

2008	Harris	Ketchum	Lund	Pope	Dawes	Fuller	Taylor
Meeting Date							
January 14	P	P	P	P	P	P	P
January 21	P	A(ex)	P	P	P	P	P
February 11	A(ex)	P	P	P	P	P	P
February 25	P	P	P	P	P	P	P
March 10	P	P	P	P	P	A(ex)	P
March 17 (Special)	P	P	P	P	P	P	P
March 24	P	P	P	P	P	P	P
March 31 (Special)	A(ex)	P	P	P	A(ex)	P	P
April 14	P	P	P	P	P	P	A(ex)
April 21 (Special)	P	P	A(ex)	A(ex)	P	P	P
April 28	P	P	A(ex)	P	P	P	p
May 12	P	P	P	P	P	P	P
May 27	P	P	P	P	P	P	P
June 9	P	P	P	P	P	P	P
June 23	P	P	P	A(ex)	P	P	P
June 26 (Special)	P	P	P	A(ex)	P	A(ex)	A(ex)
July 14	P	P	P	P	P	P	P
July 21 (Special)	P	P	A(ex)	P	P	P	P
July 28	P	P	P	P	P	P	A(ex)
August 11	P	P	P	P	P	P	P
August 25	P	P	P	P	P	P	A(ex)
September 8	P	P	P	P	P	P	P
September 22	P	P	P	P	P	P	P
October 13,	P	P	P	P	P	A(ex)	P
October 27	P	P	P	P	P	P	P
November 10	P	P	P	P	P	P	P
November 17 (Special)	P	A(ex)	P	P	P	A(ex)	P
November 19 (Special)	A(ex)	A(ex)	P	P	P	P	P
November 24	P	P	P	P	P	P(ex)	P
December 1	P	P	A(ex)	P	P	A(ex)	A(ex)
December 8	P	A(ex)	P	P	P	P	P
December 22	P	P	A(ex)	P	P	P	P

P = Present  
P (ph) – Present (Telephonically)  
A = Absent  
A(ex) = Absent (excused)

January 14, 2008

The Chehalis city council met in regular session on Monday, January 14, 2008, in the Chehalis city hall. City Clerk Judy Schave called the meeting to order at 5:36 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Tony Ketchum, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bob Nacht, Community Development Director; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Ms. Schave announced the council would be in executive session for one-half hour pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of real estate; and RCW 42.30.110(1)(c) – lease or sale of real estate and there would be no decisions announced.

Ms. Schave closed the executive session at 6:03 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:08 p.m. Additional staff included: Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Becky Fox, Municipal Court Administrator; and Tim Grochowski, Public Works Director. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Swearing-in of Re-elected Council Members.** Municipal Court Judge Steve Buzzard administered the oaths of office to Terry Harris, District No. 1; Anthony Ketchum Sr., District No. 3; Daryl Lund, District No. 2; and Dr. Isaac Pope, District No. 4.

Councilor Pope spoke briefly about his 20-years on the city council. He stated he came to Chehalis in 1979 and ran for office because he wanted to make a contribution to the community. He noted the council members at that time were extremely dedicated and committed to the city. Councilor Pope stated over the years the city had to deal with a number of important issues, and made a lot of difficult decisions. Councilor Pope stated at the end of his third term there were people who decided he should not be on the city council, and did what they could to get him removed, adding it was the most frightful part of his life. He thanked the citizens for their support and for allowing him to be of public service, to do what he considered to be best for the city of Chehalis.

3. **Election of Mayor and Mayor Pro-Tem for 2008-2009.** The floor was opened for nominations for the position of Mayor. Councilor Harris moved to re-appoint Anthony Ketchum Sr. The motion was seconded by Councilor Dawes.

Councilor Harris moved that the nominations be closed. Councilor Pope seconded the motion.

Councilor Ketchum was re-elected unanimously. The gavel was handed to Mayor Ketchum, who opened the floor for nominations for Mayor Pro-tem.

Councilor Fuller moved to appoint Dennis Dawes as mayor pro tem. Councilor Lund seconded the motion. There being no other nominations, Mayor Ketchum closed the nominations.

Councilor Dawes was elected unanimously.

4. **New Chronicle Reporter.** Mayor Ketchum introduced Eric Schwartz as the new reporter for *The Chronicle*.

5. **Review Council Member Committee Appointments.** Councilor Dawes stated there were two committees he was appointed to in 2006 that he never heard from. The first was the Cowlitz Lewis Economic Board, which was supposed to meet twice a year; and the second was the Lewis County Law and Justice Council. Councilor Dawes stated he would be happy to stay on those committees, however would like to know when and where they meet. Mayor Ketchum asked the city clerk to pass councilor Dawes' name on to the committees for meeting notifications.

Councilor Taylor asked that he be moved to the Twin Transit Board, switching with Councilor Fuller. Councilor Fuller was moved to the Lewis County EDC Board, which now met at the Kit Carson Restaurant.

January 14, 2008

Councilor Harris offered to attend the Lewis County Solid Waste Disposal District meetings since he was currently on the Lewis County Solid Waste Advisory Committee. Councilor Taylor had no objection.

Councilor Harris noted the Lewis County Convention & Visitors Bureau Board of Directors should be removed from the list of boards, since it no longer existed. Mayor Ketchum noted the representatives for the Chehalis Business Association should be listed as Councilors Harris and Fuller.

Mayor Ketchum noted if the council had any other changes on committee appointments they should notify the city clerk.

6. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of December 10, 2007; and
- b. Claim Vouchers No. 88068-88191 in the amount of \$769,690.02 dated December 3, 2007; Payroll Vouchers No. 29735-29903 in the amount of \$639,722.56 dated November 30, 2007; and Payroll Vouchers No. 29904-30091 in the amount of \$718,470.95 dated December 31, 2007.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **City's 125<sup>th</sup> Birthday Celebration Planning**. Lewis County Historical Museum Director Debbie Knapp and Edna Fund provided the council with some trivia about Chehalis. Ms. Knapp reported, as the President of the Chehalis Business Association (CBA), they were planning to get the events committee together with the marketing committee to come up with some ideas for a birthday celebration in 2008. She added if anyone had any ideas, they should bring them to the CBA.

8. **Ordinance No. 830-B, Second Reading – Amending Sewer Rates for the City of Napavine and Lewis County Water & Sewer District #4**. Councilor Pope moved to pass Ordinance No. 830-B, amending sewer rates for the city of Napavine and Lewis County Water & Sewer District #4 on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

9. **Resolution No. 1-2008, First Reading – City Support for Flood Plan Implementation**. City Manager MacReynold reported, based on recent events, moving forward with a plan and implementation of a plan had become a very high priority for the city. He noted in 1996 the community suffered from a severe flood and a plan was developed, but was never approved. He added the community and surrounding partners in the region were very adamant about not letting it happen again.

