope seconded the motion. Councilor Taylor stated he was hoping to wait at least one more meeting until council could get more refined numbers from staff before voting on preparing the ordinance. Mayor Rider stated the numbers could be changed at a later date, by voting now it allowed staff to start preparing the ordinance. Mr. Campbell stated it would take about a month to get the ordinance back to council. The amendment to the motion passed unanimously.

Councilor Lund asked what the consensus of council was in regard to the stormwater rate increase. He wondered if the city could give citizens a break on that portion of their bill. Councilor Spahr stated he was given documentation at the Chehalis River Basin Partnership meeting on Friday which stated the cities of Chehalis and Centralia were to adopt stormwater management manuals and implement best management practices. He was thankful previous councils had the foresite, eleven years ago, to establish a stormwater utility which put Chehalis ahead of the curve. Councilor Spahr believed the city needed the additional money in stormwater to maintain that utility. Mayor Rider explained it could still be stricken at a later date, staff just wanted to get moving on the ordinance. Mr. Campbell reminded council the current rates being charged for the stormwater utility didn't even cover the operating costs. The main motion passed unanimously.

5. Staff and Council Reports.

a. Joanne Schwartz highlighted some of the activities which would be taking place at ChehalisFest during the coming week.

b. Dave Campbell introduced Tim Grochowski as the new public works director.

c. Councilor Spahr reported the Chehalis River Basin Partnership met on Friday and appointed Jim Hill as a Lewis County citizen representative to the council. He stated the partnership was in a transition stage trying to figure out how to get its legs back under itself and was leaning towards not doing phase 4 for another couple of years.

d. Mayor Rider reminded council members to turn in their city manager performance reviews to him by the next meeting. He apologized for being late to the meeting.

There being no further business to come before the council, the meeting was adjourned at 7:18 p.m.

Mayor

Attest:

City Clerk

August 9, 2004

The Chehalis city council met in regular session on Monday, August 9, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:03 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Jill Harwick, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Mansoor Ghorbani, Supervisory Engineer; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Presentations.** Dale Miller introduced Johnna White, who was temporarily filling in as a patrol officer for four months. Joanne Schwartz introduced Gary Schmauder as the new director of the Lewis County Historical Museum.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes for the special council meeting of July 22, 2004 and the regular city council meeting of July 26, 2004;
- b. July 30, 2004 Claim Vouchers No. 75528 - 75702 in the amount of \$167,947.25; and July 30, 2004 Payroll Vouchers No. 22758-22942 in the amount of \$608,046.19;
- c. Annexation of Alexander Park – to set public hearing date and time of August 23, 2004 at 6:05 p.m.; and
- d. Design engineering services contract with Brown and Caldwell for the upgrade of water treatment plant controls.

The motion was seconded by Councilor Lund. Councilor Spahr asked how staff determined which engineer to use for the upgrade of the water treatment plant controls project. Mark Petrie stated Brown and Caldwell, as well as other engineers, were pulled off an engineer roster list. He stated he ran the choices by his group and the public works director and rated them all, Brown and Caldwell rated highest. He also stated Brown and Caldwell had proven themselves on other public works projects.

Council Harris noted he had read that by upgrading the controls it would potentially increase the output from 4 million gallons to 7 million gallons per day. Councilor Harris asked staff what the daily intake was. Mr. Petrie stated the plant was originally designed to take 7 million gallons per day, but once it got up to the filter beds, it bogged down, due to the size and filter media. Mr. Petrie noted the city also needs to process the water they treat for backwash and that takes away from the maximum 7 million gallons they could take in. He also noted the past upgrades done to the larger backwash reservoirs, the new filter media, the new controls and blowers will increase the maximum production they can do at the filter plant. On peak days, the city pull is about 4.1 million gallons. The city is allotted 6.99 million gallons per day off the Newaukum but currently pulls about 4 million per day via the pipeline. There's a possibility the city may be able to upgrade the booster station on Market, which is currently off-line. Mayor Rider asked under the current infrastructure how much the city takes in from the Newaukum River. Mr. Petrie stated currently the city takes in about 4 million gallons per day from the Newaukum and could pull off the Chehalis River if needed. Councilor Harris asked if the city would be able to get water rights to the water Centralia used to pull from the Newaukum River. Mr. Petrie stated it was possible but currently Centralia still had their water rights to the Newaukum, so the city could not technically pull any more than allotted. Mr. Petrie noted once they get the last upgrade constructed they would be able to pull in 7 million gallons per day. The motion carried unanimously.

3. **Citizens Business.** Sheila Unger and Jody Magnusson came before council to discuss the Newaukum Village Home Owners Associations water grant. Ms. Magnusson stated she had talked with Dave Campbell about their grant application and the upcoming deadline of August 27, 2004. She noted since Jim Nichols left things have come to a halt. She also noted the homeowners, all except two, had paid their money but they were now having problems getting the developer's share for the 26 lots he's developing. She indicated she had been in touch with the developer and Todd Mason, who said he was representing the developer, letting them know what needed to be paid and told them of the timeline the association was working with. Ms. Magnusson said the developer now states he was unaware he had to pay his fees upfront.

Councilor Spahr asked how much money the association was short. Mr. Campbell stated roughly \$6,600. Ms. Magnusson stated she came to Mr. Campbell asking if there was a way to help the two home owners who couldn't pay the fees,

August 9, 2004

by possibly setting up a payment plan. She stated she also spoke to Mr. Campbell about the problem they were having with the developer, who claimed he was never given a deadline by the city. Ms. Unger stated when the association first applied for the grant they came to the city and were told the developer had already submitted his water plans. The city suggested they do it as a joint project with the developer, combining divisions 1, 2 and 3, splitting the costs equally between the lot owners, that way no one would have to pay any latecomer fees. Ms. Unger stated the 90-day deadline of August 27 was looming in front of them and if the grant didn't get submitted back, accepted by the city, they would lose the grant. Mr. Campbell stated the city had a proposal for how to move forward if the two individual homeowners couldn't pay, but it would require approval from council after which time the city would then bring the proposal to the association to allow the project to proceed. Mayor Rider stated the association could move forward without the developer, but it could cost the homeowners more than the original \$3,300 per lot. Mayor Rider noted since the association was incorporated they could charge a latecomer fee to the developer if he chooses to come in at a later date. Mr. Campbell said he had a letter addressed to the developer and intended on giving it to him after a meeting scheduled for August 10. The letter had a deadline in it, for the developer to let the city know of his intentions.

Councilor Lund asked if the council could authorize the city manager to make arrangements with the two lot owners to make payments on their portion. Dave Campbell stated he could not make that decision that it would be up to council. Mayor Rider noted council would make those decisions at the meeting scheduled for the 23rd of August. Ms. Unger stated they were already behind in their timeline and the project may not even be able to happen this year, but still hoped the developer would come with them. Councilor Taylor asked what the developer's share was. Mr. Campbell stated the city would want to collect the same \$3,300 for each lot owner therefore his amount would be roughly \$90,000.

Councilor Spahr stated he wanted the association to have the water, that the city was behind them and would help out anyway they could. Mayor Rider stated the letter to the developer would put him officially on notice of what he would need to pay and what the deadline would be. If the city doesn't get a response from the developer, they would move forward without him. Councilor Pope stated the city seemed to find itself in situations like this with developers and asked if it would possible to look at the process and start collecting money up front, from developers. He thanked Ms. Unger and Ms. Magnusson for all the work they had done on this project and hoped they could move forward from this point.

4. **New Business**

a. **Update of Countywide Planning Policies and Population Projections.** Bob Nacht stated the Lewis County commissioners appointed a committee, which had representatives from all nine incorporated cities within the county. He noted the county was obligated under the Growth Management Act, prior to December 2005, to update its comprehensive plan and development regulations. He stated the committee reviewed the countywide planning policies and the Office of Financial Management population projections and discussed whether or not any of the cities would be requesting additional urban growth areas based on their population. He noted there was a lot of thought and effort that went into the countywide policy revisions and recommended they be adopted as presented.

Joanne Schwartz stated this had gone before the Chehalis planning commission and they recommended the adoption of the countywide planning policies and population projections. She noted Councilor Spahr, who had a wealth of knowledge and experience, served as the city's vote on the committee.

Councilor Lund inquired about item 3. 3.5, page 6 and asked if the road to McFadden Park would need to be repaired. Mr. Nacht stated not necessarily, the wording stated local governments should ensure adequate road access to scenic and recreational areas, to accommodate local and tourist traffic. He noted the words should and adequate both have broad interpretations and at the time the development regulations were written, they determined what is adequate.

Councilor Spahr felt the city could feel good about the document prepared because of the work Mr. Nacht had done. Mayor Rider also complemented Mr. Nacht for his efforts and the work he has done for the city.

Mr. Nacht recommended the city not pursue additional growth area at this point in time. In their evaluation they found it would not be a cost effective endeavor.

August 9, 2004

Councilor Spahr moved that the council endorse the recommendations of the Lewis County Planned Growth Committee regarding the revised countywide planning policies and population distribution for Lewis County, and retain the current boundaries for the Chehalis urban growth area. The motion was seconded by Councilor Taylor and passed unanimously.

5. Staff and Council Reports.

a. Dale Miller presented council with a draft of the survey he intended on mailing out to about 700 randomly selected water customers inside the city. He stated he would like to see how the citizens rated the department and wanted to find out what their priorities would be for the future. The mailer would be sent out in about two weeks.

b. Dave Campbell reported on the approaching visit of the sister city delegation, due to arrive in town on the 20th of August. This is the first group in two years, their last visit being in May of 2002. He reported they would have 27 people coming to visit, which was more than they've ever sent in any one delegation and a total of 17 host families. Mr. Campbell invited council to attend any and all of the activities planned for the delegation.

c. Joanne Schwartz and various staff reported on ChehalisFest. She noted it was great fun! They tried a few different things this year including an arm wrestling event which attracted several participants. She stated the Chamber was sending out evaluations to the businesses and those who participated to get input on the event and what they would like to see happen next year. She also thanked the various city departments for their help and involvement. Mayor Rider inquired about the Farmers Market. Ms. Schwartz said they decided it was just too late in the season to do anything with it so it's been put on hold until next year.

d. Jerry Boes talked about the SW Washington Fair. He explained how each year, before the fair, all the local fire, police and medical aid departments got together and discussed a pre-incident plan that Fire District 12 puts together. He stated Fire District 12 would be responsible for a majority of the fairgrounds and had fire and EMS staff who stay at the fairgrounds 24 hours a day during the fair. American Medical Response would have an aid car and paramedics at the fairgrounds during operating hours. Mr. Boes reported the city had an agreement with Fire District 12, for the week of the fair, to cover all medical emergencies. There was also an automatic aid agreement which stated Centralia and Chehalis would respond to automatic aid to any fire calls at the fairgrounds and noted Lewis County would have officers on the grounds 24 hours a day.

e. Councilor Harris reported on the Streamline Sales Tax Program (SSTP). He stated the Department of Revenue had now determined if the SSTP goes through, the city could be losing as much as \$390,000 annually. He stated it was an uphill battle and stressed how important it was for people to talk to their representatives. He noted the city would not be collecting lesser sales tax, the program would just be shifting it in a different direction. He hoped the city could get on-line ahead of time so when they do begin to figure out how to put sales tax on the internet, the city can collect it. Councilor Harris also thanked those who invited council members to judge the barbeque and mint dessert contests during ChehalisFest.

f. Mayor Rider reported Cardinal Glass was making one of their last moves to be here. He noted there was a hearing coming up on the 2nd of September and encouraged everyone to be supportive of the business. He noted he intended on going to the meeting as a citizen and also asked to speak on behalf of the council. Councilor Ketchum asked if a letter could be drafted for councilors to look at. Mayor Rider stated he wanted the letter to be positive and upbeat noting the city supported the jobs and the business.

g. Councilor Lund asked if staff had any information about the newsletter or website. Joanne Schwartz stated she was still waiting to hear from DeVaul Publishing. Dave Campbell noted the staff internet committee would be looking at different options for working on a website.

There being no further business to come before the council, the meeting was adjourned at 7:15 p.m.

Mayor

August 9, 2004

Attest:

City Clerk

August 23, 2004

The Chehalis city council met in regular session on Monday, August 23, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:04 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, and Chad Taylor. Councilor Spahr was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Mansoor Ghorbani, Supervisory Engineer; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Dian McClurg of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Presentations.**

a. Mayor Rider presented the city with a gift from our sister city in Inasa and read a letter from their Mayor, Yoshimasa Nagayama.

b. Frank DeVaul, a representative of the airport board, introduced Fritz Guenther as the new airport manager of the Chehalis-Centralia Airport. Mayor Rider asked if the board was using the same budget set for Jerry Otto's wages. Mr. DeVaul stated the budget had not changed. They worked within the framework of the budget originally approved. Councilor Lund asked if they would be having air shows again. Mr. Guenther reported the air fair was not held this year because of anticipated construction.

2. **Consent Calendar.** Councilor Ketchum moved to approve the consent calendar comprised of the following items:

- a. Minutes for the regular city council meeting of August 9, 2004;
- b. Lodging tax advisory committee members - appointment of Rick Burchett and reconfirm the appointments of Mary Kay Nelson and Natalie Ketchum;
- c. Bridge inspection engineering services agreement; and
- d. Review of draft new NPDES permit.

The motion was seconded by Councilor Taylor. Councilor Pope inquired about the lodging tax advisory committee members, particularly Mary Kay Nelson. He noted Ms. Nelson was also in charge of the Lewis County Convention and Visitors Bureau, to whom the city appropriates funds. Mayor Rider stated state law required the board to be made up of a minimum of five members consisting of two recipients, Ms. Nelson being one of the recipients of the money, and two members who pay lodging tax and one city member who serves as chair of the committee. Mayor Rider noted the city has two motels in town and only one was interested in being involved. Mayor Rider also stated they did some research and found that possibly the city of Chehalis, who also collects lodging tax at the RV Park, could have the right to have an appointment as the fourth person on the committee as well as the council representative. Mayor Rider asked Mr. Hillier for a legal opinion about the city collecting lodging tax at Hedwall Park and asked if the city was remitting tax to the state and the state disbursed the monies back to the city, did that entitle the city to be one of the two collectors. Mr. Hillier stated he would look into the matter. Mayor Rider thought it could be a way to fill the fourth seat. He noted the city could appoint whomever they wanted and suggested they appoint someone like Wayne Galvin if he would be willing to accept the appointment. Councilor Ketchum suggested Bud Hatfield. Mayor Rider stated Mr. Hatfield would be a good person also, if he was interested. Mayor Rider noted the city had a lot of people in the community that would be qualified to fill that position.

Mayor Rider wanted to clarify the minutes of the regular meeting of August 9, 2004. He referred to the last paragraph of page one, (Councilor Spahr asked how much money the association was short in reference to the Newaukum Valley water project. Mr. Campbell stated roughly \$6,600). Mayor Rider noted the project, at the time they were discussing it, was more like \$96,600 short. The \$6,600 only represented the two lot owners who couldn't pay up front. He noted the minutes discussed, at a later time, the \$90,000 the developer would put in if he were to participate, which the association anticipated he would. Mayor Rider asked that the minutes not be changed, but noted the amount the association would be short was roughly \$96,000.

August 23, 2004

Mayor Rider inquired about item No. 7, the review of the Draft New NPDES Permit. He noted it appeared we had a permit from the Department of Ecology (DOE) and now they were giving us another one. He questioned why the city had to hire an attorney and an engineering service for \$13,000 to make sure DOE wasn't taking advantage of the city. Patrick Wiltzius stated in reviewing the permit in-house, staff noted there were a lot of conditions in the permit that if not challenged, could cost the city to have to hire additional staff. Mr. Wiltzius thought it would be prudent to get the best expertise on board to try to fight it. Mayor Rider stated he trusted the fact the city needed to do this, it was just irritating to spend the city's money for that purpose. The motion carried unanimously.

3. Unfinished Business.

a. **Annexation of Alexander Park.** Mr. Campbell stated two weeks ago, a public hearing was considered for the process of annexing Alexander Park. Since then, in reading the Growth Management Act, under existing state law, because Alexander Park is outside of our urban growth area (UGA), the city could not legally pursue annexation at this time. The Chehalis Foundation had requested the city consider the annexation to clarify who would respond to calls for service. Mr. Campbell suggested the city approach the issue through interlocal agreements with the jurisdictions involved. The city could also pursue formal annexation in the future through the amendment to our UGA, but it would have to be done through the county and the window for doing it in 2004 had passed. Councilor Ketchum asked if the UGA stopped at the river. Mr. Campbell stated, on the western boundary of the city, the UGA goes just up to the river. Councilor Ketchum asked if the city's tree plantation was also outside the UGA. Mr. Campbell stated it too was outside the city limits, in unincorporated Lewis County. Mayor Rider stated he would like to see interlocal agreements be put into place with the county and next year have Bob Nacht work on getting this to be part of our UGA and annex it in at that time. Councilor Taylor asked Bill Nacht if there were fees involved when Lewis County Fire District 6 responded to calls at the park under the old agreement. Mr. Nacht said when the park was active, both entities would respond and there were no fees involved. The reason both districts responded was the city's department was closer to the park and they could get there much quicker. Mr. Campbell stated he would try to get something in writing with Fire District 6 as well as with Lewis County from the standpoint of police response. Mr. Campbell didn't think the agreements would be very complex, for the most part it was important for Lewis County Dispatch to know the appropriate agency or agencies to dispatch. Mayor Rider asked Mr. Campbell to pursue the agreements and bring them back for approval.

b. **Memorandum of Understanding Regarding Newaukum Subdivision Water Project.** Mr. Campbell stated the draft they received in their agenda packet had since been finalized. He noted the memorandum of understanding (MOU) was important for John Hinkle of Hinkle Homes Inc. and the county since there was an issue of a plat development between the two parties. Mr. Campbell said the city was a party to this proposed MOU because the city was extending the waterline and administering the grant which would pay for part of the costs for extending the waterline to the subdivision. Mr. Campbell stated it was his understanding the county commissioners approved the MOU earlier in the day, and if council approved it, the city would then send an invoice to Hinkle Homes Inc. for their portion of the estimated assessment cost, based on the number of lots they own adjacent to the subdivision. The city would also sign the grant agreement and get the paperwork ready to be administered and begin getting bids for actual construction. Councilor Taylor said he talked with Sheila Unger from the association and she told him a letter had been sent to Mr. Hinkle and he had two weeks to come up with the money. Mr. Campbell said a letter would be sent following the approval of the MOU. Councilor Taylor asked what would happen if Mr. Hinkle didn't pay? Mr. Campbell said he would not be a party to the project. Councilor Ketchum moved to authorize the city manager to sign a memorandum of understanding among the city, Lewis County, and Hinkle Homes Inc. related to the extension of city water to the Newaukum III subdivision. The motion was seconded by Councilor Taylor and carried unanimously.

4. New Business.

a. **Resolution No. 9-2004, First Reading – Withdrawal of Centralia from the Airport Operating Agreement.** Mr. Campbell noted most everyone was aware the city of Centralia had indicated its desire to withdraw from the operating agreement for the Chehalis-Centralia Airport. The proposed resolution was also on the county commissioners agenda for approval earlier in the day. The resolution would recognize the withdrawal of Centralia and obligate Lewis County and Chehalis to pursue a new joint operating agreement for the operations and management of the airport. Mayor Rider stated for clarification, the county did pass their resolution earlier in the day. Councilor Ketchum asked former Centralia Councilor Joyce Barnes, who was seated in the audience, if there was a reason why no one else from the city of Centralia was involved with this besides Bob Berg. Ms. Barnes noted it was put on their agenda without the advance notice of the city manager who was on vacation when it had its first

August 23, 2004

reading. She was personally fighting in opposition of the withdrawal of Centralia because she felt Centralia needed to start saying yes instead of no all the time. Mayor Rider stated he and Mr. Campbell had attended a couple of meetings with Centralia's Mayor Browning and City Manager J.D. Fouts, and they said several different times in those meetings it was their intention to withdraw. Mayor Rider assumed when he got the letter from Centralia requesting to withdraw, it was coming from the council and they intended to withdraw and this was the mechanism to make it happen. Councilor Harris applauded Ms. Barnes for her willingness to try to make something happen in Centralia. Councilor Lund made a motion that the council adopt Resolution 9-2004 on first reading. The motion was seconded by Councilor Pope and carried unanimously.

b. **Resolution No. 10-2004, First Reading – Revisions to the Bike Route Plan.** Mr. Campbell stated this resolution was in connection with grant opportunities with respect to Chamber of Commerce Way and the envisioned roundabouts. He noted the Transportation Improvement Board (TIB) grant application required the city to have a current bicycle route plan. Bob Nacht addressed council and indicated the route in the comprehensive plan was incomplete because it didn't include Chamber Way, where the roundabout project would occur. He also noted the grant application needed to go in by the end of the week, and they would need an expeditious passage of the resolution. Councilor Pope moved that council suspend the rules requiring a second reading, the motion was seconded by Councilor Taylor and carried unanimously. Councilor Pope moved to adopt Resolution 10-2004 on first and final reading. The motion was seconded by Councilor Taylor. Councilor Harris asked if the lines would actually be painted bike lanes within the two lanes of roundabouts and if the cars coming off the freeway would have to cross the bike lane. Mr. Nacht believed there would be a bike lane constructed around the exterior of the roundabouts. The bike lanes would be designed over Chamber Way and circumvent the outside of the roundabouts, crossing the northbound on-ramp going westward. Mr. Nacht noted the Department of Transportation engineering department had designed it consistent with the manual for uniformed traffic control devices and all the criteria they use. Mr. Nacht stated in reviewing the grant funding application, the construction documents, and in putting the package together, there was a necessity to fix the city's current bike route plan. Mr. Campbell stated the city had funding for the design of the project and noted the design, including how the bike lanes would fit with the roundabouts, would be subject to public comment and review later this year or next year. The city also had tentatively \$3 million in federal money for construction of the project, this particular need to amend our bike route plan, pertains to state funding. Mr. Nacht stated Marilyn Riebe and Joanne Schwartz had been communicating with TIB to find out what the grant application needed to include in order for it to be successful. Councilor Pope said he understood Mr. Nacht as saying he had a necessity for council to approve this resolution so they could upgrade the bike plan which had already been approved by the state. Mr. Nacht stated the state had not approved the local bike plan but said the Chamber Way improvement project must include bike paths. Mr. Nacht noted the concept for the design of the Chamber Way improvements, including the five roundabouts, included bike paths that go down both sides of the street and the state was requiring an adopted local bike plan in order to fund a project that includes bike lanes. Mr. Nacht stated council needed to amend the local bike plan to include Chamber Way and also include Louisiana Avenue and the other modifications in the resolution at the same time. The motion carried unanimously.

c. **Resolution No. 11-2004, First Reading – Water System Plan Adoption.** Mr. Campbell stated the city was required by the Department of Health (DOH) to update the water system plan (WSP) every six years. He noted council reviewed the draft plan about a year ago and it was then submitted to DOH. Mark Petrie addressed council noting the document he handed to them basically gave a history on the water system summaries, current and future needs of the system and a recommended capital improvement list of projects with estimated costs. He noted the approval of the WSP was delayed by DOH due to House Bill 1338 which changed the Municipal Water Law. Some of those changes included clarifying the water systems maximum equivalent residential unit capacity and the use of city water rights. The final approval of the WSP came in July 2004. Mr. Petrie noted back in October 2002, the consulting engineers sat down with council and other parties to see what priorities they wanted implemented into the plan. Mr. Campbell noted the council's amendment of the capital improvement plan was part of the new plan as well. Councilor Ketchum moved that the council adopt the updated water system plan as approved by Department of Health by adopting Resolution 11-2204 on first reading. Councilor Taylor seconded the motion. Councilor Lund stated he would be voting no on this resolution because he didn't have the document to read in advance. The motion carried four to one, the no vote being Councilor Lund. Councilor Pope was excused at the time voting took place.