City Manager MacReynold noted the Centralia-Chehalis Cooperative felt it was important to take a public stand to support moving a flood reduction project forward. He reported the City of Centralia approved the same resolution on Tuesday, January 8, and the Lewis County Commissioners passed a similar resolution earlier that day, on January 14. He encouraged the council's consideration and approval of the resolution.

Councilor Dawes moved that the council adopt Resolution No. 1-2008 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Tim Browning thanked the council for the opportunity to speak. He noted they would be able to rebuild businesses and roads, but rebuilding lives, families, and homes would be way more difficult. Mayor Browning stated the resolution should put to rest forever the thought that the cities of Centralia and Chehalis, and Lewis County could not get together. He added they all agreed the flood mitigation issues were their highest priority and agreed to find someone, or some organization to represent all three, to maximize their efforts. On behalf of the Centralia City Council and citizens of Centralia and Lewis County, Mayor Browning thanked the Chehalis City Council and Lewis

January 14, 2008

County Commissioners for joining together in a commitment to decrease flooding issues. He added if they didn't do anything, they as leaders were not doing their job and the rest of it would not matter.

Lewis County Commissioner Ron Averill noted the Law & Justice committee was a regular meeting, adding it lost a little of its focus after the president resigned in November, but they were working on putting it back together. He stated he would make sure Councilor Dawes was notified, once they are back up and running.

Commissioner Averill stated in the past, there were instances when they had not always cooperated with each other, but added in the last year they initiated a number of things where cooperation had been shown between the county, Centralia and Chehalis. Commissioner Averill stated his focus would be on continuous cooperation.

Commissioner Averill stated there was a flood plan in place, but it did not meet all of our needs. He noted the reason the plan didn't go into action was because it was never funded. Commissioner Averill reported the recent event caused a number of things to take place that were to our advantage. He noted with some contention last year, the Lewis County Commissioners withdrew the flood plan from the Corps of Engineers. Commissioner Averill added the county had an opportunity in September in 2008, thanks to actions not taken by the Corps of Engineers, to re-look at the plan, and the Chehalis Basin Flood Executive Committee agreed, they needed to pull back the withdraw notice and consider the possibility of using the money to look at what could be done about flooding

Commissioner Averill noted the plan had been studied to death and it was now time to get into mitigation. He added the Governor's office, the Department of Transportation, the Department of Community Trade and Economic Development and others, recognized the problem was much greater than just I-5. Commissioner Averill stated they needed to look at the needs of the communities and take care of all of those problems. He reported now that they had the plan back into the Federal Water Resources Development Act Bill, they had a basis for which they could ask their delegation to appropriate money for at the federal level.

Commissioner Averill reported on January 15, he would be going before the House Capital Budget Committee, noting the Governor had a proposal before them for \$50 million of the state's share of the local share for the project. He noted the current split was 65 percent federal and 35 percent local.

Commissioner Averill felt they could put to bed the fact that they couldn't cooperate with each other, adding all of the representatives involved owed to it's constituents to do what they could do to fix a problem. He assured the council that the county would work closely with both cities to get the plan that works for everyone.

Councilor Pope thanked Commissioner Averill for eloquently speaking up when the Governor and state representatives visited in December to tour the flood area.

Mayor Ketchum reiterated what Commissioner Averill and Mayor Browning reported. He also pointed out some of his comments made at the Centralia City Council meeting on January 1, which were to:

- Put aside the myth that had been talked about and written about, stating the local entities could not get along
- Know that the flood event was no fault of any one individual or group
- Realize the wheels of government turn slowly, especially when you get up into the federal level
- Work with the Corps of Engineers and the state, not only on I-5, but on what they can do to save the citizens and their property first; and
- Look outside the box, such as perhaps dredging the rivers

Mayor Ketchum felt like everything was aligned and the time was right, noting it was unfortunate that it took a devastating event to push things forward. He noted it may take three or four years, but he was confident something would be done in favor of everyone in Lewis County.

Councilor Dawes reported he had worked through a lot of floods in the community over the years, not only the devastating ones, but a lot of minor flooding events. He could not recall the area getting the attention they had received this time and felt their biggest job would be to make sure their counterparts at the state and federal level

January 14, 2008

deliver what they promised. Councilor Dawes also felt something was going to be done this time, besides killing trees via paperwork.

**10. Community Pathway Feasibility Study.** Joanne Schwartz reported several years ago there was a group formed that met at the Port of Chehalis to talk about a pathways project. She stated former Public Works Director, Jim Nichols, at that time, wrote a grant and two years ago the city was notified that it was awarded nearly \$43,000 to do a feasibility study for that project. Ms. Schwartz reported a request for proposals was sent out and JD White out of Vancouver, Washington was selected to prepare a study to development a community pathway system through Chehalis for pedestrians and bicyclists.

Ms. Schwartz introduced Project Manager Juanita Rogers who presented the study to the council.

Ms. Rogers walked the council through the recommendations of the study, adding she worked closely with city staff including: Joanne Schwartz, Andy Sennes, Lilly Wall, Merlin MacReynold, Tim Grochowski, and Port Commissioner Judy DeVaul.

Ms. Rogers noted there were key elements for the grant, and guidelines to connect the Port of Chehalis, the city parks, and retail districts all together. She reported she looked at the practical approach to connect the various areas, along with neighborhoods, schools, parks, museums and other regional connections.

Ms. Rogers reported they came up with some alternative alignments, looking at environmental constraints, and existing conditions of roadways and sidewalks. They also did an evaluation of where it was practical and feasible to create a pedestrian corridor through the city, adding it was not uncommon to use existing roadways. Ms. Rogers noted they also looked at areas that would have devastation to wildlife or environmental concerns, such as wetlands.

Ms. Rogers reported from the inventory and analysis and existing conditions, they were able to identify areas that would be most appropriate for bicycles and sidewalks. She stated the plan was broke down into six sections, which included:

- North Retail District
- Downtown Section
- Central Section
- Recreational Section
- Port Section
- Westside

Ms. White reported on the preferred alignment of the various sections, as well as other regional connections. She noted the plan also included off-road and shared-use paths. Ms. White indicated some pathway projects can take years to grow from concept to reality, but with the development of the renaissance plan, it was a great time to take the plans and incorporate them together, using the feasibility study as a foundation for the next phase. She stated the next steps would include:

- Public input
- Acquisition & Easements
- Funding
- Construction

Councilor Dawes noted the city was having a difficult time getting state funding or grants for a project on Snively Avenue, and asked how much of the report would be of assistance to the city in that area. Ms. Schwartz noted they did not have an answer for that, adding that was not part of the scope of the project.

Mayor Ketchum stated he did not have enough time to go through the whole study and wondered if the rest of the council needed more time to digest it. Councilor Pope noted he was only able to get through about half of it.

January 14, 2008

Councilor Fuller asked what the scope of the project was. Ms. Schwartz stated it was to conduct a feasibility study for developing a community pathway system through Chehalis for pedestrians and bicyclists. She noted the scope was small and as Ms. White noted, it was just the very beginning of what could be. Ms. White added trails were the catalyst for most planning, not just at a community level, but at a regional level.