August 23, 2004

5. Staff and Council Reports.

a. **Transportation – related Grant Applications.** Joanne Schwartz noted there were a number of grants Jim Nichols was working on when he departed in July. Ms. Schwartz, Mansoor Ghorbani, Marilyn Riebe and Bob Nacht got together and reviewed all the grant projects being worked on. They believed they should concentrate on the high-priority grants, including the Transportation Improvement Board grant for the roundabouts, the Department of Ecology Centennial Clean Water Fund for the wastewater treatment plant and the USDA RDA application, also for the wastewater treatment plant. For now, the group decided

to drop the Newaukum Avenue upgrade, the National Avenue improvement project and the freight mobility grant and review them at a later date to see how they might proceed with them. Ms. Schwartz noted without staff to coordinate acquisition of the private money needed for those projects, it would be impossible for them to comply with the requirements of the grants. Mayor Rider asked if the Newaukum Avenue upgrade was for the beautification portion or part of the water project. Mr. Campbell stated it was for the street upgrade. Mr. Nacht stated he felt the city didn't have a chance at getting any of the three grants they decided to drop, but did expect to be in a better position to be successful next year. Councilor Taylor was glad staff was focusing their energy on the wastewater treatment plant. Mr. Campbell noted the three items put on hold were high priority projects in the city's six-year transportation improvement plan. Mayor Rider noted the roundabouts were something they needed to continue with, but the main goal of the grant writer, should be to concentrate on the water and wastewater grants to help offset the costs of the rates to citizens, not for the beautification of streets. Ms. Riebe stated the city had received the final list from the Department of Ecology (DOE) and it stated Chehalis had been funded to the full amount of it's requests. She noted she would be requesting the remainder of the \$3.1 million in additional grant funding from DOE to make the cumulative sum of \$5 million in grants they indicated the city would be able to apply for. Councilor Taylor stated in the newsletter there was some information for USDA, and wondered if the city was allowed to submit an application through them. Ms. Riebe stated after a year of discussions, USDA came back to the city to say they didn't think Chehalis would qualify, so the city was never invited to apply. She noted staff talked with a USDA rural development engineer and our regional representative from that agency and explained some of the numbers they used were incorrect. Ms. Riebe stated there would be another opportunity to present different numbers at a later date. Councilor Harris asked Bill Hillier if he was able to find out about the possibility of using sales tax revenue from Home Depot to apply directly to the wastewater treatment plant. Mr. Hillier stated they could use general fund monies to underwrite the utilities. Mayor Rider stated a memorandum was sent out saying the city could take general fund dollars and defer them to the wastewater fund.

b. **Community Rating System (CRS) Program Repetitive Loss Progress Report.** Bob Nacht stated the community rating system progress report is a required element of the re-certification process. Mr. Nacht reported the city didn't have any major floods and therefore we didn't have any major damage to report.

c. **Water Production, Availability, and 2004 Leak Survey.** Mark Petrie reported on the city's water production and availability. He noted the average water production year-round has been approximately 2 million gallons of water a day. The city did have a peak production of 4.1 million gallons this last July. Mr. Petrie noted one of the recommendations from the past and current water system plan was to change the designation of the Chehalis River source from an emergency only use to a year-round use so the city will utilize the water rights off both the Newaukum and the Chehalis Rivers. This will show the Department of Ecology the city is using its water rights appropriately. With the current water system plan, the city has a total combined 18 million gallons per day water use that can be pulled off both sources. Mr. Petrie reported a leak survey was also done this past July on the entire water system and reported the majority of leaks they found were small leaks at valves and hydrants that were not shut down all the way. Mr. Petrie noted the largest leak, which has been repaired, was located on Washington up by Terrace. Mr. Petrie reported the city has plenty of water and felt no need for any major conservation measures at this time. He hoped to implement, in the next year, some conservation ideas for the community to take part in.

d. **Special City Council Meeting (Informal Work Session with Staff).** Dave Campbell stated a special council meeting needed to be set up to discuss 2004-05 council goals and to talk about the 2005 budget preparation status report. Council set the meeting date for September 20 at 6:00 p.m. at the community services activity building.

e. Councilor Taylor reported he attended a meeting at the county commissioners office to listen to public input about the Cardinal Glass Plant. He noted they were accepting public comment for and against the plant and so far he's heard a lot of good stuff in support of the plant. He urged anyone who could attend to do so.

August 23, 2004

f. Councilor Taylor reported he had a meeting with a city councilor from Soap Lake. Councilor Taylor was told they were going through the same process that our city was going through with the Department of Ecology. He stated they are in the same boat as we are and wanted everyone to know we were not an exception to the rule.

g. Mayor Rider stated he noticed an increase of fires along I-5 and wanted to know if the city was on any kind of alert around town and asked if there should be more public notice about it. Bill Nacht stated there hadn't been many fires in our area, traditionally those along I-5 are started by cigarettes and illegal burning.

h. Mayor Rider inquired about construction and fill of the Twin Cities Town Center for phase 3. He noted there was a problem for a while of contractors not wanting to fix sidewalks and do it in a timely manner. Mansoor Ghorbani stated phase 3 was a separate project, so the city could not tie them together. Mr. Ghorbani noted as part of phase 2, they are not allowed to get the certificate of occupancy until they do all of the required improvements. Bill Hillier stated they could not take occupancy on phase 3 until they complete phase 2 requirements, they can start construction, but no tenants can move in until all of phase 2 is complete. Councilor Harris understood the tenants could come in and do the improvements, they just wouldn't get their certificate of occupancy until the other improvements were done. Bob Nacht noted in phase 1 and phase 2 they had a number of tenant improvement permits out and they will not get their final certificates of occupancy until all the site improvements are done.

i. Councilor Lund thanked Mansoor Ghorbani for his efforts in calling and making contact with citizens and letting them know staff was available and ready to help. Councilor Lund stated he had received several phone calls from people saying they were very impressed by his efforts and willingness to work with them.

6. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:40 p.m., following a break at 7:27 p.m. pursuant to RCW 42.30.110 (1) (i) – potential litigation, and 42.30.110 (1) (g) – public employee performance review. Following the conclusion of the executive session, the regular meeting was reopened and there being no further business to come before the council, the meeting was adjourned at 8:15 p.m.

Mayor

Attest:

City Clerk

September 13, 2004

The Chehalis city council met in regular session on Monday, September 13, 2004, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into executive session with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; and Dale Miller, Police Chief. Mike and Betty Meglemre of Puget Sound Public Employers were also in attendance.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session for about one hour pursuant to RCW 42.30.140(4)(b) – collective bargaining, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 6:10 p.m. and announced council would take a ten minute break and reconvene into regular session at 6:20 p.m. Additional staff present for the regular meeting included: Bill Hillier, City Attorney; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Ashley Forsyth of *The Chronicle*.

2. **Proclamation.** Mayor Rider read and presented a proclamation to Mr. Lee Stevens, WorkSource Administrator, proclaiming the month of September as WorkForce Development Month.

3. **Proclamation.** Debbie Campbell, Executive Director of United Way of Lewis County accepted a proclamation read by Mayor Rider proclaiming the next three months as United Way of Lewis County Community Campaign Season.

4. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following items:

a. Minutes for the regular city council meeting of August 23, 2004;

b. Claim Vouchers No. 75703 – 75882 in the amount of \$806,938.00 dated August 16, 2004; Claim Vouchers No. 75883 - 76005 in the amount of \$64,326.36 dated August 31, 2004; and Payroll Vouchers No. 22943 – 23125 in the amount of \$534,337.43 dated August 31, 2004.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Unfinished Business.**

a. **Resolution No. 9-2004, Second Reading – Withdrawal of Centralia from Airport Operating Agreement.** Mr. Campbell reminded council they adopted the resolution on first reading last month and so did Centralia and the county. Mr. Campbell noted our city requires a second reading and was unsure if the county or Centralia required a second reading or not. Mayor Rider stated he didn't know if the county did, but Centralia waived their rules and passed it on first reading.

Councilor Harris moved that the council adopt Resolution 9-2004 on second and final reading. The motion was seconded by Councilor Pope.

Councilor Spahr inquired about section No. 5 (Notwithstanding the terms of the Joint Operating Agreement, the city of Centralia shall relinquish and transfer, without remuneration, to Lewis County and the city of Chehalis any rights to property or assets it has under the Joint Operating Agreement. Upon sale of the Airport, the city of Centralia shall receive a proportional share of any property or assets acquired while Centralia was an acting party to the agreement). He asked Mr. Hillier to explain section No. 5 of the resolution. Mr. Hillier stated the existing operating agreement required if there was ever liquidation of the property acquired during the time the three entities were together from 1961 to present, to his knowledge, the two parcels of property being the Blaser property and a small portion south of the airport, of those two purchases, Centralia would receive a proportional share of those assets. The motion carried unanimously.

b. **Resolution No. 11-2004, Second Reading – Water System Plan Adoption.** Mr. Campbell reminded council every six years under state law, the city goes through the process of revising or updating the water system plan.

September 13, 2004

Councilor Spahr moved that the council adopt the updated water system plan as approved by the Department of Health by adopting Resolution 11-2004 on the second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

6. **New Business.**

a. **Ordinances 771-B, 772-B, 773-B, 774-B, 775-B and 776-B, First Reading – Incorporating the Utility Rates Recommended in the Water, Wastewater & Stormwater and Capital Facilities Charge Study.** Mr. Campbell stated these ordinances were a follow through on the rate study, both for monthly user fees as well as capital facilities charges, done by the FCS Group at the end of last year and the first part of this year. Mr. Campbell reminded council of the many meetings and other processes which took place to address the initial recommended rates in our utility costs. He noted a number of changes were made over the course of the last several months, all of them resulting in net reductions for the water, wastewater and stormwater utilities. Mr. Campbell stated the increases included in the recommended ordinances were not as low as the city would like them to be, but recommended council pass them on first reading. Mr. Campbell stated Ordinance Nos. 771-B, 773-B and 775-B were the ordinances that reflect the recommendations in the water, wastewater and stormwater monthly rates. Ordinance Nos. 772-B, 774-B and 776-B were the ordinances having to do with the capital facilities charges or connections fees for water, wastewater and the new fee established for stormwater. Mr. Campbell stated taken as a whole, the capital facilities charges proposed rates were less than the current rates for water and wastewater combined, even with the addition of the stormwater capital facilities charge. He noted it was good news from the standpoint of economic development; the cost for new customers and connections would be less than what they would be currently paying.

Mr. Campbell referred to the attachment council received in their packet, showing the impact of an average two-month residential customer utility bill. He noted the example given was for an inside-city, single-family residence with no low-income discount. The example given used 800 cubic feet per month. He noted there would obviously be customers below and above those figures. The water monthly rate increases result in a series of increases averaging about 6% per year over the first five years and 9.2% in the last year of the six-year horizon. Those figures were down from the initial recommendations of 6.6% every year through 2009. The wastewater rate increase averages about 10.3% per year through 2009 and 8.8% in 2010, again down from the 13% for five years that was previously recommended in the optimistic funding scenario for the wastewater project. The stormwater rate increases resulted in a cumulative increase of 87.6% by the year 2010, that amount being down from the initial recommendations in the rate study of over 100%. Mr. Campbell stated it was nothing, as a customer, he looked forward to, but understanding the mandates the city was working under, and the kind of improvements necessary, he was comfortable recommending the ordinances to council for passage on first readings.

Mr. Campbell noted a couple of items not previously discussed in the ordinances. In the wastewater monthly charges ordinance, based on council's suggestions or others that have come up in the public process, was when the debt service costs for the new treatment plant and other facilities were retired, at that time, that amount of money would be removed from the rate structure. That would be about 20 years in the future, when the anticipated Public Works Trust Fund loans were paid off, or before that, if for some reason the city could. A requirement was put into the ordinance to have an annual review of the revenue generated for its sufficiency and comparison to projected income. This would also be something the city would be committed to as a part of these ordinances being passed. A third suggestion was the council might want to dedicate or commit some revenue, specifically from new development in the vicinity of the airport, to the utilities. Mr. Campbell stated in talking about that idea with the city attorney, the two of them really couldn't come up with proper ordinance language. He suggested council consider a resolution to that effect at some point, or perhaps council might want to hold that in advance and discuss the idea further when development actually takes place. The final thing to note was all of the ordinances have a recommended effective date of December 15, 2004. The new rates would apply to the bills issued after that date, at the end of December or first part of January and be in effect for 2005 through 2010.

Councilor Spahr inquired about ordinance 771-B, 13.12.050 - standby fire protection service capital facilities charges. He stated he remembered discussing those charges, and from his recollection, he thought the numbers in the new ordinance were a little high. He was wondering what the justification was for that. Mr. Campbell stated these were charges discussed by the citizen's advisory committee last fall. The numbers are the ones that came from the calculations done by the consultant and reviewed and signed off on by the citizen's advisory committee. He noted they were addressed in the rate study itself, in one of the issue papers. Councilor Spahr indicated he would go back to the study, but just wanted to point it out if anyone else had any

September 13, 2004

concerns about it. Mr. Campbell noted this was for a connection to a separate water line for some businesses for fire protection which was apart from water they use for domestic or process purposes.

Councilor Ketchum asked if the council would be doing the annual review before the annual rates go into effect or would they automatically go into effect. Mayor Rider stated the ordinance would make it an automatic increase but noted he intended on reviewing the rates prior to the increase. Mr. Campbell noted the review would probably come in the budget process each fall. Councilor Lund stated he was concerned about businesses coming into the community with the new rates. He noted there were still ways to look for income to subsidize the increases, to keep the rates down and make it easier to bring jobs and industry to our community. He asked if they might be jumping the gun by putting the ordinances into effect right now. He stated he would like to see ordinances with just the first year increases listed in them. He suggested the matter be tabled or only include this year's increases and erase everything else. Councilor Pope stated he understood what Councilor Lund was saying, but noted every city has to have a plan. The city could not function without some kind of protected and constructed plan for the future. He noted it was just a plan and plans could always be changed. Councilor Pope stated even though it was unpleasant, the city still needed to have it in place so the city could have a realistic projection of how they were going to do business.

Councilor Spahr asked Marilyn Riebe if the city was required to show they had the ability to pay the loans back. Ms. Riebe stated yes, the city did need to verify they had the capability to make the loan payments.

Councilor Ketchum's only concern was the rates not automatically go up until council had a chance to review them. Councilor Taylor noted if council deemed the rates were too high, they could always adjust them.

Councilor Harris also stated in the future, council or staff might find more money to apply to the loans. Mr. Campbell noted the ordinances could be amended or changed a year from now on that basis. Councilor Harris stated he wholeheartedly understood what Councilor Lund was saying, but he also understood what Councilor Pope was saying about making sure the city had something in line and noted the ordinances only established what the rates could go up to, but they could actually go up less than indicated in the ordinances, and that's what needed to be told to anyone who might be coming in from the outside.

Councilor Taylor stated he has always been against rate increases and the building of our own wastewater treatment plant. He noted the studies, the mandates and requirements the city was subject to, only pointed the city in one direction and that was to build our own plant. In order to do that, the city had to have a funding mechanism in place to pay for it, and in knowing the city had to do this, he's ready to vote in favor of it. Councilor Taylor also stated he would like to see a resolution that would direct any found monies or dedicate certain monies to help retire the debt earlier. Councilor Taylor again stated the city had done all the studies, looked at all of the numbers, council had a plan, and it was now time to start down that road.

Councilor Ketchum moved that the council pass Ordinances 771-B, 772-B, 773-B, 774-B, 775-B, and 776-B on first readings and suspend the reading by the city attorney. The motion was seconded by Councilor Taylor.

Mayor Rider stated he agreed the city had a plan and they needed to go down the road with the plan. He noted if there was any way to reduce the increases because of found or deferred monies, council would do their best to continue to do that. Mayor Rider asked Ashley Forsyth of *The Chronicle* to not print the percentages, but to use the estimated numbers. He noted the numbers would make more sense to the citizens than percentages. The motion passed by a vote of 6 to 1. Councilor Lund voted against the motion.

b. **Capital Facility Charges – Cascade Hardwood.** Mayor Rider noted a memorandum was handed out to council regarding connection fees for capital facility charges for new water meters at Cascade Hardwood. Mayor Rider stated the hook-up fees under the existing ordinance, which will be in place until the end of the year, was \$87,000. If Cascade Hardwood waited until the end of the year, the price would go down to \$16,565.

Councilor Spahr asked Mr. Hillier if there was a way council could enforce the connection fee rates of the new ordinance at this time. Mr. Hillier stated the new rates would not go into effect until after the second reading, but since the intent was now shown, technically, council could choose to make a waiver. Councilor Taylor stated he had no problem with a waiver.

September 13, 2004

Mayor Rider stated Mr. Craig Spencer from Cascade Hardwood was signed up to speak and asked if he had any comments. Mr. Spencer stated Mayor Rider could continue speaking on his behalf.

Councilor Lund made a motion to accept the waiver to reduce the connection fee from \$87,000 to \$16,565 in accordance with the future ordinance. Councilor Spahr seconded the motion. The motion carried unanimously.

Councilor Pope asked if he could point out that in the past, when people had problems they came to council and council dealt with them, and that's probably the way things will continue to be dealt with in the future. Mayor Rider agreed and stated Councilor Pope made a good point.

c. **Changes in Pay Ranges as a Result of Engineering Division Reorganization.** Mr. Campbell stated he initiated a reorganization of our engineering services which essentially transferred the engineering division from public works to the community services department. As a result of the reorganization, some people's jobs and responsibilities would be changing or increasing in comparison to prior responsibilities. Mr. Campbell noted the new public works director was not an engineer and by taking the engineering department out of the public works department, that would reduce the compensation for that position as noted in the agenda report. The public works director would be responsible for the street division in the future, as well as the department as a whole, and the position of street superintendent would not be filled. With those two changes, Mr. Campbell recommended some compensation increases for other positions affected by the reorganization. Mr. Campbell recommended a one salary range increase for the community services director, which would be the ultimate supervisor and have departmental authority over engineering decisions. Mr. Campbell recommended a two salary range increase for the community development manager, directly responsible for supervising the engineering division, which would be part of the community development division within the community services department. Mr. Campbell recommended the position of supervisory engineer be reclassified to city engineer. The current supervisory engineer, who would remain our only engineer, would be the only person capable of signing off on plans and drawings from an engineering standpoint and would be responsible for making those initial determinations. Mr. Campbell recommended the position of city engineer be given a one salary increase as a result of this process. Mr. Campbell recommended the changes be made effective August 1, since that was when the reorganization took place. Mr. Campbell noted somewhere down the line, staff would have physical impacts or physical relocation work space.

Councilor Harris inquired about the open position in the street department and the distribution of those duties. Mr. Campbell again stated the position of street superintendent would not be filled. He noted the public works director would be responsible for the public works department and the street division within that department. Councilor Harris asked if at a later date, staff decided to split the public works director's job, not to include street, would the city still be responsible for having to pay the same level of compensation. Mr. Campbell stated by taking away the engineering responsibilities and adding the street department, the city already reduced the current salary range of the new public works director. If staff were to remove any supervisory responsibility in the future, it would also be considered grounds for adjusting compensation.

Councilor Lund stated when he first got the notice, he was concerned about the city giving money away again, but when he penciled the figures he found it wasn't a bad deal after all. Councilor Lund moved that the council approve the city manager's recommendations concerning pay range changes associated with the engineering division reorganization. Councilor Spahr seconded the motion.

Councilor Taylor made a point that with the reorganization of the engineering department to the building department it makes it a one stop shop for the people who are trying to get a project done in the city.

Mayor Rider noted he also ran some numbers and the city would be saving in the neighborhood of \$4,100 a month, which adds up to about \$49,000 a year, even with allowing the recommended adjustments. The motion carried unanimously.

7. Staff and Council Reports.

a. **Water System Security Vulnerability Assessment.** Mark Petrie addressed council with the outcome of the water system security vulnerability assessment. He noted the vulnerability assessment was part of the federal Public Health Security and Bio-terrorism Preparedness and Response Act signed into law in 2002. It basically did an assessment on the city's water system to determine potential vulnerabilities which could compromise the ability to provide adequate potable water and water for

September 13, 2004

firefighting in the community. Staff worked with Evergreen Rural Water, who provided training and a CD which gave staff a check list to do an assessment of the city's water system. Some of the recommendations for our outlying facilities, away from city law enforcement security patrols, recommended our staff work with neighborhoods and ask them to do neighborhood watches of our facilities. The vulnerability assessment also required the city to turn in an emergency response plan by the end December of 2004. Mr. Petrie noted staff was about 60% complete with that portion of the recommendation.

Councilor Spahr noted it was pretty amazing someone was actually reading those reports keeping track of how many cities and water systems there are.

Mr. Campbell acknowledged Mark Petrie for the work done in-house on this assessment and doing what was necessary to comply with the law.

b. **Seismic Analysis of City Reservoirs and Water Filter Plant.** Mr. Petrie noted part of the water system plan adopted earlier recommended the city do a seismic analysis of our older reservoirs and the filter plant. The city hired Berger/Abam off the engineer's roster to do the actual assessment. The assessment reviewed all of the city's older reservoirs and determined if there would be any vulnerability of them through a seismic event. Mr. Petrie introduced Mr. Lee Marsh, with Berger/Abam, who gave a brief description of the assessment findings. Mr. Marsh noted they worked with our staff with a budget that was established. They prioritized which facilities were the most vulnerable. The facilities looked at ranged in the age from 1926 to some more recently constructed facilities in 1995. Mr. Marsh stated there were no seismic design requirements in 1926, but as of the early 1990s the seismic design requirements were increased substantially. He noted our reservoirs were built with whatever seismic designs were in place at the time of construction. They came up with a list of deficiencies and prioritized them in terms of which sites they would recommend to be looked at with a little more detail. Mr. Marsh noted a closer study would tell staff how to make some of the deficiencies go away and address them in terms of retrofit. The facilities they found to have the most deficiencies were the Valley View standpipes, the main filtration plant and one of the backwash tanks. Mr. Petrie stated staff would be working with Mr. Marsh to come up with a cost analysis for the next step and noted the city may have to address the issues of the needed repairs and build them into the upcoming budgets in 2005, 06 and 07.

Councilor Harris inquired about the Valley View standpipes noting they seemed to be number one on the list. He asked how close the two standpipes were to one another and if one collapsed, could it initiate a collapse of the other. Mr. Marsh noted they were quite close, and one could collapse the other. Mr. Marsh noted the site was also near the head of a draw, which had a steep drop off within close proximity of the two standpipes, but didn't know anything geo-technically about the ground and the foundations those tanks had or their susceptibility to a potential slide and that was why those tanks rated as high as they are on the priority list.

Mayor Rider asked Mr. Marsh to what degree of earthquake he was talking about. Mr. Marsh stated the design event is one that has a 10% chance of happening in 50 years. It could correspond to a larger earthquake further out, or smaller earthquakes, a 6 or 7, right under our feet which would produce the same amount of shaking. Rather than looking at just the magnitude, they look at what the chance would be of this event occurring during a nominal design life of 50 years. Mr. Marsh noted retrofits are a voluntary activity the city could take on and set the magnitude or size of the earthquake the city chooses.

Mr. Petrie, referring to the two standpipes up on Valley View, noted it was recommended in our plan to increase storage up there and the report given to the city could give us an avenue to say, don't bother retrofitting them, just design a new reservoir for the needed capacity and build it to current standards. The city could then eliminate those two areas altogether.

Mayor Rider stated he had a problem with putting more money into studies and retrofitting those types of things at this particular time. Councilor Spahr noted the report called for future studies so they would have a better idea of what the city had to deal with.

Mr. Marsh stated what they attempted to do with the scope they had was to look at the structures they thought were in the best and worst shape and give the city some guidance if the city wanted to do anything more. Mr. Marsh recommended the city spend the additional effort.

c. **Poplar Tree Plantation Update.** Patrick Wiltzius brought council up to date on the status of the poplar tree plantation planted earlier this year. He noted the plantation was looking good, some of the trees were approaching six and

September 13, 2004

seven feet tall, and some were a little smaller, but right on course for what they need. Some of the units in the northern part of the plantation were not fairing too well and staff may need to plant additional trees in those areas later on. Mr. Wiltzius proposed to get a local farmer in to help with weed control. Mr. Wiltzius noted he planned on doing an annual evaluation and would report back to council on the progress. He also proposed do a tour for council on September 27 about 5:00 p.m. At the same time they could also visit the site-fill project for the new wastewater treatment plant.

Councilor Spahr asked why staff was tilling the ground instead of mowing the weeds. Mr. Wiltzius stated they preferred to eliminate all vegetation at this time because it eliminated the habitat for insects that like to chew the trees. In an effort to pick up production, they have been mowing to try to keep up, but they still needed to go back in and till. Mr. Wiltzius noted in three or four years when the trees are high enough, they will just mow to keep the grass down.

Councilor Harris asked if staff would have some kind of program in place so when they start cultivating and replanting, they wouldn't run into the same kind of issues they are dealing with now. Mr. Wiltzius believed by only harvesting 60 acres at a time, it would be a lot easier to maintain. At this time they are working 250 acres and it's difficult to keep it all weed free.

Mayor Rider inquired about the spending of \$15,000 for a local farmer to come in and till, and asked if the cost would be absorbed in the current wastewater utility budget. Mr. Wiltzius stated the actual construction of the plantation came in about \$90,000 under cost and he requested to reserve \$60,000 for future road work, leaving \$30,000. He noted the city also had some additional acreage on the other side of the road and they were talking about perhaps a lease in exchange for some work. Mayor Rider also inquired if the juvenile correction workers were still doing work for the city at the plantation. Mr. Wiltzius noted they came out last week and it really helped a lot. He talked with the supervisor, who reported they really liked working out there, because it was a secure facility, and indicated they would like to work for us again on the weekends, since the juvenile workers are now in school.