Ms. Schwartz noted they were asking the council to accept the report, not to adopt it. She added once it was accepted, they would select a consultant to do the parks and recreation plan. Ms. Schwartz added, as each plan was developed it would be passed on to the various consultants and planners as a tool for many projects. Ms. White noted the plan itself would go through the public involvement process and further planning before it, or a revised alignment, would be adopted.

Councilor Fuller understood it to be a cursory overview of paths, sidewalks, and streets that could be used. Ms. Schwartz stated that was correct.

Councilor Harris noted they could also plug in any future development or expansion as it goes along and have those entities absorb some of the costs of development. Ms. White stated that could be done. Ms. Schwartz noted the timing with the acceptance of the plan, the renaissance, and the parks and recreation comprehensive plan really fit well together.

Councilor Taylor moved to accept the community pathway feasibility study dated November 2007 as prepared by JD White. The motion was seconded by Councilor Lund and carried 5 to 2. Mayor Ketchum voted against the motion only because he didn't have enough time to read through all the material. Councilor Fuller stated he would abstain from voting for the same reason, noting he also did not have enough time to read through the report.

#### 11. **Staff Reports.**

a. **November Revenue and Expenditure Report.** Eva Lindgren reported she tried to provide a little more comparison data to reflect where they expect to be year-to-date.

City Manager MacReynold felt the report provided more budget detail with reference to programs and departments.

Ms. Lindgren noted she also included reporting for the storm and surface water fund at the request of the public works director. Councilor Dawes applauded the extra information.

Councilor Harris asked if Ms. Lindgren knew what kind of hit the city took in December, due to the flood event. Ms. Lindgren noted they should expect a short time lag before that information comes through.

b. **Airport Board Vacancy.** City Manager MacReynold reported Airport Manager, Allyn Roe, contacted the city regarding a recent vacancy on the Airport Board, adding John Alexander had resigned his position as one of the county representatives. He stated because of the timing of Mr. Alexander's resignation and the rotation of the seventh member on that board, as noted in the Airport operating agreement between the city and the county, the county did not intend to refill that position, which offered the city an opportunity to make that two-year appointment.

Councilor Dawes noted the city also had one of its member's terms expire, adding the city would need to advertise for that position as well. It was the consensus of the council to advertise for both positions.

c. **Set Date and Time for Chehalis Renaissance Workshop.** A workshop was set for February 4, 2008 at 5:00 p.m. The location would be determined and announced at a later date.

#### 12. **Council Reports.**

a. **Councilor Dawes Congratulates Councilor Pope on 20-years.** Councilor Dawes congratulated Councilor Pope on his 20-years with the city, adding they were all there for the same reason, to serve the public. He

January 14, 2008

noted there wasn't a lot of pay and not always a lot of thanks, be he looked forward to at least another two years of working with Councilor Pope.

b. **Mayor Attends Various Meetings.** Mayor Ketchum reported he attended the following meetings:

- January 4 – met with Lewis County Commissions and Mayors to discuss issues with Senator Swecker, and Representatives DeBolt and Alexander
- January 7 – met with the Centralia-Chehalis Transportation Cooperative to put together Resolution No.1-2008
- Meeting between the Centralia-Chehalis Transportation Cooperative, the Governor's Aid, Keith Phillips, Paula Hammond – Secretary of Transportation, CTED, WASDOT, DOE, and Shawn Murphy from Representative Brian Baird's office, to discuss flood and transportation issues.

There being no further business to come before the council, the meeting adjourned at 7:22 p.m.

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Mayor

Attest:

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City Clerk

January 28, 2008

The Chehalis city council met in regular session on Monday, January 28, 2008, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 5:33 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Chad Taylor. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Rob Gebhart, Interim Fire Chief; and Bill Kolden, former General Services Director.

1. **Executive Session.** Mayor Pro-tem Dawes announced the council would be in executive session for one-half hour pursuant to RCW 42.30.140(4)(a) – collective bargaining, and there would be no decisions announced following the executive session.

Mayor Pro-tem Dawes closed the executive session at 5:55 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:03 p.m. Additional staff included: Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

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

- a. Minutes of the regular meeting of January 14, 2008;
  - b. Claim Vouchers No. 88192-88363 in the amount of \$390,257.78 dated December 17, 2007; Claim Vouchers No. 88364-88559 in the amount of \$399,034.82 dated January 7, 2008; and Claim Vouchers No. 88560-88676 in the amount of \$254,111.48 dated January 17, 2008;
  - c. Re-appointment of Stephanie Connors and John Matagi to the Sister City Committee for four-year terms expiring December 31, 2011;
  - d. Re-appointment of Ed Stanton to the Civil Service Commission for a term expiring December 31, 2012;
- and
- e. International Association of Fire Fighters, Local 2510 collective bargaining agreement for 2008-2010.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizens Business.**

a. **Chehalis Foundation Project.** Foundation board member Tim Saylor reported the Foundation had been studying Dobson and McFadden Parks for some time and felt both parks had some special needs and character not found in the city's typical parks.

Mr. Saylor indicated they enlisted the help of consultants to gather information, which included: Forest Pro, Inc., who performed a timber cruise to identify the species and volumes present in both parks; Lee Boad Habitat Management Planning, who performed a wildlife enhancement study; and Alex Goodhard, a local logging and forestry expert, who helped the Foundation better understand the needs and possibilities of the two parks.

Mr. Saylor reported the Foundation analyzed the possibilities and came up with a two-part approach to enhance the existing beauty and usefulness of the two parks. The Foundation's recommendations included the creation of walking and hiking trails and the management of the forest resources found in the two facilities

Mr. Saylor noted the Foundation also recommended the city, through the Foundation, contract with a local company to plan and manage the forestry needs of both facilities into the future. He introduced John Bull, Vice President of Tree Management Plus, who briefed the council on how his company could accomplish the management of both facilities, based on market conditions for timber, and best forestry practices.



January 28, 2008

Mr. Sayler reported the Foundation hoped to open the park back up in a useful, healthy way without impacting the neighbors in a negative way. The Foundation was looking at a relatively low-impact park and felt they could do some selective harvesting to off-set some of the costs of cleaning up the parks, and perhaps create some revenues for the park system as a whole. Mr. Sayler stated the Foundation hoped to get the approval of the council to proceed on the project in the near future.

Mayor Pro-tem Dawes felt it was great idea, adding with the right kind of management there could be a lot of educational opportunity there.

Councilor Lund thanked the Foundation for all their hard work, but felt the park should not be limited to walking trails. He stated he would like to see road access made available for those who were unable to walk to the top of the hill. Mr. Sayler noted there was a lot of discussion on that issue, but the group decided they would first start with the trailhead down at the bottom. He noted they were open to considering handicap accessible parking further up the hill.

Councilor Lund moved to approve the concept of the Foundation. Councilor Pope seconded the motion.

Councilor Harris asked if the park design would come first or the forestry work. Mr. Sayler thought the trail system would come first because there was no forestry work needed for that phase of the project.

The motion carried unanimously.

b. **Support for House Bill 3066.** Dr. John Hendrickson reported he and a group of citizens had a couple of items for the council's consideration in regards to the situation brought on by the recent catastrophic flood. He briefed the council on some potential procedures that could be used to make it a workable situation.

Dr. Hendrickson spoke briefly on the Corps of Engineer's Flood Plan and the proposed legislation to fund that plan. He noted an amendment to the plan had been proposed by Representative Gary Alexander to take the Corps plan, which was very restrictive, and expand it to include all potential solutions. Dr. Hendrickson felt they were not at a point where anyone could say there was one solution to the problem. He asked the council to consider supporting, by proclamation or resolution, Representative Alexander's proposal to reduce restrictions from the Corps plan and financial placement.

Dr. Hendrickson stated the only way to come up with a real solution to the problem was by looking at the brutal facts, noting brutal facts don't know politics, ego, or special interests. He identified the overall brutal facts as being the need for one congenial voice; and to control the flow of the Chehalis River

Dr. Hendrickson noted the goal of their group was not to figure out how to solve the flooding problem, but to focus on the brutal fact that the flow of the Chehalis River must be controlled, and asked the council support that philosophy.

Councilor Taylor noted the Corps had always been one of the city's biggest roadblocks because of their regulations. He asked Dr. Hendrickson if he knew of any similar bills or amendments currently going through Congress, allowing for leniency when it comes to abiding by the Corps process. Dr. Hendrickson stated they were not aware of anything, but added that was something their group would definitely have to address.

Dr. Hendrickson stated the problem with letting Olympia solve our problems was they would only look at what was politically most advantageous for them. He felt down the road there would have to be a flood control district established.

Councilor Fuller supported the concept and asked how big the area was that Dr. Hendrickson was referring to. Dr. Hendrickson noted the solution would have to include the whole Chehalis River Basin in the tri-county area.

January 28, 2008

Dr. Hendrickson noted the group was only asking for the city's blessing, but down the road they would probably be asking for some funding and representatives.

Councilor Harris reported Dr. Hendrickson was right on target, adding the Chehalis River Basin Partnership met on January 25 and came to the same conclusion. He invited Dr. Hendrickson to attend their next meeting in February, adding he would like to see the different counties go back and try to get the same kind of grass-roots organization involved.

Councilor Harris noted he would like to see a proposal come forward for them to hire a researcher that all parties agree on, to do a more accurate and current analysis of just the brutal facts. Dr. Hendrickson complimented Councilor Harris on his comments, adding he did a little research himself on flood control and levees, and found no levy system anywhere in the world that has ever contained a catastrophic flood.

Dr. Hendrickson asked for the council's endorsement on the concept and their blessing to pursue it. He also asked the council to appoint someone to represent the city that could attend meetings and give input. Mayor Pro-tem Dawes agreed it was something that needed to be addressed and not just locally.

Councilor Lund stated he was glad to see the group chose Dr. Hendrickson to be their mediator.

J. Vander Stoep presented the council with copies of a few pages from the US Army Corps – September 2002 Draft Environmental Impact Statement for the Centralia Flood Damage Reduction Project. He briefly talked about what had happened in the month following the flood.

Mr. Vander Stoep reported there was some analysis in the plan that needed to be looked at and highlighted the following:

- 5.2.1.1 Hydrology and Hydraulics – The preferred alternative would result in little change to flooding within the active portions of the Chehalis River floodplain and its tributaries
- 5.2.1.9 Transportation and Traffic – The preferred alternative would provide flood protection for the portion of I-5
- 4.1.3.2 Long Term Effects – There would be a change in peak flood stage at several locations in the project area. There would be a decrease in the 100-year peak flood stage below RM 70.74 (NW corner of Airport Dike) on the Chehalis River. The peak flood stage would increase between RM 70.74 and RM 78 (Mouth of Stem Creek); the maximum increase would be .061 feet at RM 72.8 (west end of NW River road – also SW corner of Airport Road Dike)

Mr. Vander Stoep noted the report indicated, for 8 miles upriver from the NW corner of the Airport Dike, the flood stage would increase. He stated that meant the Corps plan would increase flooding in Chehalis Washington, adding that was not an answer for this community. Mr. Vander Stoep reported the Chehalis River was the second largest river basin on the west coast of the United States. He noted it was a relatively small river, but had the misfortune of running east for 30 miles, which made it very flat.

Mr. Vander Stoep also discussed House Bill 3066, stating the bill was introduced to fund the Corps plan and have DOT administer the funds. His request to the council was to ask Representative Alexander, by resolution or letter, to broaden the bill and not let it be tied to the Corps plan. Mr. Vander Stoep felt they should not set aside the option of the Corps plan, but make the legislation for the \$50 million for the purpose of Chehalis River Basin flood control. He added this would leave the door open for other options, as Dr. Hendrickson discussed earlier.

Mr. Vander Stoep also presented a letter from Pacific International Engineering, which he believed was the firm hired by the county in the late 90's to analyze the Corps data in a scientific manner as to what the options were. He noted a couple of high points from the report included:

January 28, 2008

- It is my opinion that the Corps analysis understates the contribution from the watershed of the main channel of the Chehalis River above the Mellon Street Bridge and overstates the flow contribution on the Hanaford Creek and Lincoln Creek by significant amounts
- It is my opinion that the Corps incorporated accurate allocation of the distribution of flood flows between sub-basins, the 100-year peak flood flow in the vicinity of Chehalis would have been significantly greater. The Corps' levee design concept results in increased flood stage upstream of Mellon Street, and would cause flood waters in the Chehalis area to exceed elevations experienced in the 1996 flood. A levee system design by the Corps based upon correct flood hydrographs would have to be higher and longer than the design contained in the Chief's report
- It is my opinion that if the USACE project as currently designed were constructed, it would not provide protection from inundation during the 100-year flood for I-5, the City of Chehalis and the BNSF main line. Notably the flood stage above Mellon Street was higher than the 100-year flood stage predicted by the Corps.

Mr. Vander Stoep noted the statements indicated flooding would be even higher than the Corps analysis describes.

Mr. Vander Stoep reviewed a map, which indicated there was a whole lot more to the Chehalis River Basin, than just I-5. It was his opinion that; doing what was easy, in this case, was not doing what was right; the Corps plan was worse than doing nothing; and we needed a plan for more than just I-5 – we needed a plan to protect families, farms and businesses from PeEII to Aberdeen. Mr. Vander Stoep asked the council to consider withdrawing support for the 2002 Corps plan and support creation of a basin-wide protection plan.