Councilor Lund asked what the city was doing with all the houses and barns located on the property. Mr. Wiltzius noted a lot of the buildings are currently being managed by T.J. Guyer. He noted the house and shed are rented out bringing in about \$1,000 a month; one house has been condemned, and will eventually be burned. In two other barns the city was storing holiday decorations, the fire department has an old engine in one building, and a police SWAT vehicle is being stored in one of the machine sheds. They still have one or two barns that could be rented out.

d. **Reminders of GMA Committee Meeting and Special City Council Meeting.** Dave Campbell stated Patrick Wiltzius alluded to having a tour on September 27 at 5:00 p.m. of the poplar plantation and if time allowed, go by the site being prepared for the new wastewater treatment plant. A GMA committee meeting was scheduled for Wednesday, September 15 at 7:00 a.m., at the community services activity building, and a special council-staff work session, September 20, at 6:00 p.m. at the community services activity building.

e. **Chehalis River Basin Partnership Update.** Councilor Spahr read part of a letter addressed to Dave Roundtree, Department of Ecology (DOE), responding to DOE on the detailed implementation plan (DIP) regarding TMDLs. Councilor Spahr stated the letter explained Chehalis River Basin Partnership's concerns and while they recognized DOE had to do the implementation, they didn't want it to come back and bite them at a later date. The letter also stated Chehalis River Basin Partnership was endorsing this version of the detailed implementation plan, not something to be made up at a later date. He noted the DIP wouldn't impact the city tremendously, it just states the city has to have a stormwater plan.

f. **Veterans Memorial Museum.** Mayor Rider stated he received a letter from the Veterans Memorial Museum requesting the city waive a \$14,000 hook-up fee. Mayor Rider said he would turn the matter over to staff to see where it fell under the new ordinance and asked staff to get back to council with a report and recommendation.

g. **Invitation for the Citizens Academy and the Chehalis Police Department Accreditation.** Mayor Rider stated he received an invitation to attend the citizen's academy from the Chehalis police department. He encouraged any of the council members who had the time and energy to attend. He noted the academy would begin in October and run for nine weeks to be held on Tuesdays. Mayor Rider also noted council was invited to sit in on the hearings for the accreditation of the Chehalis police department.

September 13, 2004

8. **Executive Session**. Mayor Rider announced the council would convene into executive session at 7:43 p.m. after a five minute break beginning at 7:38 p.m. pursuant to RCW 42.30.110 (1) (c) – lease or sale of real estate, and 42.30.110 (1) (g) – public employee performance review. There would be no decisions following the conclusion of the executive session.

Following the conclusion of the executive session, Mayor Rider reopened the regular meeting at 8:15 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

September 20, 2004

The Chehalis city council met in special session on Thursday, September 20, 2004, at the Chehalis community services activity building. The work session began at 6:00 p.m. with the following council members present: Fred Rider, Terry Harris, Daryl Lund, Bob Spahr, Tony Ketchum and Chad Taylor. Councilor Pope was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Street Superintendent; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Judi Smith, Public Works Office Manager; Andy Sennes, Property Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*. Department of Transportation representatives included Brian Walsh, Richard Hawkins, Rich Hensley and Bart Gernhart. Dick Riley from Gibbs & Olson and Mark Cook from Lewis County were also present.

Mayor Rider announced that the purpose of the meeting was to discuss council goals for 2004-05; the wastewater treatment plant; the Chamber of Commerce Way roundabouts project status report; and the 2005 budget preparation status report. Mayor Rider stated he had one more item he wished to discuss in regards to the lodging tax.

Mr. Campbell thought it would be appropriate to start with item nos. 4 and 5 since there were representatives there to speak on those two items.

1. Wastewater Plant Project Status Report. Patrick Wiltzius gave a brief summary report on the upgrades at the Prindle and Riverside pump stations. He stated the projects were needed to meet the hydraulic capacity of the new wastewater treatment plant. Mr. Wiltzius stated they were on schedule to go out to bid in February or March next year. The actual construction of the upgrades would take 12 to 15 months to complete once the contract was awarded.

Mr. Wiltzius talked about numerous operational and maintenance issues having to do with providing sufficient pumping capacity for future growth. He noted the following work had been completed in preparation for construction:

- Design has been completed to the 95% level
- The SEPA process had been completed and the project had been issued a determination of non-significance
- The project had been through the CRC review process and building permits had been issued

Mr. Wiltzius noted the following items needed to be completed before construction:

- Complete and finalize the design
- Acquire a small section of property for the Prindle pump station
- Advertise for bids and award a contract for the project

Mr. Wiltzius stated they projected each pump station upgrade would be around \$2 million and funding had been secured as part of the loan and grant approved by the Department of Ecology for the wastewater treatment plant. He stated the two pumps would handle all the flow the city needs for the next 25 to 30 years.

Mr. Wiltzius also talked about the preparation required prior to the construction of the new wastewater treatment plant and the end-use facilities project which was nearly complete. The following work has been completed so far for this project:

- Design had been completed to the 95% level
- Property had been acquired for the plant site and poplar tree plantation
- The SEPA process had been completed and the project had been issued a determination of non-significance
- Phase 1 (construction) and phase 2 (tree planting) of the poplar tree plantation had been completed
- Filling of the plant site had been initiated and should be complete by mid-October
- Bids for a project to install seismic stabilization for a portion of the plant had been received and staff would be presenting a recommendation to award to the council on September 27

Mr. Wiltzius noted the following items still needed to be done before construction of the project would begin:

- Complete and finalize the design
- Acquisition of easements needed to run piping to the outfall and plantation

September 20, 2004

- Acquisition of FAA construction permit
- Acquisition of a hydraulic project approval permit (in order to bore under the river for the poplar tree plantation force main)
- Complete the DRC review process and receive a building permit
- Advertise the bids and award a contract for the project

Mr. Wiltzius stated the consultants expected to begin advertising for bids in early November and to open bids sometime in January 2005. The actual construction would take anywhere from 18 to 24 months to complete.

Councilor Lund asked about the groundbreaking ceremony. Mr. Wiltzius stated it would take place before construction, sometime in January or February.

Dick Riley was introduced to give a general overview of responsibilities and authority during the construction phase of the project. The overview was taken from the Standard General Conditions that were approved and endorsed by the Associated General Contractors of America. He noted those standard conditions were included in the Chehalis treatment plant project contract documents. Mr. Riley first talked about the contractor's responsibility. He then reported on the city's responsibilities, as well as the engineer's responsibilities. Mr. Riley finished up with the limitations of authority for the city and the engineer.

2. Chamber of Commerce Way Roundabouts Project Status Report. Mr. Campbell noted there were a number of people from the county, state and city staff that had met earlier in the day to talk about the public outreach effort and about the design of the roundabouts done to date. They discussed the desirability of roundabouts compared to other alternatives which included potential addition of turn lanes and channeling the existing roadway along Chamber of Commerce Way. He noted the analysis completed in July continued to show the turn lanes were a better benefit to cost ratio than the roundabouts, but the roundabouts continued to show a more long term benefit to the public for relieving traffic congestion along Chamber of Commerce Way. He stated the transit time through the Chamber of Commerce Way corridor was not going to meet the city's level of service requirements and noted it would be some time before the new interchange at Chamber of Commerce Way was installed. In taking everything in to consideration, roundabouts would be the project of choice compared to adding turn lanes.

Mr. Campbell stated they had tentatively scheduled a public meeting on Thursday, November 18, primarily oriented toward businesses and people who are in the geographic area of where the construction would take place along Chamber of Commerce Way. They hoped to get some feedback from the businesses located in the immediate vicinity with respect to some of the work eventually to be done. Mr. Campbell noted it would not be a meeting designed to teach people how to drive through roundabouts. He noted that particular aspect of public outreach would happen at a later date.

Mr. Campbell introduced Bart Gernhart from the Department of Transportation (DOT) to talk about the potential designs for the roundabouts. Mr. Gernhart explained he and his staff had sat down with city and county staff and talked about a number of different issues. He stated DOT came to show council the basic designs they had come up with and to get some input from council, as well as to get their approval to move forward on the project. Mr. Gernhart noted they looked at several different "what if scenarios" to determine how significant each of those changes would be to the outcome. In drawing the system out in future years, they found the roundabouts had a greater operational life and would provide a better level of service. He noted the roundabouts would also allow for more development to occur before they fail, compared to left turn lanes.

Mr. Gernhart stated DOT felt it would not be prudent to spend any more time, money or energy on going to the next phase without a buy-in from the city.

Mr. Gernhart introduced Rich Hensley and Richard Hawkins from DOT to share with staff and council the drawings they came up with. They provided different maps showing where five roundabouts would be located and talked about some of this issues they needed to address in regards to paving depths and water treatment.

Mayor Rider asked why they didn't bring the maps showing the larger single oval roundabout at State Street and I-5. Mr. Hensley noted they analyzed the concept of one larger oval roundabout and the conclusion was the two separate roundabouts were actually more efficient than having one single larger roundabout.

Mayor Rider noted one of the big concerns the city had was the larger trucks being able to maneuver through the roundabouts. He noted they had originally talked about the four roundabouts and making one big one at State Street to handle the larger size trucks. Mayor Rider stated he told DOT in a prior meeting he wanted to see drawings with four roundabouts not

September 20, 2004

five, and also noted at the same meeting, the aprons would have to be at the same level and angle as the street.

Brian Walsh from DOT explained there would be no problem from a truck standpoint using a roundabout with multiple lanes. It was certainly a training issue that would need to be dealt with. He noted the apron would come into play in an emergency use situation. If a truck was too big, they would have a little bit of a ramp up, a 45 degree angle up three inches and noted it wouldn't affect the dynamics of the truck tipping over. Mayor Rider stated he wasn't talking about a 65-foot truck, but rather a 100-foot truck with a full load of logging equipment on top of it. Mr. Walsh stated they could model that type truck if someone could give them all the dimensions of the axels. He noted in a future meeting they could show how trucks that size could get through the proposed roundabouts and how it actually would improve traffic flow.

Mr. Walsh stated one thing communities do is set up configurations of the roundabouts using cones to lineout the actual dimensions of the roundabouts and ask the big equipment haulers to come out and run their vehicles through them. That's what he would like to see done as part of this process.

Mr. Walsh stated he was responsible for the design of the five roundabouts instead of four, because he convinced the design crew to use the five after it became clear in the modeling it was better to separate the two. He noted the model showed tremendous back-ups on the one lag using the four roundabouts. Mr. Campbell asked Mayor Rider if it would be useful to look at the visual of the four roundabouts and the modeling to show the back-ups. Mr. Gernhart stated they would be glad to bring back the modeling for staff to look at.

Councilor Harris noted from a meeting back in June, he was told that due to the potential growth on the west side of the freeway, the city already had a failed system and in adding the roundabouts it was projected with that system, it to would be a failed system by 2010. Mr. Hensley stated according to the scenarios looked at and depending on growth, the roundabouts would actually still be functioning in 2025.

Mr. Hensley stated the project was set to advertise in January 2006, looking for construction to take place sometime in March 2006. He noted DOT was still in the process of determining how long the project would take to build, but hoped it would be complete by fall.

Mayor Rider asked if Mark Cook from the county had any comments or thoughts he would like to share. Mr. Cook noted, relating to land use and decision making, it was a question of the city controlling its destiny. He noted the city would probably need to have a community conversation about land use restrictions if the freeway widening didn't happen in 15 to 20 years. He stated the roundabouts would give the city the max flexibility. His main concerns were the 3% cross slope versus the 2% cross slope and the width of the roundabouts stating if they were going to have trucks mounting the aprons, those would have to be fully mountable aprons. He encouraged staff and DOT to look at those issues because the big rig haulers would feel the difference. The only other concern he had was they were right in the middle of the flood control project and they didn't know when they would get the levy piece of the project, but presumed it would happen soon.

Mr. Gernhart stated he had earlier said DOT would not put any more time or money into the project without a decision from the city, but stated he meant that with a caveat that they would provide the city with enough information to make a decision. He felt pretty confident they were not there yet and stated they would go back and test the models and talk more about the issues and if there was anything else the city wanted to see, besides the modeling of the four roundabouts, they would bring those back for the city to see. Mayor Rider stated if DOT could supply answers to the city's and county's satisfaction by the following Monday, the city would be able to give them a recommendation of moving forward or not. Mr. Gernhart said he would work with staff and if they had the data they would come back the following Monday and if they didn't they would wait and come back at a later date.

Mansoor Ghorbani asked if DOT could give a status of the roundabout funding. Mr. Gernhart stated DOT had a \$675,000 agreement with the city, state and county to proceed forward with the design. Mr. Campbell noted a portion of that money would also be going toward public outreach involvement and if there was any remaining funding it would go towards the Louisiana, Airport and Mellen Streets design. Mr. Gernhart stated there was also a \$3 million federal earmark from fiscal year 2004, also known as the I-5 exit 79 bridge replacement. He noted the city sent a request to Brian Baird and Senator Patty Murray's office requesting to use the money for the purpose of addressing safety capacity economic development through this area. Mr. Baird's office did call Mr. Gernhart to ask him what he thought and stated he told Mr. Baird the project met the purpose

September 20, 2004

and need and DOT was in full support of the project. To date they had not heard back from either Mr. Baird or Senator Murray on that issue.

At 8:55 p.m., Mayor Rider announced they would take a 5 minute break and come back and discuss the 2004-05 status report.

Mayor Rider stated they would postpone the 2005 budget preparation status report to the next council meeting of September 27 or schedule another workshop.

3. 2004-05 Objective and Goals.

a. Projects Already Underway.

- Downtown revitalization – moving forward
- Police-fire-court building – discussion was tabled until fall and would be brought back for discussion in October; renew option to purchase
- Airport governance – Centralia was no longer a part of it; ongoing discussion with the county and airport
- Industrial park annexation planning – city is slowly making a move towards the annexation. Bob Nacht gave a hand-out to council and staff and talked briefly about the proposal by Napavine to Lewis County for a UGA swap
- Hiring of new police and fire chiefs – done
- Police re-accreditation preparation – in progress
- Comprehensive parks plan – Defer objective until 2005
- Council-staff work sessions – continue every three months
- Chamber Way improvements – talked about earlier in the evening
- Utility billing program/ software conversion – Eden Systems still working on getting all the bugs out
- GASB 34 compliance – to be incorporated in 2004
- Utility rate study – second and final reading of ordinances to be done at September 27 meeting
- Utility plans implementation - talked about earlier in the evening; a number of water projects will be deferred to 2005

b. High Priorities.

- Community Newsletter – still awaiting proposals. Mayor Rider will go talk to Mr. DeVaul
- Fire Service Master/Strategic Plan – little interest in participation
- City Hall space planning, renovations – new finance director's office construction 5/04; pending public safety building decision
- Web site development – will possibly contract out, looking at outside vendors who've done work for other cities
- Customer service training for employees – will focus on front office staff for all departments
- Downtown Parking System and Policies – Community Marketing Committee has taken it off their agenda
- Tri-agency meetings – some topics to be proposed with the county and Centralia
- Council-staff teambuilding - potential facilitators have been contacted

c. Moderate Priorities.

- Newaukum Avenue improvements – street design is complete; grant application deferred until 2005; water design portion is complete; easements have been acquired
- Performance evaluation/audit of city services/operations – chair of wastewater committee indicated they would be submitting their report to the city council sometime this month
- Business district improvements throughout town – to be discussed
- Laptop computer in police cars – local technology challenges suggest deferring the idea until they are resolved
- New animal shelter – on hold, dealing with other space issues at community services

4. Lodging Tax Advisory Committee. Mayor Rider stated he had one other item he wanted to get a consensus from council on so they could direct staff to put the item on Monday's agenda. Mayor Rider stated they were still short one member on the lodging tax advisory committee and because the city of Chehalis had an RV park, the city could appoint a representative

September 20, 2004

to the advisory board to fulfill the requirements of the rules. Mayor Rider stated he talked to Wayne Galvin after his name came up at the last meeting, and Mr. Galvin stated he would be happy to accept the appointment to the advisory board. Mayor Rider noted a meeting was coming up, and Mr. Galvin could attend unofficially so he would be on-board with them. Joanne Schwartz indicated she needed some direction asking if Mr. Galvin would be a voting member or not. Mayor Rider indicated Mr. Galvin would not be able to vote at that particular meeting because he would not officially be appointed until after the meeting took place. The consensus of council was to contact Mr. Galvin and appoint him to be a representative on the board.

5. **2005 Budget Status Report.** Mr. Campbell reminded council and staff to look over the 2005 budget status report that would be on next Monday's agenda.

The work session concluded at 10:20 p.m.

Attest:

Mayor

City Clerk

September 27, 2004

The Chehalis city council met in regular session on Monday, September 27, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:07 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Bob Spahr, and Chad Taylor. Councilor Pope was excused. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Presentations.**

- a. Councilor Ketchum read and presented a proclamation to Dorothy Smith, proclaiming October 3 as Crop Walk Day.
- b. Larry Allen, Chehalis Firefighter, accepted a proclamation read by Councilor Ketchum proclaiming October 3-9 as Fire Prevention Week.
- c. Mayor Rider presented Sol Ingram with the August Community Spirit Award and Joanne Schwartz presented Suzie Ingram with flowers for their participation during ChehalisFest. Ms. Schwartz noted Mr. Ingram was a can-do kind of guy and expressed her appreciation in working with them both on the project and looked forward to working with them in the future.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes for the regular city council meeting of September 13, 2004;
- b. Claim Vouchers No. 76006-76180 in the amount of \$496,576.51 dated September 15, 2004;
- c. Appointment of Wayne Galvin to the lodging tax advisory committee;
- d. Extension of option to purchase property located at 305 North Market Boulevard;
- e. Award of seismic stabilization project construction contract to Hayward Baker and construction management contract to Gibbs & Olson; and
- d. Newaukum Avenue watermain project postponement.

The motion was seconded by Councilor Taylor.

Councilor Ketchum made a motion to amend the motion and remove item (e) from the consent calendar so the matter could be further discussed. The motion was seconded by Councilor Harris and carried unanimously.

Mayor Rider noted the tax advisory committee met last Friday. He asked Joanne Schwartz if they would be meeting again this year. Ms. Schwartz stated Friday's meeting was their last meeting for this year. Mayor Rider stated the appointment of Mr. Galvin was ceremonial, although he did attend the meeting to represent the city, but wasn't officially appointed therefore wasn't allowed to vote. The motion to approve the consent calendar carried unanimously.

3. **Award of Seismic Stabilization Project Construction Contract to Hayward Baker and Construction Management Contract to Gibbs & Olson.** Council Ketchum stated he had talked to Patrick Wiltzius earlier and felt this project was a total waste of money. Council Ketchum stated he asked Mr. Wiltzius to find out to what level of earthquake this project would guarantee. Mr. Wiltzius stated he talked with the contractor and they stated it would not guarantee anything above a 6.0. It stated in their report our plant should be able to withstand a 6.0 earthquake. He noted if a 5.0 earthquake occurred beneath the plant it would cause more damage than an 8.0 earthquake in Centralia, noting they based it on ground acceleration and how fast the ground moves. The contractor provided a table in their report that would cover earthquakes from 6.0 all the way to 8.8, depending on where the actual earthquake happens. Mr. Hillier stated the normal time frame they would be held liable would be three years from the time construction was completed, but he would have to look at the contract to get that exact time frame.

September 27, 2004

Mr. Wiltzius stated the soil consultants designed a system and Hayward Baker came in with a proposed alternative method that would meet the requirements.

Councilor Harris stated the money was already figured into the cost of building the wastewater treatment plant. In thinking about removing it, the percentage a household would save would only be one or two percent of their bill. His main concern was, if in fact this was part of the project, and the city removed it and something did happen, he wondered if the city would be opening themselves up to litigation because the city literally removed what they had obviously saw as a potential hazard.

Mayor Rider stated he had some of the same concerns. After his discussion with Mr. Wiltzius he still had somewhat of a problem. He noted it wasn't the whole site that needed to be stabilized, but just the one portion under the sequencing batch reactor (SRB). If it were to go down, then the whole system would go down. He also wanted to voice his opinion again about a \$90,000 babysitter. He wanted to point out, in his conversation with staff that Mr. Wiltzius had redesigned the original design and came up with a better plan which would save almost \$300,000 and by awarding this bid now instead of putting out to a general contractor the city would also save up to 15%, possibly another \$150,000. With that being said, Mayor Rider stated he would be voting for the stabilization.

Councilor Harris made a motion to approve item (e) on the consent calendar to award the seismic stabilization project construction contract to Hayward Baker and construction management contract to Gibbs & Olson. Councilor Taylor seconded the motion. Councilor Taylor stated he felt the part to be stabilized was the most important piece of the whole project. If the SBR were to go down, the city could have a massive sewage spill and since the plant is located right by the river, the problems for the city would be greater than what they would be if the city didn't stabilize the SBR.

Councilor Spahr stated it would certainly make a million dollars seem small if the city had to go in and stabilize the SBR after the plant was built. Since it was already in the bid he didn't see any reason to question it. As far as construction management, if an engineer designs something and it's built, it needs to be built to specifications and a stamp be put on it otherwise there's no liability to anybody. Councilor Spahr called for the question.

Mr. Campbell stated one other aspect of this issue in a large earthquake is the city might be reimbursed for a portion of the cost from FEMA. On the other hand, how would FEMA view damage that might have occurred because of a lack of seismic enhancement? In some cases there would be reimbursement and in some cases FEMA or our own insurance carrier might deny some coverage if the city had the opportunity to install seismic stabilization and didn't.

The motion carried 5 to 1, Councilor Ketchum being the no vote.

4. Unfinished Business.

a. **Ordinances 771-B, 772-B, 773-B, 774-B, 775-B, and 776-B, Second Reading – Incorporating the Utility Rates Recommended in the Water, Wastewater & Stormwater and Capital Facilities Charge Study.** Mr. Campbell stated he really didn't have anything to add to the staff or agenda report or to the report he gave verbally two weeks ago. He noted he had sent out to council the information from the rate study issue papers reviewed by the citizens advisory committee that pertained to the charges for fire line protection in Ordinance 771-B. In addition to the sample bill included in the agenda report, Mr. Larson prepared three other sample bills for different types of customers. Those included a low-income, senior or disabled customer; a small commercial account, as well as a large commercial account. The commercial calculations are really hypothetical. The handouts were just to give some idea of how much an average bill would be. In both cases within 2% plus or minus, they were similar over a six-year period, to what the average residential customer impact was. On the other hand, the senior disabled low-income account was quite a bit less in terms of the increase over the six-year period.

Councilor Ketchum moved that council pass Ordinances 771-B, 772-B, 773-B, 774-B, 775-B, and 776-B on second and final readings and suspend the reading by the city attorney. The motion was seconded by Councilor Taylor. Councilor Taylor wanted to note in looking at the printouts, currently a senior low-income disabled person using 800 cubic feet of water per month their bill was \$106. In 2010 when the rate increases are done their bill will be \$145. They will also get an \$11.34 decrease in the first year. Mayor Rider again asked *The Chronicle* to report the numbers as well as the percentages.

September 27, 2004

Mr. Campbell wanted to mention he had drafted a resolution for the council's consideration on the possibility of applying other revenue the city may accrue in the future. Mr. Campbell noted he would try to have it ready for consideration at the next council meeting. Councilor Ketchum asked if the resolution included wording to review it every year. Mr. Campbell noted that particular wording was included in the ordinances to be done on an annual basis.

Councilor Spahr asked what time of the month staff started reading meters and when the bills would be sent out. Mr. Campbell stated the bills were read the first of the month and the bills would go out at the end of the month. Councilor Spahr stated the effective date of the ordinances was December 15, 2004 and the rates would apply to usage in October and November. He thought they would start calculating the new rates in December. Mayor Rider stated that was his interpretation as well.

Councilor Spahr made a motion to amend the ordinances to make the rates effective February 15, 2005 to include December and January usage. Councilor Harris asked Mr. Larson how much it would change the numbers. Mr. Larson stated he couldn't give an answer off the top of his head, but noted they would be reviewing the rates annually. As they go along they would have to scrutinize them every year noting they would have a better idea after one year.

Councilor Ketchum seconded the motion and it carried unanimously.

Mayor Rider asked if there was anymore discussion on the other ordinances from council or anyone in the audience before council voted. The main motion carried 5 to 1; the no vote being Councilor Lund.

b. **2005 Budget Preparation Status Report.** Mr. Campbell noted it was important to touch bases before they distribute the budget document and other materials next month. In mid July they projected \$250,000 of expenses exceeding revenues. Since then, staff had been going through detailed expenditure requests and revenue projections. At this point, Mr. Campbell announced the general fund was tentatively balanced for 2005. Mr. Campbell noted the recommended budget they would be receiving next month would be balanced in all funds. At that point, council would be able to go over the budget in detail with all the departments making presentations. Mr. Campbell noted in order to get to the tentative balanced general fund, staff had to remove from the budget the following items:

- Street oiling/chip sealing program
- Sister city program delegation exchange
- Creation of a lieutenant's position in the police department
- Street superintendent replacement
- Water rescue equipment for the fire department

Mr. Campbell noted last summer council had talked about the possibility of using the general fund to subsidize the cost of the increases in the utility funds from potential utility rate adjustments that council had now acted on. He noted this would be another \$400,000 that would have to be taken out of the general fund next year. At this point he had not proposed that level of additional general fund expenditure reduction. Mr. Campbell stated they could have it prepared for the budget work sessions in October to give council a feel for what it would mean. It would certainly mean a number of other reductions in all departments that are financed by the general fund.

Mr. Campbell stated, based on the request of council, he would be giving them a detailed line item budget in addition to the typical narrative budget document. Mr. Campbell told council if there was anything not included in those documents that they would like to see, perhaps something they haven't seen in the past in the way of performance measures, costs or analysis, to please let staff know and they would try to have it prepared for them when they get to the point of reviewing the budget in work sessions next month.

Councilor Spahr said his major concern was the street fund. He stated he talked with Tim Grochowski and they both agreed they would be okay for next year, but noted it took a long time, after I- 695 to bring street maintenance back. Councilor Spahr noted this was something they couldn't leave out of the budget for very long.

September 27, 2004

Councilor Ketchum said he would like council to reconsider putting the \$4,000 back into the sister city program. The main reason being, the money the city was saving by not having to pay for medical insurance for Mr. Ketchum and his family would be enough to keep the sister city program going.

Mr. Campbell stated they were not anticipating council making motions or decisions on these items today. He noted this was just sort of an early warning of what items they anticipated on removing from the budget. Mayor Rider stated Mr. Campbell was just listing some of the things they anticipated on cutting out of the budget and wanted to set up workshops to discuss where staff started from and where they were headed.

Mr. Rider said he had a problem approving the budget the way they had in the past. He met with Councilor Taylor, Mr. Campbell and Mr. Larson to discuss what he expected to see. Mayor Rider stated he wanted to know how much it cost to do business. He used the example of, "How much money does the city spend to mow the lawns and how many times a week do they mow them?" Mr. Rider stated it was his fiduciary responsibility to spend the citizens' money and those were the things he wanted to know.

Mr. Campbell stated he wanted to set up three council workshops. The first meeting would be scheduled on Tuesday October 19, the second on October 26 and the last one on November 2, with all the meetings starting at 5:00 p.m. Mr. Campbell stated he would get back to council and staff as to where those meeting would take place.

Mr. Campbell noted the public hearing on the recommended budget would be on Monday, October 25.

Councilor Taylor stated he did not want to see a budget with an additional \$400,000 coming out of the general fund to help pay for the wastewater treatment plant. One of the reasons being, he didn't want to see departments losing employees or services cut.

Mayor Rider said he wanted to see what would happen if they were to cut \$400,000 out of the budget. He wondered what the cuts would affect and where they would be. He personally wanted to see that information. He noted he didn't want police and firemen to go away, but would like to see what it would do. He also noted he wanted to see the revenues that could be created from more development at the airport, diverting new revenues and the possible annexation of the Industrial Park. He noted it wasn't just taking from the general fund, but adding future revenue.

c. **Chehalis-Napavine Urban Growth Area (UGA) Boundaries.** Mr. Campbell stated the report to be given was coming partially from the GMA committee, who met recently to go over this issue and also an updated report from Bob Nacht regarding the proposal from Napavine to amend the UGA through the county comprehensive plan.

Mr. Nacht stated some months ago the city of Napavine annexed three parcels of property located within the Chehalis UGA. Chehalis notified Napavine it was not acceptable and Chehalis ended up filing a law suit against them. There were a number of issues contained in the settlement agreement, part of which had to do with repealing the annexation ordinance. It also had to do with Napavine agreeing to a certain type of sewer line out there to benefit the Chehalis UGA. He noted Napavine agreed to all of the issues the city had discussed in numerous meetings, eventually withdrawing their annexation ordinance. Through the negotiations with Napavine, Chehalis agreed if Napavine would go back to the county and start from square one, do it properly, and also agree with the other stipulations, Chehalis would support or at least not object to their proposal with the county. Mr. Nacht stated Napavine has in fact, petitioned the county for an amendment to the UGA. He noted that a number of citizens from Holloway Springs had approached Chehalis and indicated it was their desire to be located within the Chehalis UGA because Chehalis serves that area with water and sewer utilities. During the course of discussion, it was also conveyed to Napavine that when they petitioned the county to take the three parcels of property from the Chehalis UGA, if the county found it beneficial or if Napavine found it beneficial to propose to swap the Holloway Springs area, which is currently in the Napavine UGA, Chehalis would not object to it in front of the county. The petition before Lewis County as currently exists was a petition to affect the property swap as conveyed in the agenda report. Mr. Nacht noted the proposal before council was also presented at the workshop on September 20. He noted in the last week two things have come up that don't necessarily influence the issue in one way or another, but council should know the development proposals. He noted the concept of a motocross facility had been presented some months ago, at the corner of Rush Road and North Star Drive. That application has been presented to Lewis County. The SEPA checklist and the conditional use permit application have already been submitted to the county. That Proposal was currently being reviewed by Lewis County, but certainly was a long way from being decided one way or another. As of that afternoon, Mr. Steve Bergstrom had petitioned Lewis County to begin negotiations for the development of the remainder

September 27, 2004

of the subdivision of Holloway Springs with the exception of one small corner of property that fronts on Rush Road. Mr. Nacht noted the property was east of Rush Road and northeast of Rush Road and between Rush Road and the existing Holloway Springs Phase 1 development. That Parcel of property was not included in Mr. Bergstrom's proposal to Lewis County. The issue was whether or not Chehalis would support or agree to the land swap as proposed by Napavine. Secondly, if in fact the city does go that route, what would the land use designation of that area be? Mr. Nacht stated staff suggested it was appropriate to exchange the properties as depicted on the map and also determine the area proposed for the expansion of the Holloway Springs phase 2 and 3. Mr. Nacht stated they should in fact be designated as residential development consistent with what was already out there and what Napavine and Mr. Bergstrom has been talking about for years. Mr. Nacht noted the property that fronts on Rush Road is not a part of Mr. Bergstrom's proposal and should in fact be zoned commercial or designated for commercial development. It would be totally appropriate because it fronts on Rush Road and it would also make it much easier from a planning standpoint to buffer a residential area not adjacent to an arterial street.

Councilor Harris asked if the commercial development would be more of a buffer between it instead of industrial. Mr. Nacht stated that was correct.

Mr. Nacht stated this all came for recommendation from staff as a result of many hours of negotiations with the city of Napavine. It would also accommodate all of the property owners' desires conveyed to staff specifically the three parcels Napavine initially annexed and ultimately withdrew. The Holloway Springs issue was a result of Chehalis essentially saying they had no objections to accommodating the desires of the Holloway Springs residents if in fact that is what they want done.

Mayor Rider noted the recommendation of the planning commission and the recommendation council decided on at the last meeting where the same plan. Mr. Nacht noted the planning commission had reviewed and recommended this plan of exchange of properties be approved. Procedurally what needs to happen is, this proposal needs to be approved or ratified subject to the support of both Chehalis and Napavine. The Lewis County Plan Growth committee has recommended this be approved subject to everyone being on board with it.

Councilor Ketchum moved to recommend to the Lewis County planning commission that they approve the exchange of urban growth area land between Chehalis and Napavine as depicted in the diagram included in the agenda report. The motion was seconded by Councilor Taylor.

Mayor Rider asked if there were any questions from the audience. Judy Breen, who lives on the east end of the property adjacent to the property owner, asked why she had not been notified of any planning commission meetings so she could respond. She stated she just happened to read about it in the paper and didn't know this was still being discussed, and now it was already at the stage of being finalized. She felt being an adjacent property owner, she should have been notified. Mr. Nacht stated none of the process had any public hearing involvement. It was all done using agenda items at public meetings through the planning commission.

Mayor Rider noted to Ms. Breene with the exchange of property it didn't change the zoning and that was the reason why there were no public hearings. Mr. Nacht stated the Holloway Springs area had to be designated by the city of Napavine as a commercial zone with a proviso Holloway Springs had been historically presented, and may be developed within the commercial zone. Unless there was any request or suggestion or requirement by council to change any of that status, there was really no issue. Whether it's in Chehalis' UGA or Napavine's UGA, the development would be the same.

Mayor Rider asked council to address the motion to approve the exchange of property. Councilor Lund called for the question. The motion carried unanimously.

Mr. Nacht asked council if they had any desire to address the status of the land use or the development that may occur on the properties. He noted the Holloway Springs portion of it was allowed under the current regulations to be developed as residential and that was in fact what Mr. Bergstrom intended to do through an official filing with Lewis County. He reminded council it did not include the little square that fronts on Rush Road and it was appropriated for the square to remain commercial because it's not part of the residential development. Mr. Nacht stated the current status allows Mr. Bergstrom to develop residential. If someone else comes in wanting to do some sort of subdivision, it would not be provided for. Only the Holloway Springs Phases 2 and 3 were permitted under current regulations. The issue is whether Chehalis desires to address anything other than that.

September 27, 2004

Councilor Ketchum asked if they needed a motion or just a nod of yes to the planning commission's proposal. Councilor Spahr asked if the city had a planning commission proposal. Mr. Campbell stated they did not. Mr. Nacht stated the planning commission had not addressed the issue and wouldn't be meeting until after the county's meeting on the 28th to deliberate and make a recommendation to the board of county commissioners, as to whether or not the UGA exchange would in fact occur.

Mr. Campbell stated the existing commercial and industrial land out there, already in the Chehalis UGA, wouldn't have residential as a permitted use. Again Mr. Nacht stated the residential use was exclusive to the Holloway Springs subdivision and nothing else. He also pointed out there was a wetland buffer along the northeast line of Holloway Springs buffering it from the industrially designated Chehalis UGA.

Mr. Nacht stated unless council wished to address the land use issue it would float along with the exchange of property and it would remain the way it is.

Mr. Spahr noted they had a lot of people out there and a lot of them wanted to keep it residential. The unfortunate thing from the point of land use is it's probably some of the best commercial development ground between Portland and Seattle because of its location and access to the freeway.

Councilor Taylor asked if Mr. Nacht had a specific recommendation for council. Mr. Nacht stated if he had to make a recommendation at this point, unless there was an alternative issue, he recommended council to leave it the way it was.

Mr. Campbell noted to make any change would have to go through the plan amendment process for our comprehensive plan which starts in February. That process would involve public meetings and public hearings by the planning commission and eventually the city council.

4. **New Business.**

a. **Future of Sister City Relationship.** Mr. Campbell stated last month the visiting delegation informed the city of some major changes in store for Japan. In the information they gave the city last month, they mentioned some 80% of the local governments in Japan were in the process of a consolidation with other neighboring municipalities. During the next couple of years, some 10 to 12 local governments, including Inasa, plan to be part of one larger Hamamatsu City. The end result will open up a lot of questions about how and if the city will maintain in a sister city relationship with what we now know as the town of Inasa. The city had a number of options of how they may approach the sister city relationship in the future. Mr. Campbell noted the sister city committee met to go over the information, and they recommended the city send a letter to Inasa such that we want to encourage the continuation of a sister city relationship in whatever way makes most sense or is easiest for the people of Inasa. Councilor Ketchum wanted to add he would like everyone on the council to sign the letter being sent to Inasa.

Councilor Spahr moved that the mayor and city manager send a letter to the current Inasa-cho officials expressing a desire to continue the sister city relationship in whatever way works easiest for them. The motion was seconded by Councilor Ketchum and carried unanimously.

b. **Ordinance No. 777-B, First Reading – Creating a New Section of the Chehalis Municipal Code Concerning a Delinquency Charge for Unpaid Sewer Bills.** Mr. Campbell stated this was a basic housekeeping proposed ordinance. In the current utility ordinances the city has provisions for both water and stormwater, if bills become delinquent a 10% penalty is added to the amount of the unpaid bill. This language is not specifically in the wastewater utility ordinance. This ordinance would correct that and make it consistent with both the water and stormwater ordinances. Councilor Spahr asked if Mr. Campbell would like to have Ordinance 777-B passed on first reading. Mr. Hillier stated since it was just a housekeeping issue, it would be appropriate to suspend the rules.

Councilor Spahr moved to suspend the rules requiring two reading of the ordinance. The motion to suspend the rules for a second reading was seconded by Councilor Ketchum, and carried unanimously.

Councilor Spahr moved that council pass Ordinance 777-B on first and final reading. The motion was seconded by Councilor Lund, and carried unanimously.

September 27, 2004

6. **Staff and Council Reports.**

a. **Employee Service Awards.** Mr. Campbell noted the awards of recognition were already presented to Kevin Hayes vehicle maintenance tech for the public works department who has been with the city for five years, and also from the public works department, Mark Herren, equipment operator, who has been with the city for 25 years.

b. **Police Department Re-accreditation Visit.** Dale Miller stated their department had passed the re-accreditation, with just a couple more hoops to jump through in terms of presenting it to a civilian review board. The examiners would make a recommendation to the WASPC Executive Board on whether they would be re-accredited or not. Mr. Miller expected it would fully occur sometime in November. There will be a written report available for the public and council which should come back from WASPC within the month. With just a couple more reviews, Mr. Miller stated the department passed 207 out of the 210 standards. He noted there were three standards the city obtained waivers for such as having a jail facility, dispatch and an explorer post, things our department did not have on site. Mr. Miller thanked Councilor Harris for showing up to listen to the debriefing on Wednesday. Councilor Harris stated there were not enough adjectives to echo what the ladies and gentleman passed on to our city and our police department. He noted the words they kept using over and over were "very impressed." Knowing our city had just come out of an interim situation, with Chief Miller being a new chief, they were astounded and declared they were all taking something they learned from here, back with them to apply to their own departments. They were impressed a city our size was as up to date and ahead of the game as our department was and applauded every single officer, staff, Chief Miller and former Interim Chief Dawes for what they had accomplished.

c. **Citizens Academy.** Mayor Rider asked Chief Miller about the sign up for the citizens academy, wanting to know if he had any response to it. Chief Miller stated he had some, but it was not overwhelming by any means.

d. **Chehalis River Basin Partnership.** Councilor Spahr reported the Chehalis River Basin Partnership met Friday. He noted they had a presentation by Boise State University who brought with them a computer program they had come up with called "Fund to Fund." It was an on-line program which they keep updated. You put your data into it and it prints out a nice neat report. He thought the city might be able to utilize the program.

e. **Planned Growth Committee Meeting.** Councilor Spahr reported they met earlier today and tweaked the planning policies with the county eliminating some things the planning group had put in and added a couple of items. They also went through some urban growth area expansions. He noted the city of Centralia had submitted a plan for annexation and in looking at the map they were okay with everything except nos. 8, 9, and 10 which almost surrounded Chehalis. The group tabled those items so they could have some time to discuss it. Mr. Spahr noted item no. 8 was the Blaser Farm at the airport.

f. **Chamber Way Roundabouts.** Councilor Harris stated he met with Tim Grochowski and Mansoor Ghorbani to talk about some ideas he had regarding the roundabouts. Councilor Harris had also been in touch with Brian Walsh from the Department of Transportation. He asked Mr. Walsh if the roundabouts could be designed to be inverted instead of having them crowned, especially the ones at the off ramps. This would allow passing vehicles to be in the bank rather than on the outside. He noted drainage wouldn't be a problem if they put drainage in the center. Mr. Walsh told Councilor Harris there was a possibility of looking at that. He noted there was one built in Colorado and he would contact the person who did the engineering on the project to see how it was working for them. He noted there would be a question about the center line of a highway which was generally the high spot and everything was usually crowned downward about a 2% grade. Councilor Harris stated Mr. Walsh was definitely interested in looking at it. He noted it could possibly resolve a lot of the tipping issues the city has.

g. **Lewis County Jail Open House.** Mayor Rider stated he received an invitation from Sheriff John McCroskey cordially inviting staff to attend the open house in the new annex of the Lewis County jail on Monday, October 4 at 11:00 a.m. He noted there would be a ribbon cutting ceremony followed by guided tours to last until 1:00 p.m.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:55 p.m., after a short recess pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, and RCW 42.30.110(1)(b) – purchase or acquisition of real estate. Following executive session, the regular meeting was reopened at 8:45 p.m. Councilor Spahr moved to approve the proposed easement terms between the city and the various property owners, for an amount not to exceed \$21,381.92 for all of the easements, and authorize the city manager to execute the easements and authorize due payment. The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 8:46 p.m.

September 27, 2004

Mayor

Attest:

City Clerk

October 11, 2004

The Chehalis city council met in regular session on Monday, October 11, 2004, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into executive session with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr and Chad Taylor. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Mark Petrie, Water Superintendent. Mike and Betty Meglemre of Puget Sound Public Employers were also in attendance.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session for one hour pursuant to RCW 42.30.140(4)(b) – collective bargaining, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 5:55 p.m. and announced council would take a ten minute recess and reconvene into regular session at 6:05 p.m. Additional staff present for the regular meeting included: Bill Hillier, City Attorney; Mansoor Ghorbani, City Engineer; Joanne Schwartz, Community Services Director; Bob Nacht, Community Development Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

2. **Consent Calendar.** Councilor Ketchum moved to approve the consent calendar comprised of the following items:

- a. Minutes of the special city council meeting of September 20, 2004; and minutes of the regular council meeting of September 27, 2004;
- b. Reconfiguration of the north parking area behind city hall; and
- c. Capital facilities charges for Veterans Memorial Museum.

The motion was seconded by Councilor Taylor. Councilor Pope asked if waiving the fees for the Veterans Memorial Museum would create a precedent where the city would be faced with waiving fees for other organizations in the future. Mayor Rider stated it was his understanding the city would deal with each situation on a case-by-case on one basis. In this particular case, by waiving the fees, the facility will become future property of the city. Councilor Lund mentioned in his prior experience on council this had come up before and each situation was dealt with on a case-by-case basis. The motion carried unanimously.

3. **New Business.**

a. **Resolution No. 12-2004, First Reading – Non-User Funding for New Wastewater Facilities.** Mr. Campbell stated the resolution was in response to suggestions from council regarding potential ways of providing non-user fee funding for the wastewater facilities projects. The resolution identified three possibilities in which council could choose to divert money from the general fund revenues to the wastewater utility to help pay for those facilities.

The first possibility was the Barnes property development, currently an asset of the wastewater utility. As long as it remained an asset and any development out there, by all rights, should belong to the wastewater fund. The second possibility would be the other areas around the airport that may develop in the future, or if new commercial development takes place, council could consider taking a portion of those sales tax revenues and apply them to the wastewater facilities needs. The third possibility would be some portion of revenue the city might realize from annexation south of the city limits.

Mr. Campbell noted there was nothing specific in terms of actual dollars or percentages of dollars stated in the resolution, but it would put council on record as identifying those three areas. Mr. Campbell noted there may also be some new revenue coming into the city which could also be used for those purposes.

Mayor Rider stated he was in favor of all three possibilities mentioned in the resolution. He indicated he would like to talk about the Barnes property which belonged to the wastewater utility. He explained that if the city got the loan for the wastewater treatment plant paid off in ten years, the monies would continue to go into the wastewater fund and couldn't go into

October 11, 2004

any other fund or anywhere else within the city. His thought was to perhaps purchase the Barnes property out of the general fund from the wastewater fund, and ten years from now after the debt was paid off, those monies could be used in other areas. He stated if the city were to buy the property out of the general fund now, it could cost less than it would ten years from now when the property would be worth a whole lot more.

Mr. Campbell informed council that the city would have to use the appraised value for the purchase of the property. Mayor Rider questioned Mr. Hillier asking if the city wrote up an agreement to purchase the property in ten years, could it be stated in the agreement once the wastewater treatment plant was paid for, the general fund could purchase the property at today's price. Mr. Hillier stated there were easier more creative ways to deal with the issue. Mr. Hillier stated the city could have the general fund purchase it now and loan the money to the wastewater fund and have it paid back over time at a nominal interest rate. Mr. Hillier indicated he would like more time to think about it. Mayor Rider stated he had no problem passing the resolution he just didn't want to put the city into a position to where they would be paying \$1.5 million for the Barnes property out of the general fund, when they could just buy the property now for a lot less.

Councilor Pope asked if they were going to vote on the issue or if were they going to table it. Mayor Rider explained the reason he brought the issue of the general fund purchasing the property was because he wanted to discuss it before they voted on it. He would like to personally go ahead and pass the resolution and have Mr. Hillier and Mr. Campbell address the best way to deal with the possibility of the general fund making the purchase of the Barnes property. Mayor Rider stated by voting now it wouldn't prohibit council from purchasing the Barnes property with general fund monies down the road. Mr. Campbell noted it was just the first reading so if there was a different way of dealing with the issue between now and the next regular council meeting, they could bring it up at that time before it was adopted on second reading.

Councilor Taylor moved that the council adopt Resolution No. 12-2004 on first reading. The motion was seconded by Councilor Pope.

Councilor Spahr stated he had several comments but would wait until the second reading. He indicated he didn't have a problem with section one, but noted when you start taking general fund sales tax revenue out of the general fund and putting it towards the utility, your short-shirting your constituency. He added there were several entities within our jurisdiction, the county, the school district, and Green Hill School that use the utility that don't really pay property taxes and would not be paying toward the utility their full share if monies were diverted from the general fund. He stated he had a real problem with sections 2 and 3.

Councilor Harris stated the city also had to keep in mind its sales tax revenues may be disrupted somewhat if the streamline sales tax plan goes through. He reminded council, depending on how the gubernatorial vote goes the city could find itself in a financial shortfall by as much as \$400,000.

Councilor Spahr indicated the way he understood Mayor Rider, as saying the general fund would buy the Barnes property, the city would be short-changing the utility. Councilor Spahr questioned why the resolution was needed.

Councilor Ketchum asked how it would be short-changing the utility. Councilor Spahr stated by buying the Barnes property from the utility, the utility wouldn't have it and so they wouldn't be putting money towards the utility. Mayor Rider stated he said the money would still go to and could still be dedicated to the utility. Mayor Rider stated he wasn't opposed to doing it he was just thinking about it and thought it was something that should be discussed. Councilor Spahr indicated again, he didn't think the resolution would help anything down the road. Mayor Rider spoke in defense of sections 2 and 3 by saying in section 2, the sales tax revenue created would be additional money, not part of what was being received now and specified it didn't say that 100% of the revenue could be diverted, but rather a percentage of it could be. Mayor Rider noted it was something they would have to look at and decide on what part of it would be used. He added the same statement would apply to section 3 which talked about the annexation of other property.

Councilor Harris noted the resolution was just giving them some direction. He expressed they should at least take a look at it and in the mean time come up with some other ideas if need be.

Councilor Pope called for the question. The motion passed 6 to 1, Councilor Spahr being the no vote.

October 11, 2004

b. **Award of Construction Contract for Newaukum Village Watermain Extension to George Gill Construction in the Amount of \$412,311.95.** Mr. Campbell noted the bids had been received for the extension of the water lines to the Newaukum Village subdivision. Mr. Campbell indicated the low bid was certainly less than the engineers estimate, but was a little more than what was hoped for when the grant application was submitted for a portion of the costs of the project. He reported in all likelihood the individual property owner assessments would end up being higher than what some of the property owners had already paid. He noted the bid seemed to be very competitive and looked to be appropriate to award to the apparent responsible low bidder.

Councilor Lund made a motion to award the Newaukum Village watermain extension project to George Gill Construction in the amount of \$412,311.95. The motion was seconded by Councilor Spahr.

Sheila Unger and Jody Magnusson asked to speak regarding the Newaukum Village watermain project. Ms. Unger gave a quick rundown of what the association had gone through to get to where they were today with the watermain project. She noted Mr. Hinkle had not paid his money which was disturbing to herself and her neighbors. She indicated the city had allowed Mr. Hinkle to be delayed, but didn't know the reason and expressed it had put the association in a bind in going forward with the project. She added the property owners had already paid \$3,300 and now had to pay an additional \$600 each. If Mr. Hinkle didn't pay his share, the association would need to pay an additional \$1,500. Ms. Unger stated the association was upset that they might have to pay his costs when the project was theirs to begin with.

Ms. Unger brought up the issue of the city's policy on latecomer fees and read a section from the memorandum of understanding between the city, the county and Mr. Hinkle. Ms. Unger was told by Todd Mason, Mason Engineering, Inc., the association couldn't charge Mr. Hinkle a latecomer fee because of the way the city's policy was worded. Ms. Unger noted there was obviously something wrong with the city's policy and felt there was something going on.

Ms. Magnusson stated they truly believed Mr. Hinkle didn't plan on paying his money and he would just come in later because he wouldn't be required to pay a latecomer's fee.