Councilor Harris reported the Chehalis River Basin Partnership would be approaching the Governor's office to have the Partnership be the consensus body to control the planning of the projects. He added the Partnership needed all the entities involved to be the guiding force behind the solutions involved. Councilor Harris stated DOT may not be looking for any other answers, other than those for I-5 which would hurt everyone up and down-stream. He added the agreement between all entities involved would have to be more on the giving side, and less on the taking side.

c. **Citizens Business – Flood Related.** Denny DeGross (478 Bunker Creek Rd, Adna) reported the Chehalis River ran through a lot of complexity such as history, property, special interest, and political parties. He was concerned about the input mechanisms and was glad to hear there was a group actively doing something, adding he hoped he and others could join up with that group. Mr. DeGross stated they needed to work together and have community based input mechanisms to feed into the various processes that were already underway.

Mayor Pro-tem Dawes noted one of the requests from Mr. Vander Stoep was to withdraw support of the 2002 Corps Plan and asked administration to research to see if there was any formal council stance taken on that issue. City Manager MacReynold believed the position the city council took was in opposition to the Corps plan because of the known harm that it would create for Chehalis. He believed Centralia took the same stance. Mayor Pro-tem Dawes didn't remember ever taking a vote on that issue and it was very clear to him, after attending the meeting in Adna, the Corps plan was only addressing the freeway. He stated they needed to address the issue system-wide, and while keeping I-5 open helps, they could not do it at the expense of those living upstream and downstream.

Councilor Pope noted the Corps plan referred to a specific project that was very restrictive. He stated he would like to see the wording changed to be much broader.

Mr. Vander Stoep reported he was told that Representative Alexander was asking to amend HB 3066, to make it less restrictive and have the \$50 million applied to a Chehalis River Drainage Flood Control Project.

Councilor Taylor asked if the \$50 million coming from the Governor was the 40 percent the federal government was going to match. Mayor Pro-tem Dawes stated his understanding was the \$50 million to be

January 28, 2008

appropriated by the state had to be matched by the \$74 million coming from the federal delegation. City Attorney Hillier noted the point was HB 3066 was the mechanism to transfer those funds into the point that they are in use. He added if they tied the motion to the specific HB it would accomplish what they were trying to do.

Councilor Pope moved that the council endorse the plan by Representative Alexander to amend HB 3066 and support the concept, as well as the presentation made by Dr. Hendrickson to look at a system-wide plan.

The motion was seconded by Councilor Harris.

Commissioner Averill noted they met with the Governor's office a few weeks back to talk about flood planning, at which time he pointed out they were talking about two separate pots of dollars, one for flood and one for transportation. He stated the function of the Corps in the Continental United States was waterways. Commissioner Averill felt they were looking at the problem wrong and needed to get the people with the flood dollars and the transportation dollars in the same room and make them talk to each other.

Commissioner Averill reported he would be testifying on HB 3066 on January 29, at the request of Representative Alexander. He noted he would put on record that a community with a population of 74,000, with an average income of \$36,000 and eight percent unemployment, and a county operating budget of \$30 million could not support spending \$3 million a year to maintain levees. Commissioner Averill stated he would not put it on the citizens of Lewis County, and would argue against it as vigorously as he could at the state level. He added he appreciated the council's support of the grass-roots motion, adding he would make those same statements when testifying before the legislature.

Councilor Lund stated he would like to ask Mr. Vander Stoep, the political guru in the community, if he thought it would be better to have two separate motions: one supporting the sound minds of Dr. Hendrickson's group; and one supporting Representative Alexander's plan. Mr. Vander Stoep noted two was better.

Councilor Pope withdrew his motion and Councilor Harris withdrew his second.

Councilor Pope moved to support Representative Alexander's amendment to HB 3066.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Pope moved to direct staff to prepare a resolution to show support for the formation of a citizen's grass-roots group as proposed by Dr. Hendrickson, to represent our area in dealing with flood issues.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Pro-tem Dawes thanked everyone for coming, adding it was very important for the community. He noted the council supported the efforts of the grass-roots group and applauded them for taking it on.

Rene Remund stated he was very thankful for the steps taken by the city council. He felt instead of shoving the water onto someone, they may have an opportunity to mitigate the flow of the Chehalis River. Mr. Remund noted there might be some issues with the Tribe, but added there might also be some solution's that would be good for the fish and for better water quality. He added there was also interest by the public utility, in the event they may be able to get some incidental generation such as green power.

d. **Historical Bicycle Ride.** Rose Spogen, representing the Chehalis/Centralia Optimists first commented on the flood issue suggesting the Tribes be at the table from the beginning, before planning anything. She added if they wait until later they would be doing a lot of work for nothing. Councilor Harris stated that was the reason they wanted to have the Chehalis Basin Partnership involved because the Tribe was already at that table.

January 28, 2008

Ms. Spogen suggested to those who lived in the flood plain that they seriously think about houseboats. She also felt the raising of the highway would lead to problems down the road, and thought that the millions of dollars spent on studies should have been put towards the bridges from north of Centralia to south of Chehalis.

Ms. Spogen reported the 26<sup>th</sup> Annual Lewis County Historical Bicycle Ride was set for May 10, 2008. She noted they would be giving out two scholarships to students from Chehalis and Centralia middle schools.

e. **Update on ChehalisFest.** David Hartz (Book 'N' Brush) reported ChehalisFest was scheduled for August 2, adding the date was discussed and voted on at the last Downtown Chehalis Events Committee meeting. He noted they were still working on getting as much support for the local downtown businesses for the event. He added the committee's next meeting would be on Wednesday at 6:30 p.m. at the Little Italy Pizza restaurant.

Mr. Hartz also reported on a raffle/fundraiser in support of the Boistfort Valley Farms, which was devastated by the recent flooding event. He added tickets could be purchased at Book 'N' Brush.

4. **Council Committee Appointments.** Councilor Taylor asked if it wouldn't be beneficial to have Councilor Harris attend other committee meetings when issues come up regarding both flood and transportation. Councilor Harris indicated he had no problem with that, as long as the meeting times fit his schedule.

City Manager MacReynold stated something he noticed over the last year was councilor's who have committee assignments rarely report on what's happening within those committees. He asked for council's consideration in adding an agenda item under council reports, as part of the regular council agenda. It was the consensus of the council that it would be a good addition.

Mayor Pro-tem Dawes noted the assignment sheet looked good and there were no other additions or changes.

5. **Setting Date and Time for a Public Hearing Regarding the Surplus of City Property on SR 6 (Hamilton Property).** Mr. Nacht reported last fall administration started the process of looking into whether or not it would be beneficial to the city to declare 136 acres of the Hamilton Farms property surplus, and selling it. He reported the city felt a portion of the property was necessary for future expansion of the poplar tree plantation, and there was a portion to the south near the river system that could conceivably be used for wetland mitigation.

Mr. Nacht explained that many years ago, as part of the Airport Road extension project, the city collaborated with the county to use a portion of the Hamilton property for environmental mitigation. He added the Corps was onboard at that time to allow the elevation of Airport Road if the city would provide a portion of the SR 6 property for the environmental mitigation. Mr. Nacht noted the concept had not changed, adding if the city proceeds with the Airport Road project we would need a portion of the SR 6 property for the environmental mitigation.