Councilor Pope asked for the city attorney's opinion on the latecomer fee. Mr. Hillier noted council could amend the ordinance at any time to allow Mr. Hinkle to be charged a latecomer fee. Mayor Rider stated that issue could be addressed and indicated Mr. Hinkle had told Mr. Campbell he would pay his money on October 15.

Mayor Rider asked if Ms. Unger and Ms. Magnusson were upset at the council. Ms. Magnusson indicated it wasn't that at all. Mayor Rider added he wasn't very happy with Mr. Hinkle either and Mr. Campbell had been working with Mr. Hinkle, and the delays have come because of Mr. Hinkle.

Councilor Harris stated he felt Ms. Unger and Ms. Magnusson were just venting to council, not at council. Ms. Magnusson stated they were asking council to help them with Mr. Hinkle because they didn't know how to deal with him, always saying he'll do something and not do it. Ms. Magnusson noted the homeowners were all stuck in the middle of things. Mayor Rider indicated he was sorry they were put in that situation, but council was supportive of the program. Mayor Rider stated he was willing to make the amendments to the ordinance to allow for latecomer's fees to be charged and added if Mr. Hinkle doesn't want to pay his money, then the association should have the right to recoup their money. Mayor Rider stated again he, himself, was supportive of making that happen.

Councilor Spahr asked Mr. Hillier why they couldn't charge a latecomer's fee. Mr. Hillier stated because the property owners in the association didn't front on the line that was going to be put in. They would be putting in their own extensions and the others would be coming off of their extensions, but he expressed again, the latecomer fees could be adjusted. Councilor Spahr asked if the bid could be awarded and still take care of the latecomer fee at a later date? Mr. Hillier stated that would be appropriate.

Councilor Taylor called for the question. Councilor Spahr wanted to note there were five other acres that were not included in the Hinkle property. He asked Mr. Hillier, "If Hinkle doesn't pay could the city still look at the latecomer fees for those five acres?" Mr. Hillier stated they needed to revisit the issue and get that included. The motion carried unanimously.

October 11, 2004

4. Staff Reports.

a. **Reminders of GMA Committee Meeting.** Dave Campbell announced the next GMA committee meeting was scheduled for Thursday, October 14, at 7:00 a.m. at the community services activity building.

b. **Comments on the Draft New NPDES Permit.** Mr. Campbell informed council that the analysis of the draft new NPDES permit covered both the existing plant and the one to be built. He indicated a copy of the comment letter to the Department of Ecology (DOE) regarding the draft NPDES permit was included in the agenda. The city had a number of concerns about the specifics of testing and reporting. Staff hoped to set up a meeting with DOE to look at some items and hopefully get some relief from them.

Mr. Wiltzius reported, a month ago, council authorized Gibbs & Olson to help staff review the permit document because of its length and complexity. Several issues were brought up in the report that concerned both Mr. Wiltzius and Dick Riley of Gibbs & Olson.

- Compliance with the consent decree - Mr. Wiltzius indicated staff was concerned about compliance with the consent decree as to when the city needed to be out of the river and when they could go back in. According to Mr. Riley, when they were negotiating the consent decree, it was meant to fall into a certain time period of the year. Staff would continue to negotiate with DOE on this issue.
- BOD testing - Staff currently does BOD testing three times a week, which takes five days to complete and DOE would like staff to do that particular testing five days a week. The city would then have to have someone come in on the weekends to complete the testing, which would cause the city to spend more in overtime or hire additional staff to do that.
- Metals testing - Mr. Wiltzius reported that because of the size of our plant, and the amount of biosolids it produces, they currently do metals testing once a year. DOE would like it to be done quarterly. He noted they also have a lot of reports and submittals they need to do on a regular basis.
- Operator certifications - Wastewater treatment plants are rated depending on their size and complexity of the plant. The city's plant is currently rated as a class four plant, which is the highest, and requires the city to have a certain amount of certification for our operators that work at the plant. Mr. Wiltzius noted he was a class 4 operator, so the city is covered generally for the main management of the facility. DOE is requiring the city to have at least a class 3 operator, to run all of the shifts. The city's current operators are all class 2 operators. If they have to become class 3 operators that would mean more money for them and an additional impact to the city. Staff was currently trying to get clarification on that.

Mr. Wiltzius felt it was well worth the money being spent, especially if they could get some concessions from DOE. They are currently trying to set up a meeting to negotiate these issues and once they did, staff would come back to council with a report.

Councilor Spahr noted it was mentioned a couple of times in the report that the TMDL was mainly a dry weather study and it shouldn't really impact cold weather months. He asked if the city was still trying to get DOE to allow them to leave the outflow in the river during the winter months when it gets below 1000 cubic feet (cf). Mr. Wiltzius stated Councilor Spahr was correct. Staff's argument was that when the river was below 1000 cf per second during the winter months, there would be no reason to take the water out of the river. He stated there would be no sense in taking it out and putting it on trees that don't have any leaves yet.

Councilor Harris asked if DOE was changing their science on the chronic and acute mixing zones. Mr. Wiltzius indicated the problem they often had with DOE was they used different data than what the city used. The city spent a lot of money on the WER to establish a lot of their numbers and that's what staff presented to DOE and the city believes those are the numbers DOE should be using. Councilor Spahr wondered if it was possible it could be boilerplate language. Mr. Wiltzius

October 11, 2004

stated that's what it essentially was and the city was calling DOE's attention to it. He added in DOE's attempt to get it ready, they might have missed a lot of things and if the city doesn't correct it now, it could have a financial impact on the city later.

Councilor Harris indicated he was trying to understand the percentages DOE was using for the BOD. It seemed to him DOE was changing where the bar was all of the time. His concern was the city has a consent decree they are working under and DOE just keeps changing the target after they've approved what the city was going to do.

Councilor Spahr reported that it was a process done every five years. Growth management developed a capital facilities plan for 20 years and DOE gives the city a NPDES permit which only lasts for five years. Every five years the city gets a 114 page permit and has 30 days to review it. The permit contains a lot of boilerplate information that requires the city to spend a lot of money to straighten out to make sure everyone is on track.

Mr. Wiltzius noted the old plant does not meet established ecology treatment requirements and DOE has given the city waivers over the years. DOE indicated that 75% of the time the city meets the permit requirements, therefore they keep bumping the city's permit up. Staff has indicated to DOE, at times, the city cannot meet the permit, which causes the city to have more permit violations. Mr. Wiltzius added DOE can change the permit limits for the old plant all they want, and the city would still not be able to meet them.

c. **Police Department Survey.** Chief Miller stated there were 960 surveys sent out and 161 of them were returned. Of the returned surveys 125 ranked the police department between good and excellent. 143 indicated they felt safe in our community. He noted there were some street lighting issues which he had already shared with the public works director. Two items that came back as a priority were crime prevention and response time. Chief Miller stated they would review their mission statement (the guiding principals and the core values for the agency) in December and would also be using the feedback from the returned surveys.

d. **Reminder about the Council Work Session.** Mr. Campbell reminded staff and council about the upcoming work sessions to review the 2005 budget which start on Tuesday, October 19 and continue on October 26 and November 2 at 5:00 p.m. at the Hess Kitchen in Recreation Park.

d. **Lodging Tax Advisory Committee.** Joanne Schwartz reported the committee met on September 24. The organizations who had always asked for funds in the past, once again came forward. The amounts in the report were what the committee approved for 2005. Councilor Ketchum noted the amounts approved were the full amounts requested by the organizations. The committee felt each one of the organizations, in some way, helped by bringing people into the community. Ms. Schwartz stated the whole issue of the lodging tax dollars was to bring "heads into beds." Ms. Schwartz indicated when they bring people into the community, who stay in our motels, that's what generates the lodging tax.

Councilor Pope asked how they measured the appropriations out. He indicated that even before the Lewis County Convention & Visitor Bureau (CVB), which receives the biggest portion of the money, the city filled their motels. Ms. Schwartz stated if they continued to fill them enough that might bring in another hotel or motel into the community. Ms. Schwartz indicated she asked Natalie Ketchum, manager of Best Western Parkplace Inn & Suites, about specific things that brought people to our community. Ms. Ketchum noted the Veterans Memorial Museum brings people who stay overnight and when the city has tournaments in town, the motels are 100% packed. Councilor Pope stated he agreed with Ms. Schwartz, but when tournaments were in town and the hotels are already filled, the CVB had nothing to do with it. Ms. Schwartz noted the CVB was looking at packages, countywide, promoting what people could do in the county as a whole, where they would bring people who don't just come for a day, but would stay three or four days.

Ms. Schwartz added the money that previously went to the Downtown Marketing Committee to do promotion, was now going to the Chehalis Community Marketing Committee (CCMC).

Councilor Ketchum noted the plus side of that was the CVB, with the other monies they receive, could turn the city's \$43,000 into \$100,000.

Councilor Spahr asked if the CVB got involved with the participants at the tournaments. Ms. Schwartz indicated they had talked about that a lot and it was one of their goals for next summer. She noted they did send out some packages that helped out somewhat, but CVB knew they could be doing a lot more.

October 11, 2004

Councilor Harris noted he was on the CCMC and he was concerned there was only \$8,000 allocated to CCMC for marketing and promotions. Ms. Schwartz stated the marketing and promotion monies for CCMC were included in the CVB budget.

Councilor Ketchum moved that the council approve the recommendations of the lodging tax advisory committee for use of lodging tax funds for 2005. The motion was seconded by Councilor Spahr.

Mayor Rider pointed out the city was spending more than what they were taking in. He inquired as to how much money was in the account. Ms. Schwartz stated the amount was \$69,000. Councilor Ketchum stated the committee decided it takes money to make money and the reason the money was there was to do promotion and advertising. It was the feeling of the advisory committee that if they used up all the funds, then they would have to cut back to what was being collected. The motion carried unanimously.

e. **Lewis County Jail Open House**. Mayor Rider reminded council and staff the open house for the new jail was on October 13 from 3:00 to 8:00 p.m.

f. **Valley View Medical Center Grand Opening**. The grand opening for the Valley View Medical Center was scheduled for October 14 from 5:00 to 7:00 p.m.

g. **Citizens Academy**. Mayor Rider reminded everyone who signed up for the citizens academy it would be starting October 12.

h. **Interview Process for Council Staff Team Building Facilitator**. Mr. Campbell asked if any of the council members wanted to be part of the interview process to select a facilitator. Councilor Lund stated he would like to be in on the interviews, as did Mayor Rider.

5. **Executive Session**. Mayor Rider announced council would convene into executive session at 7:10 p.m., after a short recess pursuant to RCW 42.30.110(1)(c) - lease or sale of real estate. Following executive session, the regular meeting was reopened at 7:55 p.m. and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

October 19, 2004

The Chehalis city council met in special session on Tuesday, October 19, 2004, at Hess Kitchen in Recreation Park. The work session began at 5:00 p.m. with the following council members present: Fred Rider, Terry Harris, Daryl Lund, Bob Spahr, Tony Ketchum, Chad Taylor and Dr. Isaac Pope. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Judi Smith, Public Works Office Manager; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Rebecca Teitzel, Community Services Office Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Review of the 2005 Recommended Budget.** Dave Campbell provided a brief overview of the recommended budget document. Mr. Campbell stated the recommended budget for 2005 was balanced in all funds totaling approximately \$52.5 million, an increase of \$26.5 million over 2004. He indicated that normally wasn't what happens, but in the wastewater fund, with the new plant construction due to get underway in 2005, there was an increase of over \$24 million. He noted the wastewater treatment plant was largely financed by a state loan and grant, and the beginning of phased-in local user rate increases.

Other than the utility rate increases there would be no other tax or rate increases and no new taxes were proposed or included in the budget for 2005. Mr. Campbell indicated the property tax levy rates for the city of Chehalis for 2005 would be about the same as they were in 2004, which were \$2.47 per \$1,000 of assessed value for general operations and 0.47 cents for the emergency medical services program.

Mr. Campbell also reported the city's staffing level would be almost unchanged from 2004.

Tim Grochowski then presented the public works department budget, including water, wastewater, stormwater, street, arterial street, public facilities reserve and the automotive equipment reserve funds.

There being no further business to come before the council, the meeting was adjourned at 6:25 p.m.

Mayor

Attest:

City Clerk

October 25, 2004

The Chehalis city council met in regular session on Monday, October 26, 2004, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into a work session with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilors Ketchum and Taylor were excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Manager; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager.

1. **Work Session.**

a. **Proposed UGA Territory Additions.** Bob Nacht stated at a Lewis County Planned Growth Committee meeting four weeks ago, the city of Centralia requested an expansion of their UGA into Chehalis's UGA. Mr. Nacht reminded the council that only the county could authorize changes to cities' UGAs and required justification for those changes. He provided a handout outlining the areas Centralia was requesting. He stated areas 1 through 7, the north and west sides of Centralia were not of great concern; however, area 8 (the north end of the airport known as the Blaser property), area 9 (adjacent to Salzer Creek between I-5 and the Burlington Northern railroad tracks known as the National Frozen Food property) and area 10 (the Widgeon Hill area west of Kresky Avenue) were a concern.

Mr. Nacht stated that Chehalis and Centralia representatives met two weeks ago to discuss areas 8, 9, and 10. It was essentially agreed to use Salzer Creek as the dividing line for areas 8 and 9, with Centralia getting the area north of the creek and Chehalis getting the area south of the creek. He stated the concept would be presented during a public hearing before the Lewis County Planning Commission tomorrow night. With regard to area 10, the council needed to determine if Chehalis had any interest in it. Mr. Nacht noted that if the area was designated into either city's UGA, a transportation system would have to be installed, as well as utilities. There were no designated timber areas or jurisdictional wetlands, but there was a designated spot of agricultural land. He stated the question was how reasonable, viable, and expensive would it be to service area 10 with emergency services, utilities and roadways.

Mr. Nacht stated if the city pursued area 10, they would need to present a needs analysis, as well as demonstrate how the city intended on serving it. He pointed out the steep slopes would make it very problematic for development and the entire hillside was designated as a potential land slide area, which would make development even more difficult. The only reasonable development could be low-density, single-family residential.

Councilor Spahr wondered why Centralia would want the property, noting a majority of the property was in the Chehalis school district which meant if developed, Centralia would receive real estate taxes and the school taxes would go to Chehalis. He also noted at one point the city had looked at Widgeon Hill as a possible site for a high level water reservoir because of problems with fire flow in the north end, but it was apparent that was no longer an issue.

Mr. Campbell pointed out it wasn't a matter of the fire flow in the north end, but rather a matter of other areas being better served, given the existing elevations of our current main reservoir.

Mr. Spahr noted he was more concerned about what the council's successors would say twenty years from now, if they just gave the property away.

Mr. Nacht indicated the city's position was the county should not be designating any environmentally sensitive areas to anyone's UGA, but if the county did so, Chehalis would want a piece of that action. Joanne Schwartz stated the county normally stepped back in situations where cities couldn't agree.

Councilor Harris had concerns about Centralia possibly trying to top Widgeon Hill in an attempt to construct anything and then having water shed problems coming off it and asked if it wouldn't be opening that area up to even more problems.

Mayor Rider indicated areas 8 and 9 could be taken care of very swiftly. As for area 10, he stated he would have to agree with Councilors Spahr and Harris, but if he had to make the decision at this time, he would let Centralia have it.

Mr. Campbell stated the city would have staff present at the Lewis County Planning Commission meeting, but thought it would be best to have one or two council members in attendance as well. Mayor Rider stated he would be more than willing to do that and asked Councilor Spahr to attend as well if he was available.

October 25, 2004

b. **Public Safety Building Committee Report.** Mr. Campbell reminded council this issue was postponed from last May and the city extended the option to purchase the county building for another year. The city now had the ability to pursue the acquisition of the building until October 2005 at an agreed upon price of \$1.3 million. It was recommended last spring that the council put a ballot measure out to the citizens in a special election. One of the options would be a traditional general obligation bond measure backed by property tax payments on the bonds, which would need a 60% majority. The second option for financing would be an increase in the city's utility taxes pertaining to water, sewer, gas, electricity, telephone and cable television. It would be an increase from 6% to 8% and require 50% plus 1 majority vote.

Councilor Harris reminded council and staff the entire air conditioning unit needed to be revamped at a cost of \$250,000 and noted council thought about possibly renegotiating the \$1.3 million because of that expense. He asked if any of that had been addressed. Mr. Hillier indicated it hadn't been approached since they didn't know whether it was appropriate to begin negotiating without council's direction. Councilor Harris suggested it be the first thing they do before they go and try to make a deal and stated he didn't want to use any wastewater utility tax for funding purposes.

Mayor Rider stated in discussions with Mr. Campbell and staff, the city had a few choices in the matter: They could raise property taxes, a bond could be levied, or they could raise utility taxes. He indicated council needed to make a decision and direct staff on what to do, but thought it was best to ask the citizens what they wanted.

Mr. Campbell noted another option, would be use of the city's banked property tax capacity and the sale of council manic bonds. The city's capacity for council manic bonds wasn't enough for the city to finance the building for a twenty-year period, but it was a good portion of it. It would be at least two-thirds of it in terms of banked capacity the city had right now. He noted it was an un-levied property tax capacity that the council could sell bonds for and would not require a public vote.

Councilor Spahr asked how much property tax would be needed if the city were to put it on the ballot. Mr. Campbell noted there were different ways of structuring a bond measure and there were at least three of them included in the agenda report last May, as well as in their most recent agenda packet. Mr. Campbell noted the city could structure a bond measure so the rate per thousand falls gradually as the city's assessed value grows. Another way would be to structure it so we pay the same debt service every year for 20 years, or keep the rate approximately the same so the debt service we pay off increases gradually as the city's assessed value grows.

Councilor Spahr stated that if the city went to the 0.82 cents, it would cost the taxpayer with a \$100,000 home \$82 per year for the first year and would start going down from there. He stated that might be more acceptable to people than to see it on their utility tax every year. Mayor Rider indicated he would like any increases to be in the category of property tax rather than a utility tax increase.

Councilor Lund asked what the rate would be if the city annexed the industrial park. Mr. Campbell noted that area had a very high assessed value connected with it, and if annexed, would reduce the number by quite a bit. Mr. Campbell stated if property was annexed in at a later date, council could make a decision at that time on whether those areas should pay their appropriate share for debt service the city had previously incurred.

Jim Larson stated it was important to know a typical bond election was not setting a rate, but setting a total dollar amount and the rate would come out of the dollar amount. He noted the different options Mr. Campbell talked about earlier really depended on how much principal council wanted to pay off in the first years.

Councilor Spahr inquired if it mattered which way the city went to get the best rate for financing. Mr. Larson suggested the city put full-faith and credit behind the issue. The problem with the utility tax was it was really subject to fluctuation. If the city were to have some kind of ordinance dedicating utility tax, the city would likely pay a higher rate of interest than if the city had a guaranteed income dedicated from property tax.

Councilor Lund asked Mr. Campbell if he had any guesses as to what the rate would be if the annexation took place. Mr. Campbell indicated the assessed value of the property generally around the industrial park that might be subject to annexation was not quite as much as the city's current assessed value, but about two-thirds. Chief Boes stated it would depend a lot on the area the city decides to annex. The proposed area would almost double the total assessed value, around the \$400,000 million mark. Chief Boes indicated one of the reasons they didn't have a firm number was because Tractebel was actually disputing their evaluation with the county, which was about a \$66 million discrepancy.

October 25, 2004

Councilor Harris stated staff needed to put into place a public awareness campaign, so citizens could witness, through visitation, the current conditions of the police and fire departments, and municipal court. Mr. Campbell stated as an organization, it would be incumbent on the city to put out a real good educational piece about the state and age of the current buildings. Councilor Harris noted the city was going to plan a route, they should go out to bond, and the important thing was to get the word out.

Councilor Pope stated they could debate the rates and costs forever, but his concern was the city was going to be committed to do something, whether they do it now or later. The longer they wait the greater the cost would be. He indicated even if the voters were to vote it down, they wouldn't need their approval to go to banked capacity. Councilor Spahr asked if the city had enough banked capacity. Mr. Campbell stated the city had an estimated \$275,000.

Councilor Lund asked if they had to go to the voters. Mr. Campbell noted with banked capacity, they wouldn't, but for a traditional general obligation bond they would. Councilor Lund indicated the voters elected council to make those kinds of decisions and this was an important issue to keep citizens safe and happy, and he felt the city should go with banked capacity and build a new building. Mr. Larson stated the problem was if they turned their banked capacity into dollars per thousand, the \$275,000 wouldn't equal the 0.82 cents they were talking about earlier.

Councilor Pope said he hoped council wouldn't continue to delay this issue until they had a tragedy involving our first responders. He reminded council the current facilities were located in a very unsafe place, they needed a new building, and council needed to get it done. Mayor Rider stated Councilor Pope was absolutely right.

Councilor Spahr moved that the council approve the public safety building committee's recommendations, but instead of the 2% utility tax increase, go on the ballot to use property tax. The motion was seconded by Councilor Harris and carried unanimously. Mayor Rider wanted it noted that although Councilor Taylor and Ketchum were absent, he knew both of them were supportive of the issue.

Mr. Campbell stated in order to create a ballot measure council would need to vote on a resolution or an ordinance. Staff would put the legislation together for the ballot measure in the next two weeks, in time for the February election.

Mayor Rider stated he wanted enough time to get the information to the voters. He thought the end of February was a pretty tight timeline. Mr. Campbell indicated the measure had to be to the county auditor toward the end of December, 45 days in advance of the election. Mayor Rider thought the March date might be better. Mr. Larson stated research indicated the most successful elections were in the February, but March was very close.

Mayor Rider adjourned the special work session at 6:05 p.m. and announced council would take a three minute recess and reconvene into regular session at 6:08 p.m. Additional staff present for the regular meeting included: Bill Hillier, City Attorney; Mansoor Ghorbani, City Engineer; Joanne Schwartz, Community Services Director; Patrick Wiltzius, Wastewater Superintendent; Mark Petrie, Water Superintendent; Andy Sennes, Property Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Shawn O'Neil of KITI.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:
 - a. Minutes of the regular city council meeting of October 11, 2004; and minutes of the special council meeting of October 19, 2004;
 - b. September 30, 2004 Claim Vouchers No. 76181-76293 in the amount of \$252,722.58; October 15, 2004 Claim Vouchers No. 76294-76481 in the amount of \$332,590.53; September 30, 2004 Payroll Vouchers in the amount of \$561,633.94;
 - c. Medical aid vehicle remounting;
 - d. Washington state community, trade and economic development grant for shoreline management program update;
 - e. Lease of right-of-way property (north end of State Avenue) to Uhlmann Motors;
 - f. Final acceptance of the new wastewater treatment plant site fill and preload project;

October 25, 2004

- g. City Hall front steps repairs; and
- h. Police department computer system upgrades.

The motion was seconded by Councilor Lund and carried unanimously.

3. Public Hearing – Recommended 2005 Budget and Consideration of Possible Increases in Property Tax Revenue. Dave Campbell stated the hearing provided an opportunity for the public to comment or give input with regard to the development of the 2005 budget, including the consideration of possible increases in property tax revenues, per RCW 84.55.120. The city does not anticipate any increase in the property tax levy other than the amount that might accrue to the city as a result of new construction or new additions to the assessed value during the last year. The 2005 recommended budget did not rely on any increases in property tax revenues.

Mayor Rider closed the regular meeting and opened the public hearing at 6:14 p.m. There being no public comment, the public hearing was closed and the regular meeting was reopened.

4. Unfinished Business.

a. Resolution 12-2004, Second Reading – Non-User Fee Funding for New Wastewater Facility. Mr. Campbell briefly discussed resolution 12-2004, noting it identified three general potential sources of revenue the council may want to consider for adding to the mix of paying off the wastewater treatment plant project costs the city would incur during the next few years. The three sources included: any revenue that accrued to the city from the development of the Barnes property, currently an asset to the wastewater utility; other development taking place in the future around the airport on the east side; and the area south of town that could be annexed at some point in the future as its revenue accrued to the city, including property and utility taxes.

Councilor Spahr indicated he wanted the resolution to die. He thought it was a meaningless resolution that wouldn't do anything. He asked council why they would want to divert monies from the general fund to pay a 0% loan, and then borrow money to pay it back at 4 or 5%.

Councilor Lund moved that council adopt Resolution No. 12-2004 on second and final reading. The motion was seconded by Councilor Harris.

Councilor Pope asked Mr. Campbell what he intended to do if money was taken from other sources and those other sources come up short. Mr. Campbell stated the money in the general fund had gone for other purposes and those issues would have to be addressed at that particular time. Councilor Pope then asked why it couldn't be decided to use funds for the wastewater treatment plant at a later time, and did they need a resolution to do that. Mr. Campbell stated they didn't need a resolution to make those kinds of decisions, and noted the resolution was just a policy statement of the council regarding those potential sources.