Mr. Nacht reported the east end of the property currently had development on it, which included three single-family residences, barns, and some of the outbuildings. He noted on December 3 the flood came through that area and all three of the residential buildings on that property were inundated with floodwaters. As a result of the December flood, the city along with the county and all agencies who participate in the national flood insurance program, the community rating system and a number of other flood plain management programs were essentially obligated to address the issue of repetitive flood costs and how to deal with properties in flood prone areas, particularly floodways.

Mr. Nacht reported the property the city owned, and was looking to declare surplus, was located within a regulatory floodway. As a result of the December flood, the county did an assessment for substantial damage under the standard FEMA process, (which the city was doing the same thing for all properties within the city that were flooded) and determined that the three residential buildings on the Hamilton property were substantially damaged and could not be repaired or rebuilt, adding they must be removed. Mr. Nacht indicated the city could chose to appeal the county's decision if they so desired. Mr. Nacht reported at the time of the hearing he would present to the Council a number of alternatives regarding the property and would ask the council to make a determination on whether or not to

January 28, 2008

proceed with the issue, or leave it the way it was for now and pursue other alternatives at a later date. Mr. Nacht requested the Council set a date of Monday, February 11, 2008 at 6:05 p.m. for a public hearing.

City Manager MacReynold reported the news came as a big surprise, noting with the county recently updating the floodplain maps with the 1996 numbers, it significantly impacted the Hamilton property. Councilor Taylor asked if there any form of compensation given to property owners whose property was located in a floodway. Mr. Nacht noted at this stage of the game no, adding the regulations for development within a floodplain, and particularly in a floodway, had been established for many years. He indicated there were a lot of properties listed in the floodway, and in talking with the county they estimate there was probably between 65 and 100 such properties up river that would be dealing with the same issue. Mr. Nacht noted we in Chehalis were a little more fortunate in that we do not have any substantially damaged properties identified, thus far, located within the regulatory floodway. He expected there may be a couple before they were done, but the bottom line was the regulatory floodway was adopted by all the agencies, including the city, and rebuilding or reconstruction of substantially damaged buildings within a regulatory floodway was simply not permitted. Mr. Nacht reported the vested properties would lose their vesting once substantial damage of occurs, which was also part of the regulatory process.

Mr. Nacht indicated in order for the city to be eligible for the national flood insurance program it must remove buildings from harms way once they get harmed. Councilor Taylor asked if the buyout program might come into play in such instances where buildings have to be removed or demolished. Mr. Nacht indicated it could, adding the city intended on applying for hazard mitigation grant funding. He noted Lewis County, Centralia and Chehalis would all be going after both buyout and elevation money. Mr. Nacht added even though it was a noncompetitive grant, there were limited resources.

Councilor Taylor moved to set a date of Monday, February 11, 2008, at 6:05 p.m. for a public hearing regarding the surplussing of approximately 28 acres of real property located near State Highway 6 west of the city.

Councilor Fuller seconded the motion.

Councilor Fuller asked whose responsibility it was to remove the structures on the Hamilton property. Mr. Nacht stated it could be addressed as a condition of sale, but it was currently the city's responsibility. He also indicated the 28 acre parcel being discussed was not yet legally created and if the council elected to proceed, they would first need to segregate or create that piece of property and dispose of it through the surplus process. Councilor Fuller asked if the barns were part of that, and if so, were they condemned. Mr. Nacht stated yes they were, but they were not condemned.

The motion carried unanimously.

## 6. Staff Reports.

a. **Employee Service Award.** City Manager MacReynold presented Tim Grochowski, Public Works Director, a certificate of appreciation for 30-years of service with the city.

b. **Quarterly Sales and Use Tax Report.** City Manager MacReynold reported there was a drop of 2.7% in revenues in December, but reminded the council the numbers were actually two months behind. Mayor Pro-tem Dawes pointed out it wasn't necessarily the monthly figure, but rather the bottom line figure they should be looking at.

c. **Flood Response.** City Manager MacReynold reported a public hearing was scheduled for Tuesday, January 29, at 3:30 p.m. in Olympia. He encouraged the council to have representation at that meeting to state the city's position with reference to HB 3066. He noted he spoke with Representative Alexander earlier and was pleased to report that he was looking at more flexible legislation, and was also in support of a broader perspective.

Councilor's Fuller and Harris both indicated they would look a their schedules and make time to testify on the city's behalf.

January 28, 2008

7. **Council Reports.**

a. **Twin Transit Update.** Councilor Fuller reported he attended his last Twin Transit meeting and that Councilor Taylor would be taking over as the city's representative in 2008. He stated the organization did well last year in revenues and operations, and we're looking at long range plans and exploring the possibility of moving their operations facility out to the Chehalis Industrial Park.

b. **Lewis County Historical Museum Board Meeting.** Mayor Pro-tem Dawes stated he attended the Lewis County Historical Museum Board meeting, noting they now had a replica of the McKinley Stump on-site. He reported the museum's roof had been stripped as a Scout project, and they had a company coming in to re-shingle it and were hoping have it done by the end of April. Mayor Pro-tem Dawes noted there was still a lot to do before they get the original McKinley Stump back up.

There being no further business to come before the council, the meeting adjourned at 8:08 p.m.

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Mayor

Attest:

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City Clerk

February 11, 2008

The Chehalis city council met in a work session and regular session on Monday, February 11, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:40 p.m. with the following council members present: Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Harris was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Larry Allen, Interim Asst. Fire Chief/Fire Marshal; Joanne Schwartz, Economic Development Administrator; Peggy Hammer, Human Resources Director; Bob Nacht, Community Development Director; and Patrick Wiltzius, Wastewater Superintendent.

## 1. Work Sessions.

a. **Flood Control Options Discussion.** City Manager MacReynold stated there was a great deal of interest and action taking place by Centralia, Chehalis, Lewis County, and the citizen's group to look at different options for flood control. He reported Mayor Tim Browning of Centralia indicated he had some contact with Timothy Moore, of Risk Sciences, who had a wealth of experience in water and flood issues. City Manager MacReynold introduced Mr. Moore to brief the council on how he perceived our situation, and to answer any questions the council might have.

Mr. Moore reported the question everyone was asking was, do they fix I-5 quickly or do they pause and look at the whole region. Mr. Moore outlined two positions that seem to be dominant, the first option being the core project. Mr. Moore's stated the argument was:

- the memory of the flood was fresh
- people were ready to act
- the Corps plan option was ready to go
- there was only a short window of opportunity
- a partial solution was better than nothing
- if the city doesn't act, the Governor will act without us
- on the whole, they could modify things on the fly

Mr. Moore noted on the other side, there were some serious deficiencies in the Corps report. He added the Corps plan was only a partial solution and it did nothing for the hospital or the west county, and in some respect, given what they didn't do with Mellon Street, there was some question as to whether they were going to actually fix I-5, or not. Mr. Moore believed if we were to rush off and implement the Corps plan it might slow down some of the greater solutions, adding he was no advocate for doing so. He also questioned the cost-benefit ratio of the project. Mr. Moore felt we should not let the Corps decide whether we do the project are not, adding if we wanted it done our way we would need to go over their heads.

Mr. Moore suggested a third alternative, which involved baby steps. He noted the first priority was to get the \$50 million locked up and appropriated before the session ended, and not commit it to the Corps Project. Mr. Moore noted he would be addressing Senator Swecker asking that the bill be written in such a way that they not make the Corps plan the only way the money can be spent. He indicated there were 300 plus other projects around the country that are trying to be funded under the Water Resource Development Act (WRDA), most of which probably have better scores than we did. His advice to Keith Phillips at the governor's office was if they could do it without the Corps, they should. Mr. Moore recommended to Mr. Phillips that they try and get funding through a Department of Transportation (DOT) Bill, or an emergency authorization, adding if they decide to go the DOT route it would be a whole different group we would be competing with.

Mr. Moore reported the Governor believed the WRDA bill would pass, adding he would be very surprised if it did and would like to have other options available in case they were wrong. He indicated they would know this year whether they had a WRDA bill or not, because they only seem to happen during election years.

Mr. Moore continued his discussion on the issue, noting Congress had the ability in the authorization language to stipulate certain conditions. He stated Congress made the rules the Corps lives by, so they can wave the rules under certain circumstances.



February 11, 2008

Mr. Moore listed a few stipulations that we should ask for in addition to the money, which included:

- fix access to the hospital
- enhance the upstream mitigation
- complete mitigation in reference to holding the water back
- buy flood insurance for all the homes in the flood affected area
- make the federal agency responsible for 100 percent of cost over-runs
- have congress declare the zero rise policy of the county and the two cities be functionally equivalent to providing the same protection as the zero encroachment policy demanded by the Corps

Mr. Moore noted if Senators Murray and Cantwell can make the money happen, they can make the stipulations happen as well.

Mr. Moore reported we also needed to encourage the state to take action on making them fast track the reviews of the Department of Ecology (DOE) and DOT, noting only the Governor could step in and take action to corral the regulatory agencies.

Mr. Moore talked briefly about flood control districts, noting it made great sense to form one on the basis of a watershed. He reported during the design phase the Corps had rigorous requirements which had to met, adding it was also the stage that if they were not meeting the necessary requirements that we could really put the legal screws to them to prevent them from going to the construction phase. He noted in his experience, prior to the design phase, it was very hard to hold the Corps accountable. Mr. Moore had no doubt that Lewis County Prosecuting Attorney Michael Golden could hold them accountable. He also felt we could get more if we made it appear to be, or require it to be, mitigation rather than backing up and making the Corps redesign their whole project.

Councilor Taylor asked Mr. Moore if the time it took to get to where we were was typical, and wondered if there really was an actual Corps project. Mr. Moore stated yes, it was typical, and no, there was no project. He noted there were a bunch of Corps alternatives and a project they think they might want to do, but it was all smoke. He stated it would not be a project until it went through the detailed design phase at which time they would need to put something in writing, adding we would have enormous leverage during that phase.

Councilor Taylor stated his other concern was how to start the process of what they originally intended to do, with the question of once I-5 was protected nothing else would be done to protect our area. Mr. Moore stated that was probably true, the key was to make sure it was part of phase 1, and obligate the Corps to go back and figure out how to fix the west county. He noted he wanted to tell the Corps the problems in the west county would be aggravated by their proposal and therefore they needed to come in with mitigation as part of phase 1. Mr. Moore suggested we lock them in contractually and get Congress to force their hand on the authorization bill, and if we don't get what we want, don't do the project.

Councilor Pope asked where they could put money, such as the \$50 million to keep it safe. Mr. Moore noted you couldn't. Councilor Pope felt even if they were to approve the project today, they wouldn't turn dirt for another 10 years. He asked Mr. Moore if there would be a problem by going ahead with the formation of the flood control district, at the same time they try to do the other. Mr. Moore stated they should do both. Councilor Pope noted he didn't want to see total authority be controlled by any other organization, other than the flood control district, whose only purpose was to deal with flood issues.

Mr. Moore stated it was important to get some of the money allocated right away. For example, he suggested to Mr. Phillips that the Governor allocate some of the money for the formation of a Flood Control District and for expanded studies of the west county that the Corps didn't do, instead of putting it in the Governor's discretionary fund.

Mr. Moore also suggested we try to tie up some of the money on other larger projects that could be considered an in-kind match, such as: the Skookumchuck dam project; and/or certifying the levee around the airport, without committing ourselves to the controversial elements that still need to be talked about.

February 11, 2008

Councilor Dawes felt the first step was to come up with one voice and one plan. He was under the assumption that it was a Corps plan as opposed to a Corps alternative. Councilor Dawes, like the others, was also afraid if they come down and do their project they'll be gone and we won't see them again. He also pointed out that the river to the west of the city was a lot easier seen now than it has been for years. Councilor Dawes stated it had to be part of the solution because if it wasn't, anything they do down here will be destroyed by what comes down the river later.

Mr. Moore reported the smartest thing the governor stated last Tuesday was the Corps plan was developed over a number of years, with the 1996 being the poster child of what had to be resolved. He noted the December 2007 flood created a whole new set of variables that no one ever envisioned before, and to suggest the Corps plan was the appropriate strategy was by definition incorrect. Mr. Moore noted the governor was very clear that the plan had to be redone, adding with all the new data it merited a new review. Councilor Dawes stated the important thing in dealing with the Corps was there had to be clear recognition because they were a military organization and they only do what they were told to and not anything else, even if it did make more sense. Mr. Moore indicated that was why we couldn't let them make the decision, noting that was why we had to go over their heads.

Mayor Ketchum stated someone also needed to tell the Corps they need to dredge all the rivers from top to bottom, and find a way to protect them so all that stuff doesn't get back in there again.

Mr. Moore suggested if we had to live with the Corps plan, we sit down with Representatives in Washington DC and get authorization language included to give us more protection, along with the money. Councilor Dawes stated even though the governor and her staff were here, he didn't believe they really looked past the fact that I-5 was closed. He also didn't believe it was going to take 20 inches of rain to fall in the Willipa Hills to do the damage that was going to come down the river whether they put a levee system in there, or not. Mr. Moore stated Councilor Dawes was exactly right.

Mr. Moore stated because they want to get I-5 done, the cities and county had to make our project part of the mitigation for their project, and not an independent water resource development act infrastructure improvement. He added we had to recast and reframe what we were asking for as something that had to be done in order to make their project go forward.

Mayor Ketchum felt the main job of the governor's office and local legislators was to put pressure on the Federal government to get money out of them to do the project, and it was the job of the local governments to work with them to change the plan. Mr. Moore stated that was not enough, adding they would go get the money and not the other enabling provisions that were so critical for our success.