Councilor Harris stated he understood why it was written and Councilor Spahr's objections to it. He stated it was council's intention to do everything possible to reduce the costs directly put on the citizens and felt the resolution was harmless. Councilor Pope stated the resolution would be harmless if they didn't fulfill the obligation. He added if the money was there and council diverted it somewhere else, somebody was going to be unhappy. Councilor Harris indicated it didn't say they would, he said consideration would be given. Councilor Pope stated "It's perception." Councilor Spahr agreed and noted in all his years on the council, he's been honest with the citizens, if something was needed, they did something about it. He noted it just didn't make good business sense.

Mayor Rider indicated he didn't have a problem with the resolution, but said he understood where Councilors Spahr and Pope were coming from. He noted if it was possible to take profits from the Barnes property and/or the potential annexation, it was their job to take care of the issues and if there was money left over, they should use it to reduce costs to help the citizenry out. Councilor Pope reminded Mayor Rider that was their job, regardless of a resolution. Mayor Rider understood that and if the resolution stated they definitely had to, he would be voting against it. He noted it was just making a statement to the people they intended to do what they could to keep the rates low.

October 25, 2004

Councilor Lund called for the question. The motion carried 3 to 2; Councilors Spahr and Pope voted against the motion.

Councilor Pope stated council had made a decision and hoped that, other than through the newspaper, the decision would not be carried from there any further.

5. New Business.

a. **Lewis County Jail Contract Agreement for 2005.** Mr. Campbell reported the new jail was close to completion and there would be new beds available for city prisoners, as well as other prisoners to occupy next year. He indicated the sheriff's office had presented a proposed contract for housing city prisoners with two different options. Chief Miller stated he believed everyone was aware of the issues involved and asked if anyone had any questions.

Councilor Spahr asked how the county paid their share of the costs for housing prisoners. Chief Miller stated he would have to ask the sheriff. Joanne Schwartz stated if memory served her, there was a line item in the county's budget for their share of the expenses, similar to what the city does with their general fund, each department takes a part of the budget for what - ever they need. Councilor Spahr noted the reason he asked was because the addition to the jail was being financed via the sales tax increase of which everyone was paying whether they lived in the county or the city. He wondered if Chehalis citizens were paying a rate the county residents didn't have to pay. Mr. Hillier clarified the fact the sales tax dollars were being used for the construction phase and the fees being charged were for operations.

Councilor Spahr moved that the council authorize signing the Lewis County jail use contract for 2005, choosing the \$50 per prisoner day option. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Spahr noted he appreciated the time and effort staff put into studying the matter.

6. Staff and Council Reports.

a. **Employee Service Award.** Mr. Campbell stated the latest employee to reach the 25 year mark in terms of longevity and employment with the city was Ron Parkhill. Mr. Parkhill has worked for our public works department as an equipment operator and would receive his service award sometime in the near future.

b. **Community Baseball Batting Cage Complex.** Andy Sennes reported they had a wonderful project that was being put together by the baseball leagues. Heidi Pehl with the Little League Baseball Association and Tim Saylor with the Chehalis Babe Ruth, were partnering together, along with the junior league and summer program looking for another indoor batting facility. Mr. Sennes indicated the group had come together on their own, met and decided how they wanted to go forward and how they wanted to fund the project together. They had a local couple who donated \$70,000; an auction and dance on September 11 that raised another \$32,000; and had a local electrical company coming in to spearhead all the electrical for the project. Mr. Sennes noted the group was looking at different sites for the batting cage complex and were trying to coordinate everything ahead of time. One of the potential sites they were looking at was at the entrance of Stan Hedwall Park, next to the Babe Ruth complex. Mr. Sennes indicate they would need council's direction if the group determined this site was the best location for their project.

Mr. Saylor stated it was a great project being funded privately. He noted the group had put in a tremendous amount of time and effort and encouraged council to support this project in any way they could.

Mayor Rider asked if Hedwall was the location they wanted to install the complex. Mr. Sennes indicated it was just one of the proposed sites they were looking at. The group had other areas within the city (not city property) they were considering.

Councilor Spahr asked if it were located at Stan Hedwall would it be raised above the flood plain. Mr. Sennes stated it would be similar to the Little League batting cages currently in the park, built with the idea they raise the garage doors and let the water come through during a flood and then clean it up later with a pressure washer. Mr. Sennes noted they ran it by the building department, and the issue of flooding was addressed, and the group was aware of the flooding problem out there.

Councilor Harris asked why the group had decided on that particular spot in the park. Mr. Sennes stated the park typically shut down December 1 during the off season. The facility would be right at the entrance of the park where people

October 25, 2004

could come in, park off the street, and use the facility during the off season, but noted there would be no restroom facilities available.

Councilor Spahr moved that the council approve the construction of a new pole barn style six-bay batting cage complex near the entrance to Stan Hedwall Park by Chehalis Babe Ruth Baseball. The motion was seconded by Councilor Lund and carried unanimously.

c. **Community Services Department Office Space.** Mr. Campbell reminded council the engineering department, previously under the offices of public works, was in the process of becoming part of the community services department. In order to accommodate the physical relocation they've had to look at space available around the existing community services complex.

Joanne Schwartz stated change was always exciting but it was also very challenging. She reminded council during the process of doing budget issue papers for 2005, one of the issues community services presented was the need for more space, even before engineering became a part of their department.

Mr. Nacht explained when they first identified the opportunity to provide a one-stop permit shop they started discussing it with the public as they came in and received a very positive response. After the reorganization, community services staff sat down with the engineering department and identified what their needs were. They identified a number of office, equipment and space needs. They determined they would need about 2,500 square feet of office space to accommodate the four engineers and the three community development personnel, as well as all the equipment including the printers and plotters they use on a daily basis. They then started costing it out, and identified a number of options. They discussed using the activity building, but found it would be more problematic to try and convert that particular building. They also looked into at a stick-framed, site-built addition to the existing building and found it would essentially be a higher cost per square foot. They looked at a third option of renting or leasing with an option to purchase or an outright purchase of a modular building. It would be quick, easy, and the cheapest all-around cost and provided an opportunity for relocation or revision of the facility in the future.

Mr. Nacht indicated it would need to go out to bid, and noted there were ancillary costs identified in the agenda report. He asked council to support their endeavor to provide the one-stop permitting center they envisioned.

Councilor Spahr asked where the building would be located. Mr. Nacht explained it would be behind the existing community services office building, between the building and 13th Street, extending west toward Market Boulevard. They would construct it about five feet away from the existing building and build a corridor from the existing back door into the new modular unit.

Councilor Spahr asked if any portion of the lease payment that would go toward the purchase. Mr. Nacht stated that would be a requirement they would include as part of the bidding process.

Councilor Harris asked if there was any way to make the activity building work. Ms. Schwartz stated it was not about the revenue they would lose from the daycare as much as it was the use of the facility. The building is used tremendously by staff and council as well. Mr. Nacht explained the building just was not big enough for all seven employees. Another issue would be the EOC would have to be relocated, all the electronics and generator systems which would be very costly to do. The second question was where they would relocate the EOC, adding there really was nowhere to put it.

Councilor Harris asked if staff could buy a 2,500 square foot building, why lease. Mr. Nacht stated the reason the recommendation was lease-purchase rather than purchase outright was because they didn't have a clear plan on the city's facilities. Within the five years of leasing they would be able to decide if they wanted to keep the building and set it up permanently or if they would be reconfiguring the entire facility itself. They thought the lease option would at least give them five years to go in some direction. Mr. Nacht stated staff didn't have any objections to an outright purchase, which would essentially serve the same purpose.

Councilor Pope asked where the source of funding was coming from. Mr. Campbell stated it would come out of the public facilities reserve fund. Mr. Campbell stated the city currently had about \$600,000 in reserves. Councilor Pope asked if the fund had that kind of money, why not buy it outright. Councilor Lund agreed.

October 25, 2004

Councilor Spahr recommended staff solicit bids so council would have more to go on to make their decision. Ms. Schwartz stated that was what they would do.

Councilor Harris moved that the council direct the staff to solicit bids for both a five year lease with option to purchase and an outright purchase price for an approximately 2,500 square foot modular office building to be located at the community services complex, including the site work and ancillary work necessary to install such a building. The motion was seconded by Councilor Lund and carried unanimously.

d. **National Avenue Slope Stability Evaluation Project Status Report.** Tim Grochowski presented council with the findings of the analysis done by Kenneth Neal & Associates on the National Avenue slope stability. The geologist drilled three test wells, 20 feet down, where the slippage was taking place. The soil was checked for consistency and found to be the same in all three wells. The geologist came up with a couple of fixes for the problem; the first would be to remove the whole lane, go all the way down to the railroad tracks and rebuild, or do a mechanical stabilized earth process, which involved laying down wire and rock, and stacking them up every few feet or so. Staff didn't get a cost on either fix, since it wasn't in the project costs to do the analysis. He noted the road was on our state funded highway route and it was his intention to talk with both state and federal agencies to see if there was something they could do to help out with the costs. He reminded council the street department did a repair on National Avenue by the old Burger King in 1996 with foam and it was still holding well.

Councilor Harris asked if the roundabouts were built, wouldn't the section under the bridge be eliminated. Mr. Grochowski stated it was his intention to keep the road available for a by-pass. Councilor Harris then asked about the stability of the inside lane versus the outside lane and could the city shut down the outside lane to one lane. Mr. Grochowski indicated that was another possibility and if something were to happen the city would shut down the outside lane.

Councilor Spahr asked if there was any liability on the part of the railroad. Mr. Grochowski noted when the geologist did the core they found 20 inches of asphalt the city had put in over the years, plus the heavy rains, as well as the railroads cleaning out of the ditch at the bottom of the slide. Those were all issues contributing to the current condition of the roadway. Councilor Spahr asked if the city would be communicating to the railroad about the issue. Mr. Grochowski indicated he had talked to the railroad once and he couldn't get them out there to take another look.

e. **Reminder About Special City Council Meetings on October 26 and November 2.** Mr. Campbell reminded council and staff about the special work sessions to continue review of the 2005 budget at the Hess Kitchen at 5:00 p.m. on October 26 and November 2.

f. **Chehalis River Basin Partnership.** Councilor Spahr reported the Chehalis River Basin Partnership met on Friday but he was unable to be at that meeting, so he asked Patrick Wiltzius if he had anything to report. Mr. Wiltzius indicated the partnership was looking at the next step of watershed planning and the implementation.

g. **Streamlined Sales Tax Issue.** Councilor Harris reported the streamlined sales tax issue had slipped from the back pages of the AWC legislative bulletin to the front page where a group of cities and counties around the state have been meeting to try to figure out how to mitigate the issue. He noted there were too many large cities that were going to have cash windfalls on the backs of cities who couldn't afford it. AWC was not taking any footing on the issue because they don't want to upset one-third of their constituents.

7. **Executive Session.** Mayor Rider announced council would convene into executive session at 7:22 p.m., after a short recess pursuant to RCW 42.30.140(4)(b) – professional negotiations. Following executive session, the regular meeting was reopened at 7:15 p.m.

Councilor Spahr move to authorize the city manager to sign a contract agreement with Land Management Services. The motion was seconded by Councilor Pope. The motion carried 4 to 1; Mayor Rider voted against the motion.

There being no further business to come before the council, the meeting was adjourned at 7:24 p.m.

Mayor

October 25, 2004

Attest:

City Clerk

October 26, 2004

The Chehalis city council met in special session on Tuesday, October 26, 2004, at Hess Kitchen in Recreation Park. The work session began at 5:00 p.m. with the following council members present: Fred Rider, Terry Harris, Daryl Lund, Bob Spahr, and Dr. Isaac Pope. Councilors Taylor and Ketchum were excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Rebecca Teitzel, Community Services Office Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Continued Review of the 2005 Recommended Budget**. Several departmental budgets were presented to the council, including community services, city council, city manager, city attorney, human resources, city clerk, finance, and non-departmental.

Because of meeting conflicts, Mayor Rider asked that the 2004 third quarter budget status report be held over to the next meeting scheduled for November 2.

There being no further business to come before the council, the meeting was adjourned at 6:50 p.m.

Mayor

Attest:

City Clerk

November 2, 2004

The Chehalis city council met in special session on Tuesday, November 2, 2004, at Hess Kitchen in Recreation Park. The work session began at 5:00 p.m. with the following council members present: Fred Rider, Daryl Lund, Tony Ketchum and Chad Taylor. Councilors Spahr, Pope and Harris were excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief/Fire Marshall; Barb Lovelady, Fire Department Administrative Assistant; Dale Miller, Police Chief; Becky Fox, Court Administrator; Steve Buzzard, Municipal Court Judge; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Andy Sennes, Property Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **2004 Third Quarter Budget Status Report.** Jim Larson indicated the city was slightly behind what the general fund beginning balances should be, mostly because of the dispute with WestFarm Foods for the natural gas tax. The Department of Revenue has stated they owe the tax, but WestFarm Foods continued to dispute the issue. He noted property taxes were good, and sales and use taxes were a little bit stronger than what was projected. He reported the other utility taxes were looking good so far, but one thing to look at, long term, was the likelihood of the revenue from telephone tax trending down, probably due to internet dial-up, as customers move away from dial-up, and dropping second phone lines. So over time, the city will more than likely see a decline in that area of tax revenue.

Mr. Larson stated the expenditures were right where they expected them to be this time of year. The revenues also were coming in as expected. He indicated the total expenditures looked quite low because of capital projects that were expected to happen this year, but for various reasons, have been put off until next year.

Mr. Larson noted the revenue for the water connection fees appeared high, primarily due to the Newaukum Village waterline project. The wastewater fund showed some extraordinary revenue due to some reimbursements for work done in 2003.

Overall Mr. Larson stated they were on budget, and the city looked to be in good financial condition as they moved towards next year's budget.

2. **Continued Review of the 2005 Recommended Budget.** Several departmental budgets were presented to the council, including municipal court, police services and fire services.

There being no further business to come before the council, the meeting was adjourned at 6:15 p.m.

Mayor

Attest:

City Clerk

November 8, 2004

The Chehalis city council met in regular session on Monday, November 8, 2004, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:30 p.m. and went directly into executive session with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; and Patrick Wiltzius, Wastewater Superintendent. Mike and Betty Meglemre of Puget Sound Public Employers were also in attendance.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session for until 6:00 p.m. pursuant to RCW 42.30.140(4)(b) – collective bargaining, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 6:20 p.m. and announced council and reconvened directly into regular session. Additional staff present for the regular meeting included: Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes of the regular city council meeting of October 25, 2004; and minutes of the special meetings of October 26, 2004, and November 2, 2004;
- b. October 29, 2004 Payroll Vouchers No. 23317-23478 in the amount of \$515,334.06;
- c. Purchase of a new hydraulic excavator; and
- d. Waiver of lease requirements for the city's railroad caboose.

The motion was seconded by Councilor Lund. Councilor Taylor noted he didn't see any bids from local vendors for the hydraulic excavator. Mr. Grochowski stated they talked with Caterpillar and they were going to try to get a bid from the state of Oregon, but found it would be a more expensive to go with a John Deere, and they decided not to put a bid in.

Councilor Spahr asked what the purchase price would be of a new hydraulic excavator and what it was going to cost to maintain the proposed model. Mr. Grochowski stated the bids received were for a new excavator. He added that Clyde/West actually flew in a mechanic from Texas to meet and answer questions about the Volvo excavator. Mr. Grochowski indicated he checked with a lot of construction companies and everyone he'd talked with had stated it was a good machine. He added Clyde/West also had mobile mechanics in the Seattle and Portland areas and the parts would cost about the same as replacement parts for a John Deere. He also noted it was written in the contract, if the excavator was ever down and parts were not readily available, Clyde/West would give us another machine to use during the down time.

Councilor Lund, referring to the bid sheets on the excavator, asked about the question "Have any exceptions been taken to the specifications" and what it meant. Mr. Grochowski stated it referred to anything different than what the bid specs required. He indicated there were a couple of things Clyde/West actually exceeded in. One was the hydraulic pump and the other was the digging stick. The Volvo actually had two pumps for power and the digging stick was about a foot longer than what the specifications called for.

Mr. Grochowski indicated they wished they could have gotten a John Deere or a Cat, but the price range was pretty tough to beat. He noted the city would save about \$14,000 by going with the low bidder.

Councilor Spahr inquired about item no. 7, the railroad caboose. He noted the historical significance of the theme scheme was on the engine itself and he had no problem with the association painting the caboose. He thought the reason the lease agreement may have been written the way it was, was perhaps that's the way the previous one was written.

Councilor Pope called for the question. The motion carried unanimously.

November 8, 2004

3. **Citizens Business.** Mr. Grochowski introduced his sister Joanne Floistad (Grumpy) who was in town visiting. He noted Ms. Floistad was currently employed as the city clerk in their hometown of Northlake Illinois.

4. **Staff and Council Reports.**

a. **Employee Service Awards.** Mr. Campbell reported awards of recognition for service would be given to two city employees, police officer, Jeff Elder, who had been with the city for 10 years, and Mark DeHaven, equipment operator for the public works department who had been with the city for 15 years.

b. **New Draft NPDES Permit.** Mr. Campbell reported he and Patrick Wiltzius along with Dick Riley and Mike Marshall of Gibbs & Olson attended a cordial meeting with the Department of Ecology (DOE). He noted the meeting was productive from the city's standpoint. DOE assented to a lot of the comments the city had in regards to the new draft NPDES permit. He indicated DOE didn't agree with everything, but they were able to get relief for a number of the items they requested and indicated the next permit would probably be more to the city's liking.

Mr. Wiltzius stated the city requested quite a bit from DOE that would save the city a lot of money, specifically the additional testing and reports DOE was asking the city to do.

Councilor Harris asked if there were any other potential issues the city needed to worry about. Mr. Wiltzius indicated there wasn't anything the city couldn't live with, but they had a few items that were going to cost the city some money to do, and a few issues to work on long-term after the wastewater treatment plant is completed.

c. **Police Academy.** Councilor Pope expressed to Chief Miller that the police academy had been very informative, and he had learned a lot about the city's police department from attending the academy. He also wanted to inquire about the re-accreditation noting he had heard rumors that there was a negative report given in regards to the police department from the Chamber. He asked Chief Miller if he was aware of the report beforehand. Chief Miller indicated he was aware of the report and it was mentioned to both the city manager and himself by someone involved with the re-accreditation process. He passed around a copy of the draft re-accreditation report which included the comments from the Chamber. Councilor Pope stated if the issue was of concern, he would like to hear the Chambers opinion about it. He thought some of the issues mentioned had been resolved.

Mayor Rider also commented on the police academy, noting they had good demonstrations of the city's weapons power and of the CIRT team.

d. **Grant Funding for Wastewater Treatment Plant.** Councilor Spahr indicated he was down in Vancouver last week and stopped in at Senator Murray's and Cantwell's office to again remind them the city was waiting for \$36 million in grant funding and would appreciate anything and everything they could do for us.

5. **Work Session - Annexation Plan.** Mayor Rider announced council would take a five minute recess before going into the work session to talk about the annexation plan. The meeting was called back to order at 6:40 p.m.

Mr. Campbell stated planning for annexation of the Chehalis industrial park had been something on their agenda as a goal for sometime. He noted council needed to come to a consensus as to what portion of the city's urban growth area they wanted staff to take a look at with respect to annexation. He added Jerry Boes, Bill Nacht and Jim Larson had taken the lead in getting information to council as to what some of the options were and what steps the city needed to follow in planning for annexation.

Mr. Boes handed out a map showing the area staff proposed to annex and indicated they had used roads instead of property lines to get a cleaner boundary line. He noted there was a report in the agenda that looked at some financial options as well. The boundaries recommended by staff would follow Jackson Highway south to Bishop Road, then turn right (west) on Bishop Road to Rush Road, then turn south on Rush Road to North Star (formerly Oeschli) Road, then turn right (west) on North Star Road to Interstate 5, then north on I-5 to the current city limits. He noted the area was fairly close to what was studied in 2000 and from an emergency response standpoint, when using a road or street as a boundary, it made it a lot easier for the responders to respond and for the dispatchers to dispatch. He added that nothing was set in stone, but council needed to decide if what staff was proposing was something they could agree on or if they would like to add more area or make it smaller.

November 8, 2004

Mr. Boes presented some summary figures and percentages based on the proposed area. The summary sheet showed the area mentioned above as having an assessed valuation of \$388 million. He noted there was still the dispute with Chehalis Power protesting their assessed valuation with the assessor's office. He stated there was a possibility the assessor's office might split the difference with Chehalis Power since it didn't seem either party could agree on the issue.

Also included in the agenda was a "60% Petition Annexation Method" matrix that was prepared by staff for council's review. The matrix included some percentages and also showed the city received an agreement signed by Chehalis Power stating they had agreed to annex when the city decides to move in that direction. Mr. Boes noted that just by using Chehalis Powers assessed valuation, council could see where the percentages would lean towards annexation.

Councilor Spahr commented that he had no objection to the boundaries staff had recommended. The only thing he cautioned was the depreciation factor Chehalis Power had in their plan. He noted council took that into consideration the last time they looked at annexing noting it goes down about 3% a year for 20 years, and then starts coming up again after that.

Councilor Spahr recommended that the council direct staff to prepare a proposed service plan and financial analysis for the proposed annexation area. Councilor Pope seconded the motion. Councilor Spahr asked how much communication the city had with Lewis County Fire District No. 6 at this time. Mr. Boes indicated he and Mr. Campbell had met with the fire district at a commissioners meeting about six months ago, and Mr. Boes had met with their fire chief on a couple of occasions to show him what the city was proposing to do.

Councilor Taylor and Lund stated they attended a meeting at Lewis County Fire District No. 6 a couple of weeks ago and listened to some of their concerns. Councilor Taylor added it was real informative and he hoped the city would be able to work with the district as much as they could without cutting off all of their resources. Councilor Lund stated council needed to be open to talking with the districts commissioners, but ultimately needed to look at what was best for the city.

Mr. Campbell referred staff back to the matrix, noting under state law there were several annexation processes available to cities, the one most commonly used was the 60% petition annexation method, which was the process staff assumed they would be following. He reported the matrix outlined several steps that needed to be done to get through the process. He indicated there were columns on the matrix showing different potential dates to have an annexation be effective. Mr. Campbell reported the city was already past the point of getting work done to have an annexation effective by February 28, 2005, stating it just wasn't feasible to have the annexation effective by that date, or by March 31, 2005. Mr. Campbell suggested council follow the steps outlined in the agenda report and make the annexation effective September 30, 2005. He noted depending on the financial analysis it may come down to having the effective as February 28, 2006. He indicated there were some advantages to having an annexation being effective in February of a particular year as opposed to later in the year, but would like to pursue September 30 as their goal, and keep in mind February 28 of the following year may be ultimately better for the city.

Councilor Harris asked if Mr. Boes was using Interstate Avenue or I-5 as the boundary line. Mr. Boes indicated they were using I-5 as the boundary line. Councilor Harris also had concerns about property owners who might have property on both sides of a highway, using Jackson Highway as an example, one would be in the city and one would be in the county. Councilor Taylor stated they would both be in the city's UGA therefore they would go have to abide by Chehalis development guidelines.

Councilor Pope called for the question. The motion carried unanimously.

There being no further business to come before council, the meeting adjourned at 6:56 p.m.

Mayor

Attest:

City Clerk

November 22, 2004

The Chehalis city council met in regular session on Monday, November 22, 2004, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:04 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Mansoor Ghorbani, City Engineer; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Shawn O'Neil of KITI Radio.

1. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes for the regular city council meeting of November 8, 2004; and
- b. Claim Vouchers No. 76628-76808 in the amount of \$625,926.23 dated November 15, 2004;

The motion was seconded by Councilor Taylor and carried unanimously.

2. **New Business.**

a. **Youth Fishing Pond at Stan Hedwall Park.** Andy Sennes introduced Jim Hubenthal and John Kostick from the Chehalis Lions Club. Mr. Sennes stated their department had been approached by the Lions Club to look into the possibility of working together on a volunteer project to build a fishing pond at Hedwall Park. A meeting was set up with representatives from the Lions Club and the Washington Soil Conservation Corps to try and identify any issues that might need to be addressed before they moved forward with the project. Mr. Sennes presented conceptual drawings as to what the pond would look like. He anticipated there would be some maintenance on the city's part, but didn't foresee any major issues. He noted staff had contacted Washington Cities Insurance Authority to check on any liability issues, and noted there were no major concerns.

Mr. Kostick added the Lions Club had been looking at the project for many years, and for the proper place to put it. He indicated it would be similar to the pond at Borst Park in Centralia, giving the younger generation a place to go fishing.

Councilor Pope stated he thought it was a good idea, but felt there were still questions to be answered such as what it was going to cost to build and maintain it. Since the city was trying to save money he felt they should know what those costs were before they approved the project. Mr. Sennes stated they were only there to get a sense of whether they should continue down the path of bringing their volunteer resources together to identify how the project would be done, and what equipment would be needed.

Councilor Pope asked if the Lions Club would maintain a commitment to the pond in the future. Mr. Kostick stated the Lions Club would seek donations from other service clubs to eliminate any major costs to the city if they got the go-ahead. He noted the maintenance would be the responsibility of the city since it would be located in the park, but should not be any great burden to the city.

Councilor Lund stated he was confident in both Mr. Kostick and Mr. Hubenthal stating when they say they are going to do something they get it done. Councilor Lund moved that the council approve the construction of a youth fishing pond at Stan Hedwall Park. The motion was seconded by Councilor Spahr.

Councilor Spahr stated he also thought it was a great idea, but questioned the flooding issues and wanted to know if that would create any problems. Mr. Sennes noted when they met with the Washington State Department of Fish and Wildlife and the Soil Conservation Corps, they discussed flooding in that area, and the groups agreed there would be no problem.

Councilor Ketchum asked if the word "construction" could be changed to "approve the concept" so they could get back information, instead of giving the go-ahead to build.

November 22, 2004

Mayor Rider stated he had to agree with Councilor Lund that both Mr. Kostick and Mr. Hubenthal had done a lot in the community and Lions Club was a great organization. He also agreed with Councilor Pope stating they needed to find out what the possible costs would be, and discuss any problems the city might be getting involved in.

Councilor Lund called for the question. Councilor Spahr moved to amend the motion to strike the word "approve" and insert the words "move ahead with the proposal for." The motion was seconded by Councilor Taylor and carried 6 to 1. Councilor Lund voted against the amendment. The motion to approve the main motion, as amended, carried 6 to 1. Councilor Lund voted against the motion.

b. **Ordinance No. 778-B, First Reading – Revision of Sewer Rates for Lewis County Sewer District #1 (LCSD #1) and Napavine.** Mr. Campbell reminded council this ordinance was similar to ones previously passed by council for a number of years regarding the annual adjustment of rate charges for sewer services to both LCSD #1 and the city of Napavine.

Patrick Wiltzius reported he calculated the rates based on flows and expenditures from the prior year. The rates for both Napavine and LCSD #1 were up approximately \$1,000 per month, mainly due to the increased amount of expenditures in the wastewater division for cleaning, televising the interceptor, increases in salaries and health benefit costs, and additional sludge removal at the wastewater treatment plant. Mr. Wiltzius indicated he had met with both Napavine and LCSD #1 and they were both aware of the increases.

Councilor Taylor moved that the council pass Ordinance No. 778-B on first reading. The motion was seconded by Councilor Ketchum and carried unanimously.

c. **Ordinance No. 779-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2005; Ordinance No. 780-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2005; and Ordinance No. 781-B, First Reading – Adopting the 2005 Budget.** Dave Campbell stated the ordinances all related to adopting the 2005 budget. Ordinance No. 779-B established the property tax levies for general operations and emergency medical services. Ordinance No. 780-B was required under Referendum 47 to identify the changes in property tax levies from the current year to the next year in terms of dollar amounts and percentages. He noted the only changes in the levies would be increases due to the value of new construction or new development, and state-assessed utilities. Mr. Campbell stated that normally the city would be authorized up to a 1% increase in property tax levies allowed by I-747 or to use any of the levies' "banked capacity", which was much more than 1%. However, the levies were not proposed to increase at all for 2005. Ordinance No. 781-B would adopt the 2005 budget by fund.

Councilor Spahr inquired to Ordinance No. 780-B, noting it said they would be setting the levy at \$1,020,335 and the property tax at \$198,000. In Ordinance No. 781-B it showed the total revenue for property tax to be \$1,148,000. He asked if the difference was because of new construction. Mr. Campbell noted in Ordinance No. 781-B the amount included in the budget was the estimated actual collections which allowed for uncollectible property taxes.

Councilor Spahr asked why the city was stating the amounts instead of a levy rate. Mr. Campbell indicated they always state the dollar amounts of the levy. The assessor calculated the actual rates once the final assessments were in.

In addition to the ordinances, three issue papers were attached at the request of the council. The issue papers included (1) additional maintenance staff in the wastewater division; (2) additional detective position in the police department; and (3) contracting out of council meeting minutes. Mr. Campbell told council they had the opportunity to amend the budget or make any changes in the budget with respect to the three issue papers, or anything else they might have on their mind.

Councilor Ketchum moved to pass Ordinance Nos. 779-B, 780-B, and 781-B on first readings. The motion was seconded by Councilor Spahr.

Issue Paper #1 – Additional Staffing in Wastewater Division. Mayor Rider noted it was a \$42,479 full-time position or two half-time positions which would come from the wastewater utility fund. He asked if the city were to hire two half-time positions, would those positions be eligible for benefits. Mr. Campbell stated they would be regular half-time positions and would be eligible for benefits. Mayor Rider stated he was under the impression if they were

November 22, 2004

part-time employees they were not eligible for benefits. Mr. Campbell indicated they would only be eligible for half of the cost of medical benefits.

Mr. Campbell stated the budget would need to be increased by \$35,517 and needed to be accounted for by either reducing the ending fund balance or by reducing other expenses within the wastewater utility fund. He noted there was money budgeted for the new seasonal person, but none budgeted for either one full-time, or two half-time positions.

Mayor Rider stated if he remembered correctly, there was enough money in the ending fund balance of the wastewater fund to do it.

Councilor Pope asked if the position was absolutely necessary. Mr. Wiltzius stated in all honesty, it was needed, but not absolutely. In order to stay on top of the work they already had at the plantation he highly recommended it. Councilor Spahr stated the city had a huge investment in the plantation and if it wasn't maintained properly it could cost the city more in the long run. Councilor Spahr asked if the position would still be needed after three years. Mr. Wiltzius stated he didn't want to say they wouldn't need it. Within three years he anticipated they wouldn't have to do as much maintenance on the trees, but they would have the irrigation system and piping which would be in full function and may require additional help to maintain.

Mayor Rider stated he was in favor of adding the position and believed it was important to maintain the trees so the project wouldn't fail. He indicated the city needed to have this position for the next two or three years if they were going to keep the project going.

Councilor Ketchum moved to amend the main motion by amending Ordinance No. 781-B to include \$35,517 for an additional maintenance position at the wastewater treatment plant, by reducing the ending fund balance of the wastewater utility fund. Councilor Taylor seconded the motion.

Councilor Lund stated he had just gone on a tour with Mr. Wiltzius and he reported the plantation looked like an overgrown weed farm. He agreed they needed to get something going on it.

Councilor Taylor called for the question. The motion carried unanimously.

Sister City Program. Councilor Ketchum move to amend the main motion by amending Ordinance No. 781-B to add back \$4,000 for the sister city program. Councilor Spahr asked Councilor Ketchum where the money would be coming from. Councilor Ketchum stated from the general fund by reducing the ending fund balance. The motion was seconded by Councilor Spahr.

Councilor Harris stated he was in favor of the sister city program and wondered if Inasa would still be able to participate in the program with the upcoming consolidation. Mayor Rider said it was his understanding Inasa still intended to continue the program.

Councilor Spahr indicated the money would only be spent on transportation if Inasa were able to participate. Councilor Taylor asked what some of the benefits were of being involved with the sister city program. Councilor Ketchum stated it was an inexpensive way to travel to another country, learn about their culture, and create new relationships across the world.

Councilor Pope was concerned because they were putting in proposals to look for money wherever they could and felt the sister city program was not essential. Councilor Taylor agreed.

The motion carried 4 to 3. Mayor Rider, and Councilors Pope and Taylor voted against the motion.

Issue Paper # 2 - Addition of Police Detective Position. Chief Miller pointed out that with the elimination of the deputy chief's position, the department had actually lost two full-time commissioned staff since 1999. He noted follow-ups being required by the officers were up 30% and reports were up 36%. Chief Miller stated he did an analysis

November 22, 2004

in the difference of the mileage that a normal day-shift officer would run and it was less than half. Instead of being out patrolling they're in the office doing follow-ups on burglary, forgery, and fraud crimes.

Councilor Taylor asked where funding could be located for adding an additional patrol officer. Mr. Campbell noted it was mentioned in the agenda report that council could either raise the property tax levy; raise other fees and taxes; reduce the ending fund balance in the general fund; reduce amounts budgeted for other purposes; or they could increase the revenue projections. Mayor Rider stated he wasn't sure where they would find the money, but wanted to keep the dollars and cents in tow without spending any additional money. He stated even though it was a lot of money he would like to see if they could find a way to do it.

Councilor Lund made a motion to amend the main motion by amending Ordinance No. 781-B to include a police detective position in the budget by reducing the ending fund balance in the general fund. The motion was seconded by Councilor Pope. There was some discussion as to the amount of money to be taken out of the ending fund balance. Former Interim Police Chief Dennis Dawes noted that half of the police chief's salary was budgeted, but never spent in the years after Chief Hamilton retired. He thought the money should have been rolled up into the ending fund balance. Mr. Campbell noted the money hadn't been spent, but was accounted for in the projections for 2005.

Councilor Pope called for the question and the motion carried unanimously.

Issue Paper # 3 – Minute Transcription. Mayor Rider asked the clerk if she really needed someone to come in and do the transcribing, and stated he thought the issue was already discussed during a work session. He also inquired about the additional time needed to update the municipal code book. Judy Schave indicated she didn't need any help with the transcribing, and the municipal code book was something she just hadn't got to yet since taking the position in May. Councilor Ketchum stated it was mute point.

Councilor Spahr asked Mr. Campbell, if the city were to increase the property tax by the 1% allowed under I-747, how would it be done. Mr. Campbell stated they would increase the amount of the levy by 1%, which would bring in about \$10,000.

Councilor Spahr moved that the council increase the levy by 1%. Councilor Lund seconded the motion.

Councilor Taylor thought that now was the wrong time to raise taxes even though it was just a small amount. He felt the water and sewer increases were enough for this year, and stated he would be voting against raising property taxes this year.

Mayor Rider asked at what point property taxes would take effect if the city raised the taxes this year. Mr. Campbell stated they would take effect in January 2005, noting the city would need to set the property tax levy before the end of the year.

The motion carried 4 to 3. Councilors Harris and Taylor, and Mayor Rider voted against the motion.

The motion to pass Ordinance Nos. 779-B, 780-B and 781-B as amended on first readings, carried 6 to 1. Councilor Taylor voted against the motion.

d. **Resolution No. 13-2004, First Reading – Approving the 2005 Budget for the Chehalis-Centralia Airport.** Mr. Campbell introduced airport manager, Fritz Gunther, and city representatives Frank DeVaul and Dennis Dawes to present the annual budget of the Chehalis-Centralia Airport as recommended by the airport board. Dennis Dawes stated that overall, the budget was the same one they've seen for the last few years with the exception of the loan from the county. Mr. Dawes indicated the biggest change in the budget was the \$5.2 million, but stated \$3 million of that amount was revenue of a potential loan with the county. The board did not plan to seek all the money at one time, but rather as projects were done at the airport. In order to meet the budget guidelines they had to have that capacity in their budget whether they draw on it or not. Mr. Dawes indicated a lot of infrastructure and base ground work had been planned at the airport in the next few years. He noted any additional revenue gained through other commercial development would be applied to the loan with the county.

Councilor Spahr asked about the difference in numbers between the operating expenditures proposed for 2005 and the signature sheet. Mr. DeVaul indicated the signature sheet included potential capital expenditures showing the operating and the

November 22, 2004

capital side. It was also explained that the repairs and maintenance included \$10,000 for ditch maintenance; \$30,000 for storm and water retention maintenance; \$10,000 for pump house repairs; \$10,000 for general operating maintenance; and \$100,000 was a contingency fund reserve which the board had been instructed to include by the state auditor.

Councilor Ketchum moved that the council approve the 2005 airport budget by adopting Resolution No. 13-2004 on first reading. Mayor Rider requested the airport board provide a more detailed breakdown of what was in the budget. Mr. DeVaul stated he would see that the council had the information before the next council meeting. The motion carried unanimously.

e. **Ordinance No. 782-B, First Reading – Submitting a General Obligation Bond Measure to the Voters on February 8, 2005, for a Public Safety Building Project.** Mr. Campbell stated the ordinance would propose to submit a general obligation bond measure to the voters of the city on February 8, 2005, on the special election ballot for the purposes of renovating or constructing a new public safety building.

Councilor Pope moved that the council pass Ordinance No. 782-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

f. **Ordinance No. 783-B, First Reading – Year-End 2004 Budget Amendment.** Mr. Campbell stated the ordinance proposed to amend the 2004 budget.

Councilor Spahr moved that the council pass Ordinance No. 783-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Staff and Council Reports.**

a. **Police Department Re-accreditation.** Chief Miller first thanked Mr. Campbell for attending the Washington Association of Sheriffs and Police Chiefs meeting in Ocean Shores where the city was awarded its five-year accreditation plaque. Chief Miller noted the next accreditation would be in three years at which time the new tier system would be in place. Departments would have the option to pick a tier without having to comply with all 433 standards. Councilor Taylor noted it was quite an accomplishment. Mr. Campbell stated Chehalis was among a small group of agencies recognized. Mayor Rider commended staff for all their hard work.

b. **Grant Received from the Transportation Improvement Board.** Marilyn Riebe provided council with a news release sent out by the Transportation Improvement Board (TIB). The board awarded Chehalis its full request of \$1,963,900 for the Chamber roundabouts project. Ms. Riebe noted the project had failed to obtain funding in prior years, but ranked highly once the federal and private funding partnerships were arranged. The Chamber Way grant completes the funding required to convert the existing overloaded intersections into roundabouts. Ms. Riebe noted Mansoor Ghorbani had a lot of input into the application process as well. Mr. Ghorbani stated the city now had \$5.8 million worth of funding for this project, and the city's needs were about \$5.7 million. He noted the \$5.8 million included about a million dollars worth of contingency built into it in case other things came up. He stated the Department of Transportation (DOT) would be coming back to council with the project plan and the design report in January 2005. They would proceed with the final design in 2005 and start construction in 2006.

Tim Grochowski reported on that Tuesday November 30th, DOT would be setting up a roundabout course similar to the ones being proposed. It would take place at the fairgrounds from 9:00 a.m. to 4:00 p.m. The public works department contacted about 30 companies and faxed a news release that morning inviting businesses and citizens to stop by and take part. Mr. Grochowski noted the local DOT would be setting it up with traffic cones and Brian Walsh would be there as well.

Councilor Harris asked if Mr. Walsh had contacted anyone in the city about the concept of possibly inverting some of the roundabouts. Mr. Ghorbani reported they were still at the preliminary stage and it was too early to know, but after the mock testing they would be getting into more of the design detail questions and answers.

November 22, 2004

c. **Grant Received from the Environmental Protection Agency.** Ms. Riebe stated there was a federally funded grant program administered by DOT called the State and Tribal Assistance Grant (STAG). The program comes out of the Environmental Protection Agency (EPA) and DOE administered it. Back in February 2004, Ms. Riebe submitted an application, with the help of Patrick Wiltzius to DOE and Senators Patty Murray and Maria Cantwell, and Representative Brian Baird. She requested \$36 million for the wastewater treatment plant and announced that last Friday Congress passed their funding budget, including a \$150,000 STAG grant for Chehalis. She stated she would be moving forward to submit another application in February 2005.

Councilor Spahr asked if a letter would be sent out to thank our elected officials for their efforts. Ms. Riebe stated she would write one and have all of the council sign it. Mayor Rider thanked staff for their efforts.

d. **Letter from the Lewis County Assessor.** Mayor Rider stated council received a letter from the Lewis County Assessor indicating they had cut the assessor's office budget by 24%, and assessments would no longer be done annually. The only time they would re-assess would be in their normal rotation of districts. The county would only hit new construction zone by zone which meant there would be a three to four year turnaround. Mayor Rider noted the increases in property taxes would no longer be coming through on an annual basis. Mayor Rider stated he would respond to the letter on behalf of the council.

e. **Transportation Coalition Meeting.** Mayor Rider announced he had attended the transportation coalition meeting in Grays Harbor. The coalition reported, even though they raised the gas tax, they were not receiving as much money as they had projected. They would be looking at more ways to increase revenue.

f. **Chehalis River Basin Partnership.** Councilor Spahr reported they met and talked about the grant they received, and the actions they would be taking in the next coming months. They discussed a proposal from the Governor to develop action committees within the basin. He noted their basin and planning group seemed to be ahead of a lot of the other planning groups around the state, and already considered themselves more of an action committee.

4. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:46 p.m., after a short recess pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate. Following executive session, the regular meeting was reopened at 8:34 p.m. Councilor Spahr moved that the city contract with B & A Incorporated to do a farm plan and a second contract for a wetland study, of the Barnes property, at a price not to exceed \$15,000. The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 8:35 p.m.

Mayor

Attest:

City Clerk

December 13, 2004

The Chehalis city council met in regular session on Monday, December 13, 2004, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into executive session with the following council members present: Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr and Chad Taylor. Councilor Harris was excused. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Bill Hillier, City Attorney; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Mark Petrie, Water Superintendent; and Joanne Schwartz, Community Services Director.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(c) – sale or lease of real estate, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 5.35 p.m. and announced council would reconvene into regular session at 6:00 p.m. Additional staff present for the regular meeting included: Caryn Foley, Human Resources Director; Andy Sennes, Property Manager; and Bill Nacht, Asst. Fire Chief/Fire Marshall. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Shawn O'Neil, KITI.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:

- a. Minutes of the regular city council meeting of November 22, 2004;
- b. Claim Vouchers No. 76482-76627 in the amount of \$217,987.62 dated October 29, 2004; Claim Vouchers No. 76809-76926 in the amount of \$191,042.48 dated November 30, 2004; and Payroll Vouchers No. 23479–23639 in the amount of \$518,273.61 dated November 30, 2004; and
- c. Purchase of property for the Prindle Avenue wastewater pump station.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Unfinished Business.**

a. **Ordinance No. 778-B, Second Reading – Revision of Sewer Rates for Lewis County Sewer District #1 and Napavine.** Mr. Campbell stated this was the ordinance that calculated the revisions of sewer rates for 2005 for Napavine and Lewis County Sewer District #1.

Councilor Taylor moved that the council pass Ordinance No. 778-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Ordinance No. 779-B, Second Reading – Determining and Fixing the Amount of Revenue to be Raised by Ad Valorem Taxes During 2004; Ordinance No. 780-B, Second Reading - Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2005; and Ordinance No. 781-B, Second Reading – Adopting the 2005 Budget.** Dave Campbell reported Ordinance 779-B stated the amounts of the property tax levies, both the general operating levy and the EMS levy, while Ordinance No. 780-B stated the amounts of change between the 2004 and the 2005 levies, and Ordinance 781-B would adopt the 2005 budget.

Mr. Campbell stated that two weeks ago council indicated a willingness to increase the property tax levies by 1% in 2005. He noted that since the last meeting, he and Jim Larson had received additional information from the Lewis County Assessor regarding the city's property and the assessed values for 2005, which indicated the value of new construction in Chehalis was such that it would offset the dollar amount raised by a 1% increase in the property tax levy. He indicated the assessment was that the council would just as soon pass the property tax levies without the 1% increase. Mr. Campbell noted the ordinances were amended to reflect levies without the 1% increase, and if council still wanted to include the increase in the budget, they would need to make another motion to include the 1% increase in the property tax levy.

Mr. Campbell noted other changes council made to the budget two weeks prior were reflected in the budget, which reduced the ending fund balance in the general fund to 8.3% from 10%, as put together in the recommended budget. A change in the wastewater fund, for an additional position, was also reflected in the budget as well.

December 13, 2004

Councilor Ketchum moved that the council pass Ordinances Nos. 779-B, 780-B, and 781-B on second and final readings. The motion was seconded by Councilor Taylor.

Mr. Campbell stated one other point about the 2005 budget was that in two weeks staff would be presenting three different proposals for projects or activities that were council goals for 2004-2005. Staff would be presenting some recommendations for the development of a city web site; publication of a city newsletter; and pursuing the council-staff team building sessions. He noted none of those spending possibilities were reflected in the 2005 budget, and indicated he didn't anticipate them to be too costly, running anywhere from \$8,000 to \$10,000 on an individual basis.

Councilor Taylor made a motion to amend the main motion to remove the 1% property tax increase. The motion was seconded by Councilor Ketchum.

Councilor Spahr passed out an editorial from 1996, which criticized council for not raising taxes. He stated he didn't want to raise taxes anymore than anyone else. He noted the city's current reserves would be \$570,000 with a \$7.6 million dollar general fund budget. He reminded council that if the city had a 2% inflationary year, in 2006 they would need to come up with another \$150,000 to bring the reserves up to the 10% they needed according to their guidelines. He noted they also needed to get the street department back in-line, which would be another \$90,000.

Councilor Spahr stated \$10,000 wasn't a whole lot of money today, but asked that the council keep in mind that next year they would have a real battle on their hands if they didn't keep the 1% increase in the budget.

Councilor Lund stated he agreed with Councilor Spahr, noting in the past they didn't raise taxes to pay for fixing things and if the city holds off fixing its roads, it was going to cost a lot more later on.

Councilor Pope called for the question on the amendment to remove the 1% property tax increase. The motion failed 2 to 4. Councilors Pope, Spahr, Lund and Mayor Rider voted against the amendment.

Mr. Campbell stated he would re-write the ordinances to include the 1% property tax increase.

The main motion, to include the property tax increase, passed 5 to 1. Councilor Taylor voted against the motion.

c. Resolution No. 13-2004, Second Reading – Approving the 2005 Budget for the Chehalis-Centralia Airport.

Mr. Campbell stated it was the same resolution approved on first reading two weeks prior. He noted there was some additional information included in the agenda packet that was provided by Fritz Guenther and Frank DeVaul, which included more detail of the line item accounts.

Councilor Ketchum moved that the council approve the 2005 airport budget by adopting Resolution No. 13-2004 on second and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

d. Ordinance No. 782-B, Second Reading – Submitting a General Obligation Bond Measure to the Voters on February 8, 2005, for a Public Safety Building Project.

Mr. Campbell stated that no changes were made since the first reading and that the ordinance would submit the bond measure to the voters on February 8, 2005 for the purchase and remodel of the county's public services building for a price up to \$4.5 million.

Councilor Spahr moved that the council pass Ordinance No. 782-B on second and final reading. The motion was seconded by Councilor Lund.

Councilor Ketchum asked if the February ballot would give the committee enough time to do what they needed to do to get information out to the community.

Mr. Campbell stated the first part of January would be the time when a lot of information would be presented to the community about the proposed bond issue. From the standpoint of putting information out to voters, whether it was basic factual information of what the levy was and how much it would cost, or if it was from a committee that would advocate or ask for a favorable vote, in either case there was not a whole lot of time between now and the 8th of February to get that information out.

December 13, 2004

Councilor Ketchum asked if the city would be doing an injustice by not informing the citizens properly. Mr. Campbell stated he couldn't answer that question.

Mayor Rider stated it had been debated by some of the original committee members and the new planning committee, and they felt it was a doable situation if everyone cooperated. Councilor Ketchum stated that if the committee felt it could be done, then the city should move forward with putting it on the February ballot.

The motion carried unanimously.

e. **Ordinance No. 783-B, Second Reading – Amending the 2004 Budget.** Mr. Campbell indicated there was one change to the ordinance compared to what was presented two weeks ago. Jim Larson explained that the additional amount of money affecting the automotive-equipment reserve fund was due to the purchase of the new fire engine. He noted the engine was purchased on a lease, and the city was required to show it as an expenditure in the year the city took delivery. The city needed to show a sufficient budget to pay both the purchase price of the vehicle and any improvements or equipment attached to it, which required the budget to be increased in the automotive-equipment reserve fund by \$460,000. He indicated \$421,000 of that was offset by the proceeds of the lease, which would be shown as revenue and the remainder would come from the fire department's share of the reserve fund balance in the automotive-equipment reserve fund.

Councilor Ketchum moved that the council pass Ordinance No. 783-B on second and final reading, and suspend the reading of the ordinance by the city attorney. The motion was seconded by Councilor Taylor and carried unanimously.

4. **New Business.**

a. **Resolution No. 7-2004, First Reading - Amending the 2005-2010 Six-Year Transportation Improvement Plan.** Tim Grochowski stated they had been contacted by the Washington State Department of Transportation (WSDOT) regarding the 2005-10 six-year transportation improvement plan (STIP). WSDOT requested the STIP be amended to reflect the project priorities before they gave final approval for the city to use the \$3 million dedicated for bridge widening. WSDOT asked the city to change the dedicated funds that came from the Federal Highways Program to Lewis County and then to the city for improvements to the Chamber Way corridor to segregate the Louisiana intersection as a separate project from the rest of the Chamber Way corridor and to change the state funding of that interchange to \$1.7 million.

Councilor Taylor moved that the council suspend the rules requiring a second reading. Councilor Ketchum seconded the motion and it carried unanimously.