Mayor Ketchum asked Mr. Moore if he would be willing to guide us through the process. Mr. Moore indicated he was not here to ask for a job, adding he was only suggesting how he would handle it. He stated yes he would help, but did not want to be seen as making a sales pitch. Mr. Moore stated there were a lot of good people that could help the city through the process, and he could give the city plenty of names besides his own if that would make him more credible. He added he would gladly step away from the job, but didn't really want to. Mr. Moore stated he would love to help, adding even though he lived far away, his family and heart was still here in the Northwest, and he really did care.

Mr. Moore reported he would be speaking in front of the Centralia City Council the following day. Councilor Dawes asked if he had met with the County Commissioners yet. Mr. Moore reported he had only spoken with Commissioner Averill.

City Manager MacReynold noted the purpose of the workshop was for them to pick Mr. Moore's brain and to hear what he had to say. He noted for him, listening to Mr. Moore talk was a glimmer of hope on how they could meld the different approaches into a common vision where we are all moving in the same direction, and hopefully could get things done in a timely manner. City Manager MacReynold noted the council had a resolution coming before them later on in the agenda, adding working on the flood solution was very difficult and time consuming for all of them, but it had to be their highest priority.

February 11, 2008

Councilor Lund asked Dr. John Hendrickson if he had anything to add. Dr. Hendrickson reported he was pleased with 95 percent of what Mr. Moore had to say, and the other 5% wasn't bad, it just needed to be fit into the picture. He hoped the Centralia council would listen to Mr. Moore's line of reasoning because it followed logic. Dr. Hendrickson stated Mr. Moore's report was exactly what the grass roots committee had come to believe. He agreed with Mr. Moore's approach, but reminded the council as they consider the resolution that there was still a dragon out there. Dr. Hendrickson stated at the meeting last Tuesday in Olympia, the Governor and Senator Swecker made the distinct statements that they were in favor of the levees and would tie the funds to the Corps plan, which was the dragon they needed to slay. He stated unless they end up with one voice, which he believed should be the flood control District, they would not be successful. Dr. Hendrickson reported Mr. Moore, or someone like him, was going to be a tremendous resource for the flood control Corps once it's formed. He stated it was important to stop Senator Swecker's bill that tied the \$50 million to the Corps plan, and support Representative Alexander's amendment, which would put those funds on hold in the Office of Financial Management (OFM).

Dr. Hendrickson reported they had a letter of intent signed by all three commissioners in Gray's Harbor County, supporting the formation of a district. He added they were continuing to work with Thurston County, noting there was no objection they were just trying to work through some issues on how they want it worded. Dr. Hendrickson reported he attended a MRC formation meeting in Montesano last week, and the moderator of the meeting indicated he had spoken with Congressman Dicks and he was only interested in funding a plan that would mitigate the problem from the headwaters, to the mouth of the Chehalis River.

Dr. Hendrickson strongly urged that they go to work and make a very solid statement to Olympia, stating the money had to be put in an unrestricted fund for mitigation of the Chehalis River basin flooding problem, and not the Corps plan.

Rose Spogen (Chehalis) reported she read in *The Chronicle* that the flood maps had not been updated since 1981 and wondered if that was true. Mayor Ketchum noted the maps that just came out about a month ago were from the 1996 flood, which are now out of date. Dr. Hendrickson noted the hydraulic studies had not been mapped as of the December event.

**2. Chehalis "Commons" Landscaping Project.** City Manager MacReynold reported the consultant doing the Renaissance had an architect come in and work with city staff to design the landscaping around the library. He noted they were fast tracking the landscape process in order to have it done when the library opens in the fall.

Joanne Schwartz introduced Kent Dickson of MacLeod Reckord, a landscape architecture, planning, and urban design firm hired by our Renaissance contractor Tom Beckwith. Mr. Dickson was asked to put together a design for the library landscaping and presented the plan to the council for discussion.

Mr. Dickson reported his firm was part of the Renaissance team for the library, which of course was moving along very much in advance of the rest of the project. Mr. Dickson reported the design created a universally accessible site.

Mr. Dickson briefly discussed the library's ADA accessibility, the terraced walkways, the seating area around raised/tiered rose beds, the shrubs and flowering trees, and the donor fountain, which would be set mid-grade making it highly visible from the street and the library's steps above. Mr. Dickson felt the design of the space in front of the library was both gracious and welcoming.

Councilor Fuller asked what they proposed the material to be for the planned walkways and ramps. Mr. Dickson stated it would be made of concrete, which was a continuation of the current sidewalk. He noted the building itself was clad and brick, and they were proposing that the walls around the sidewalks and ramps also be clad and brick.

Mayor Ketchum inquired as to where the Japanese shrubs had been relocated to. Andy Sennes reported they were temporarily located down to his location at 13<sup>th</sup> and Market. Mr. Dickson noted it was important to get them out of the construction area in order to make the September ribbon cutting date. He noted getting those trees out of

February 11, 2008

there in the cold of winter was the best time to move them, and indicated they would be replanted near the driveway along the back side of the new library. Mayor Ketchum asked if they would be installing an automatic sprinkler system. Mr. Dickson stated absolutely, adding roses require constant watering.

Councilor Fuller inquired as to where the Oregon Trail marker would be located. Mr. Dickson reported it was currently in its same location, but because it was off-center it would be moved to a different location, which had not yet been determined. Mr. Dickson noted in order to create the open space of the landscape design they would also need to remove a total of two trees at the bottom of the hill.

Councilor Lund asked where the 'old' canon was located. It was the understanding by some that it was located in Olympia somewhere.

Mayor Ketchum stated he liked the idea of the openness, adding he always wanted some place in the city where people could come and sit and enjoy the sun.

Councilor Lund asked if there was any consideration for lighting along the sidewalks. Mr. Dickson stated he did not want to get ahead of the Renaissance Project on their comprehensive approach to lighting. He reported there were some preliminary discussions with the architect as to how it would be night lit, but they had not yet addressed the street lamps. Councilor Lund stated he did not say streetlamps, he said sidewalk lighting. Mr. Dickson noted they could possibly have some sort of old fashioned lighting, but noted the plan did not show anything that would tie their hands to anything specific. Councilor Lund asked how it would tie the hands, noting this project was unique and totally different than the downtown or two blocks away. Mr. Dickson stated the virtue of a master plan and the Renaissance project was to create some kind of consistency. He added if they start putting in different lamps around town there might be some issues with the maintenance department having to replace various types. Councilor Lund asked who cared, noting they were not working for him. Mr. Dickson noted he tried to be real mindful of the cost efficiencies of the designs. Councilor Lund stated the design being presented was not cost-efficient. Mr. Dickson noted it wasn't bad, adding it came in well under the 12 percent that he used as a metric for site development. Councilor Lund added he thought the design was nice.

Mayor Ketchum closed the work session at 5:52 p.m. and noted the council would take a 12 minute recess and reopen the regular meeting at 6:04 p.m.

3. **Swearing-in of Larry Allen - Assistant Fire Chief/Fire Marshal.** Municipal Court Judge Steven Buzzard swore in Larry Allen as