Councilor Taylor moved that the council amend the 2005-2010 Six-Year Transportation Plan and Resolution No. 7-2004 by adopting Resolution No. 14-2004 on first and final reading. The motion was seconded by Councilor Ketchum and carried unanimously.

5. **Staff and Council Reports.**

a. **Employee Service Award.** Mr. Campbell recognized Police Officer Brian Hickey for his 5 years of service to the city and noted he would receive his award at an appropriate time.

b. **Update on Skateboard Ordinance.** Chief Miller stated the yearly report gave information about the enforcement activity related to the skateboard ordinance. He noted most of the contacts were from the officers on patrol and not from complaints from businesses or citizens. In his opinion the ordinance was a useful tool. He hadn't got a lot of feedback from anyone, but felt the ordinance was working.

c. **Council Meeting Reminder.** Mr. Council reminded council the meeting on the 27th of December would be a work session format and would be held at the activity building in Henderson Park at 6:00 p.m. He noted a bulk of the information sharing would be on the re-design of the proposed roundabout project.

Councilor Rider asked if council would prefer to start the meeting at 5:00 p.m. since the last meeting dealing with the roundabouts was extremely long. Council agreed and the meeting time was changed to 5:00 p.m.

December 13, 2004

d. **Letter to the Lewis County Assessor.** Mayor Rider noted they had discussed sending a letter to the Lewis County Commissioners regarding the county no longer doing annual assessments of property, but because the county had already passed their budget, he felt it was inept to send the letter.

e. **IP Callison Inspection.** Councilor Ketchum asked Joanne Schwartz to pass on to Bob Nacht and staff that IP Callison really appreciated the effort put forth by the city in getting their inspection done without causing any downtime to the company.

There being no further business to come before council, the meeting was adjourned at 6.45 p.m.

Mayor

Attest:

City Clerk

December 27, 2004

The Chehalis city council met in regular session on Monday, December 27, 2004, at the Chehalis community services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Mansoor Ghorbani, City Engineer; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Consent Calendar**. Councilor Spahr moved to approve the consent calendar comprised of the following items:
 - a. Minutes for the regular city council meeting of December 13, 2004;
 - b. Claim Vouchers No. 76927-77107 in the amount of \$368,978.29 dated December 15, 2004; and
 - c. Assignment of lease and consent for transfer of ownership of espresso stand in Chamber of Commerce site parking lot.

The motion was seconded by Councilor Lund.

Mayor Rider asked Dave Campbell if the lease transfer was a buy-out of the remainder of the current lease. Mr. Campbell stated there was about 15 months left to run on the lease. He noted there was no extension of the term or change in the amount of the lease, just a change in the ownership. The motion carried unanimously.

2. **Unfinished Business**.

- a. **Design of Proposed Chamber of Commerce Way Traffic Improvement Project (Roundabouts)**. Mr. Campbell stated Rich Hensley, Washington State Department of Transportation (DOT) and Tim Grochowski would present council with the revisions to the roundabout project. Mr. Grochowski introduced Mark Cook, Lewis County Public Works Director, who was also involved in the project, as well as Mansoor Ghorbani. They met with DOT on several occasions to go over questions and concerns with the project. Mr. Grochowski stated they would present council with the conceptual design of the installation of five roundabouts on Chamber of Commerce Way.

Mr. Grochowski noted they had provided various ways for the council to participate in the design phase by several news articles and other reports from different sources, a field trip to Gig Harbor, two previous presentations at council meetings by DOT representatives, and the mock roundabout demonstration held at the Southwest Washington Fairgrounds last month. One concept the design team did not use was that of one roundabout to cover State Avenue and the northbound freeway ramps. They believed traffic would move better with two roundabouts at that location due to increased maneuverability, reducing the possibility of back-ups on the northbound off ramp from Interstate 5. The concern regarding a 3% grade slope at all of the roundabouts was addressed by reducing it to 2%. The curbs would be a mountable type with a height of 3 inches with a gentle slope instead of a 6-inch curb. He also noted the concept of designing the roundabouts with reverse grades that would slope into the center was evaluated, but found to be troublesome due to drainage reasons. He noted they would have to do some stormwater mitigation on the project with normal grades, and specified reverse grades would cause further problems by trapping stormwater in the center in holding vessels and structures.

Other issues evaluated by the team during the past three months have included the elevation change between the Louisiana Avenue and the southbound freeway ramps roundabouts, and the size of the National Avenue roundabout.

Mr. Hensley presented a slide show from the Gig Harbor and Lacey areas, showing how the larger trucks maneuvered through the turns, as well as slides from the mock demonstration held at the Southwest Washington Fairgrounds.

He also answered questions regarding the grades of the aprons, statistics of accidents in roundabouts, noting depending on the location and the volume of traffic there were more accidents to occur in a roundabout than a corner with 4-way stop signs.

Mayor Rider stated they would start by going through each roundabout and discuss any concerns anyone might have. He indicated he had some concerns about the different designs of aprons and would like to see more consistency.

December 27, 2004

Mr. Hensley went over each individual roundabout starting with Louisiana. He noted the roundabout would have a flat profile with a 2% grade for water shedding, using the standard mountable curb that would incorporate future expansion. He noted they had shifted the roundabout to the east and to the south to eliminate any conflict with the existing pump station, which would save around \$250,000 by not having to impact the pump station.

Mayor Rider noted they only had one lane on the east side of the roundabout. Mr. Hensley stated the reason being, most of the traffic movement would be going east and west noting the lower volumes of traffic flow didn't warrant a double lane. Mayor Rider indicated he wanted to see two lanes all the way around on the Louisiana roundabout and make the roundabouts consistent throughout. Mr. Hensley noted there was the capacity to add a second lane if necessary or it could be added at a later date by moving the curb using a jackhammer, repaving and re-striping the area.

Mr. Cook asked Mr. Hensley if they designed the Louisiana roundabout to the existing and predicted volumes rather than trying to fill the added capacity. Mr. Hensley indicated that from the traffic analysis they had, from current statistics to those forecasted 20-year from now, the one-lane capacity would be sufficient. Mr. Cook noted if the city and county were to pursue the option of a second lane, there could be some incremental financing that the county might assist the city with in order to fill the capacity. Mr. Hensley indicated the city could do future traffic counts 10 years from now to see if it would actually warrant the additional lane at that time, and stated the city could probably put in for additional funds or talk to the developer about adding a second lane. It would only require tearing out a little bit of a curb and a small island to accommodate it. Mr. Cook asked that Mr. Hensley give the city the cost of what it would be to add the second lane at this time.

Councilor Pope talked about the widening of I-5, which was projected to happen in another 15 years. He asked what would happen if the state decided to do the widening in 5 years. Mr. Hensley indicated there was no construction funding at this time to do that project in the Chamber Way area. He noted that DOT would begin construction in 2008 widening I-5 in the area between Maytown to Grand Mound, working its way from the north to the south.

Mr. Grochowski inquired as to what would happen to the roundabouts once I-5 was widened at Chamber Way. Mr. Hensley stated that depending on how wide they widened I-5, there was the potential of eliminating the roundabout located at Louisiana. He indicated they anticipated widening the bridge four lanes in each direction.

Councilor Harris noted that roundabouts don't particularly work with signals, so if they go back to signals on the freeways, they would need to go back to signals at the other intersections. He noted there would possibly be one roundabout remaining at National Avenue, because it was far enough away from the signals, it wouldn't affect the flow of traffic.

Mr. Hensley then discussed the south bound ramp noting it was modified to a flatter slope so it was an even 2%. He stated they took out the truck apron and put in textured concrete and rumble strips, because they anticipated tracking movements. He noted they went with the teardrop shape since that particular roundabout did not allow 360 degree movement, because of the proximity with the exiting bridge.

Councilor Pope asked about any unforeseen problems with the installation of the roundabouts. He asked how difficult it would be to make changes to the roundabouts and who would pay for it. Mr. Hensley stated it was a city project, but noted they had islands in the roundabouts making it easy enough to chip out the curb and re-strip. He noted the state had a consultant (HDR) who would be doing a review of the design and would give DOT any comments they might have.

Councilor Harris had concerns about the crosswalk area on the south bound on-ramp. He asked if there was anymore consideration given to alerting eastbound drivers, beginning to go southbound, to be more aware that there could possibly be people crossing in the crosswalk. Mr. Hensley stated the crosswalk would take place further into the roundabouts. It would be a tapered area allowing traffic to flow without impacting the pedestrians at all. Councilor Harris stated typically a driver would be looking to the left trying to merge into traffic, and wouldn't even be looking to their right until they were already exiting the roundabout and picking up speed to go onto I-5. Mr. Hensley noted the traffic speed within the roundabout would be designed for slow movement. Councilor Harris stated the situation could be easily resolved with some sort of alert system, and stated

those types of issues needed to be dealt with prior to construction. Mr. Hensley noted that DOT was not at that level of design yet. Currently they were working on the geometrics, both vertical and horizontal and elevation wise. Once those had been established, they would be working with city staff to address all the concerns, including the possibility of putting down flashing lights in the crosswalks.

December 27, 2004

Councilor Harris stated he had several people ask him what a roundabout was. He believed that constituted having flashing lights on signs to draw their attention to the fact that they would be entering into a roundabout and make them slow down.

Mr. Cook agreed with Councilor Harris and stated he felt it was an issue of sufficient merit. He noted they would be asking the state traffic engineers to specifically look at the pedestrian conflict.

Mr. Hensley reported that the modifications to the northbound ramp were fairly minimal, what they did overall, was to make the grade/profile flat with a 2% slope on the truck apron to increase the safety aspect.

Councilor Harris suggested that they move the pullouts in the southbound lane to be more consistent to what the northbound roundabouts design to allow for a better turning radius.

Mr. Hensley reported that the changes made to State Street involved flattening the overall profile. Based on some of the tracking movements they saw at the mock demonstration, they actually had two options to consider. The first option, because the overall profile was flat, was to keep it at normal roundabout with an 11-foot truck apron with a standard curb. The other option would be to shorten it up by 4 feet. They would shift it over 4 feet to allow the trucks to off track and not get up on the apron. He stated the one lane area of the roundabout, with a 4-foot apron to allow for any type of off-tracking, would work for large trucks and double trailers.

Mayor Rider indicated he preferred the second option, since the State Street roundabout would have a lot of low-boy traffic coming through it.

Mr. Hensley reported on the National Avenue roundabout stating it was a flat platform, and basically all they did was add a fourth lane for future expansion.

Mayor Rider asked if the underpass would be left in place. Mr. Hensley reported that it would be.

Mr. Hensley stated the sidewalk would be 8 feet wide to accommodate bicycle and pedestrian traffic, with pedestrian access limited to the south side. Bicyclists, depending on their experience level, would actually have an opportunity to negotiate on the highway as well.

It was asked if any signs would be posted to let drivers know that the trucks would have the right-of-way. Mr. Hensley stated that would be up to the city to post signs.

Mr. Cook stated the questions they would be taking back to DOT and their departments would be:

- Cost estimates of two lanes at Louisiana
- A request of the state traffic engineers to evaluate the crosswalk, on the southbound on-ramp
- A request to include a cut out of the southbound roundabout similar to the northbound roundabout
- State Street, option 2
- Wherever possible, apply consistency standards as desired by the city
- National Avenue using a flat cross-section slope

A question came up regarding increased insurance rates, noting there would be more frequent accidents with the installation of the roundabouts. It was noted that insurance companies use an actuary study based on the number or frequency of accidents. A hire ratio would mean higher premium rates for local drivers. Jim Hill asked if council might consider appointing a committee to look into the matter of insurance rates increasing. Councilor Pope stated he didn't believe it had any significance. Councilor Harris noted the city would be increasing the number of times a police officer was going to be an insurance investigator, depending on how much damage was done to the vehicle. Mayor Rider stated that every time something was done, even if it were to involve widening I-5, there's going to be some kind of impact. He stated he felt it was irrelevant and Council needed to address the traffic back-ups, and noted the traffic hazards would go down once people learned how to drive in the roundabout.

It was asked how long it would take to develop all five roundabouts. Mr. Hensley stated they potentially were looking at building

December 27, 2004

them all at the same time with most of the construction taking place at night, but didn't have an exact time as to when it would be complete.

Mr. Grochowski noted Home Depot would be installing a roundabout at Arkansas Way, which would give some people practice at using them.

Mr. Cook shared that DOT and the county had just begun having discussions on route evaluation during construction to look at what temporary signs they could put into place, utilizing Highway 6. He noted they were anxious to work with the city and would present council with a package explaining the interim actions during construction.

Councilor Spahr moved that the council approve the design work of the Chamber of Commerce corridor traffic improvement project. The motion was seconded by Councilor Taylor.

Councilor Spahr thanked Mr. Hensley for his presentation.

Councilor Harris stated there are times and places for roundabouts, but was not convinced it was necessary. He would rather see the city's focus be turned to forcing the issue down a little more wholeheartedly. He noted he could be wrong and hoped that he would be, and in addition he wanted to let staff know he appreciated all their hard work.

Mayor Rider asked if the funds were secure and in place. Mr. Hensley stated they had the \$3 million from Senator Patty Murray's office, from the bridge replacement money, but would have to talk with Bart Gernhart to see if anything had changed. Mayor Rider stated the city had just spent \$650,000 designing the project and now the money may not be there, noting he had received an email indicating the funds might not necessarily be available. Mr. Hensley stated based on the letter he had from Senator Murray, the money was there and everything was a go.

Councilor Spahr called for the question. The motion carried 6 to 1. Councilor Harris voted against the motion.

Mayor Rider thanked everyone for their hard work and thanked Mr. Hensley and his staff for going back and looking at the things the city requested them to look at. He also thanked Mr. Cook and the county for all of their input.

3. New Business.

a. City Newsletter. Joanne Schwartz reported on the proposal for the city newsletter. She worked with Frank DeVaul, a local vendor, who proposed four publications per year to be mailed out to all addresses within the city limits. A mock-up copy was handed out so council would have an idea of what the newsletter would look like.

The cost per mailing would be about \$2,650 for a total of \$10,600 per year. She stated that amount was a little allusive, since the post office could change their bulk mailing rates at any time.

Mr. DeVaul indicated the newsletter could be modified however it needed to be, and reminded council that the cost would include Advocate Printing doing all the set-up and design work with the final product being approved by the city.

Mayor Rider asked if it would be possible to offset some of the cost with advertising. Mr. DeVaul stated something could be looked at if that's what the city decided to do, but noted the city would almost have to have corporate sponsors to do something like that. Councilor Pope stated he wouldn't want the newsletter to depend on advertising. He stated this was a council goal and something to be used to inform the public. Councilor Spahr stated the whole issue behind the newsletter was to get the word out on what's going on within the city.

Ms. Schwartz reminded council that since the newsletter would be sent out quarterly some of the information would be old news, and she suggested they look at articles that wouldn't have a lapse time.

Councilor Lund moved that the council approve contracting with the hiring of Advocated Printing to do a quarterly city newsletter and further approve an appropriation of \$11,600 in the 2005 budget (general fund). The motion was seconded by Councilor Harris.

Councilor Spahr stated they should try it and see how it was accepted noting nothing said they had to continue to

December 27, 2004

publish it if it wasn't doing what they wanted it to. Mayor Rider agreed that the newsletter should be used to disseminate information. He stated he wasn't opposed to doing the newsletter and suggested perhaps something should be sent out to the citizens to find out how they would like to discern their information, by web site or newsletter, noting that could save some of the costs for mailing out newsletters.

Councilor Taylor stated there was a lot of ways to get a newsletter out to people. He suggested perhaps using email, which would also cut down on postage. He stated they needed to lay out a plan on how to get information to citizens and felt they should start out with something the citizen could hold in their hands, which would also direct them to where the web site was.

Councilor Pope stated they had already had that discussion and they wanted to do a newsletter. Councilor Pope called for the question and the question carried unanimously. The motion carried unanimously.

b. **Web Site.** Jerry Boes addressed council with information regarding the proposed city web site. He passed out a packet detailing some web sites designed by the company they planned to recommend to council. He noted there had been a couple of attempts by city staff to do a web site, but found it to be very time consuming. They interviewed three potential site designers and developers and selected the company they felt would do the best job for the city. Councilor Spahr asked if it was a one-time charge or if there was a maintenance fee, as well. Mr. Boes stated the fees listed on page 2 of 9 were basically for design. He stated they wanted to design the web page so that city staff would be able to go in and maintain the pages and post information as needed.

Mayor Rider noted they listed an annual fee of \$15 for each domain. Mr. Boes also commented that the site would be hosted by Local Access at no charge, since the city already had contracts in place with them for fiberoptics and telephones. He also stated that city staff would have a big part in designing with each department having some input.

Councilor Taylor asked Lilly Wall if the web site would be used for registering people for sporting events. It was said that people would be able to print the forms from the web site, but the city would need to purchase additional software in order to have the capability of registering people and paying on-line. Councilor Taylor asked if there would someday be the capability of the city taking payments on-line. Mr. Larson stated one day it would be possible and he would like to see the city move in that direction, but he wasn't pushing the issue at this time. Mr. Boes stated the company they were recommending would have the ability to add that feature to the web site if and when the city was ready to do so.

Councilor Lund asked how many pages the city planned to put on the web site. Mr. Boes reported the recommendation to start out with would be around 100 pages, the main navigation pages would be about 10 pages, costing around \$8,000. Mr. Lund thought that was a good price from what he's heard from others who are setting up web sites.

Councilor Spahr recommended that the council authorize the city manager to enter into a contract with Beachdog.com, not to exceed \$10,000, to develop a web site for the city. The motion was seconded by Councilor Lund and carried unanimously.

c. **Council-Staff Teambuilding.** Mr. Campbell reported that he and staff had recently reviewed written proposals and interviewed two consultants who could facilitate teambuilding activities. The person who came out on top during the process was Michael Pendleton. He came to the city with some experience, doing work with our police department a few years ago, and was well received at that time by the staff that worked with him. He also had a wealth of other experience with other governmental agencies. Staff estimated the total cost for 2005, based on Mr. Pendleton's proposal, to be in the range of \$8,000 to \$10,000. His initial assessment and report (phase 1) would run about \$6,500.

Mr. Campbell reminded council it was one of their high priority goals for 2004-2005. Of the two potential facilitators interviewed, the recommendation was to work with Mr. Pendleton.

Councilor Lund moved that the council approve contracting with Michael Pendleton for the council-staff teambuilding activities during 2005. The motion was seconded by Councilor Taylor and carried 5 to 2. Councilors Ketchum and Spahr voted against the motion.

d. **Structure of Proposed Public Safety Building Bond Measurer Debt.** Jim Larson explained that this was a complicated issue and wanted to be sure council understood the options available. He reminded council the city was going to an election with a bond issue and one of the vital pieces of information they need to tell citizens was how much it was going to cost.

December 27, 2004

In order to give them a good answer they needed to know exactly what the bonds were going to look like.

Mr. Larson stated when a bond is issued you're just borrowing money, but in many ways it's more complicated than that. With bonds, you sell them usually in increments of \$10,000. Each one of the bonds would have its own term and interest rate. Instead of having a single contract, you would have, on a \$4.5 million bond, 450 contracts, and what that allows the city to do is customize exactly how much money the city would pay each year. He noted there were three general approaches the city could take.

The first option, which is the most common option, would be the level payment option where the payment always stays the same. It would be similar to a mortgage where you pay a lot of interest in the beginning.

With the second option the level principle option, you pay the same amount of principle every year. What that does is loads a lot of the costs up front and your total payment will go down over the term. The tax rate on that option also starts out high and decreases over time.

The third and final option was the level levy rate option that would have a tax levy rate which would stay the same for the entire period of the bonds. The advantage this had was they would be able to tell citizens what the cost would be per thousand. He reminded council they were just making assumptions on interest rates and assessed valuations, but based on the assumed interest rate, it would be about .63 cents per thousand, which was an easy concept to understand. It also made the payments go up over time, rather than paying a lot up front.

Based on the three options, staff recommended that the city move forward with the third option, the level levy rate option. Staff could then move forward with public information and let the taxpayers know how this will be taxed upon them.

Councilor Harris stated the level levy rate option was pretty heavily back-loaded, but it didn't seem to be that much more than the level payment option. He didn't see any problem with the level levy rate option.

Councilor Lund asked if there was a law against going straight to the bank for a loan. Mr. Larson stated there was such a law, but what they could do is issue a bond and have the bank buy it. He noted the advantage of going to the market rather than negotiating with a single institution is we would very much likely get a lower interest rate. Mr. Larson stated he had talked with a local bank, but the problem was the city would need to go to the market first, and then ask the bank if they could beat that rate. He also noted that once you go to the market you really had a commitment to sell the bonds to them first. It's really an auction, and the auction would typically give you a better interest rate.

Mayor Rider asked if the .63 cents would stay the same if property values go up. Mr. Larson stated yes. He also noted the city wouldn't want to have to start repaying the bond before the city actually starts receiving the property taxes, so the city would not want to sell the bonds during the first half of 2005.

Mr. Larson stated that if this should pass, what they would be passing is not a levy rate, but a dollar amount for each year. You only collect enough property tax to pay the total payment due that year and the levy rate will fluctuate.

Mayor Rider stated with the proposed annexation, it should reduce the rated accordingly. Mr. Larson indicated a substantial annexation would reduce the rate substantially.

Mayor Rider asked if an early payoff would be allowed. Mr. Larson explained the city could payoff early if the market was right. Typically the city wouldn't call the bond for the first five years, but after that, if the city has another revenue source, or extra money coming in, the city might have the money to pre-pay. Mr. Larson stated when the city hires underwriters, their job is primarily to sell the bonds. They have the contacts and the brokers. One of the things they would do for the city would be to watch the market and advise the city if it's a good time to sell.

Councilor Harris asked if the city had the ability to use underwriters employed by the state. Mr. Larson stated there might be times the city could piggy-back from the state after it's gone to bond, but that was different than the State Investment Pool. He noted the State Treasurer has a program that helps local entities borrow money by pooling it all together and issuing bigger amounts, but presently it was limited to equipment purchases and periods much shorter than 25 years.

Councilor Ketchum moved to direct staff to pursue issuing bonds using the level levy rate scenario. The motion was

December 27, 2004

seconded by Councilor Lund and carried unanimously.

Councilor Harris thanked Jim Larson for the work he's done and the expertise he's brought to the financial aspect of our city. He stated it was very easy to see that the city has a professional in place versus working our way through things as we had done before.

Mr. Campbell stated Mr. Larson obviously brought a wealth of experience with him that will serve the city well.

4. **Staff Reports.**

a. **Quarterly Report on 2004-05 Council Goals.** Mr. Campbell pointed out the highlights for 2004-05 talking about downtown revitalization; the police-fire-court building; industrial park annexation planning; police re-accreditation preparation; Chamber Way improvements; the utility rate study; and the utility plans implementation. He stated other improvements, including the pump stations and water capital improvements, would have bids submitted to the city sometime in January 2005, and would be submitted to council for approval later in January or the first of February.

b. **January 10, 2005 Council Meeting.** Mr. Campbell reported the council meeting on January 10 would begin at 5:00 p.m. with an executive session.

5. **Council Reports.**

a. **Consider Change in Meeting Starting Time.** Councilor Spahr stated that since the meetings were changed to start at 6:00 p.m., he hadn't noticed much of an increase in attendance by the citizens. He noted he would like the council to consider the meeting time be changed to 5:00 p.m. from 6:00 p.m. Mayor Rider stated they agreed they would go at 6:00 p.m. for a trial period of one year, saying they should stick to what they said they would do, but it was really up to the council to make that decision. Councilor Pope stated they should stay with what they agreed upon and go the full year. He implied it was a sore spot and it was irrelevant to make a big deal about it all over again. Councilor Spahr stated the reason they went to 6:00 p.m. was for the public and the public wasn't showing up. Even the people who pushed them into the later meetings are not showing up. He thought if they went to 5:00 p.m. for the regular meeting, the citizens could stop on their way home instead of waiting to come back at 6:00 p.m. It was decided to continue to meet at 6:00 p.m. and utilize the time prior to the regular meetings for special and executive sessions.

b. **Letter from CTED.** Mayor Rider stated he had received a thank you letter from CTED noting the director was in Chehalis, and was shown around town and the historical housing areas. He was very impressed with some of the buildings and changes he had seen.

c. **Appointment to the Advisory Committee.** Mayor Rider reported he had received a letter of re-appointment to the Rural Economic Development Public Facilities Advisory Committee.

d. **Thank You to Staff.** Mayor Rider stated it had been a very interesting year. They had some ups and downs, but overall he felt they had done quite a bit, noting the staff had done an excellent job. He was appreciative and just wanted to say thank you to all the staff for working so hard, giving them information, as well as help and guidance.

December 27, 2004

There being no further business to come before the council, the meeting was adjourned at 7:46 p.m.

Mayor

Attest:

City Clerk

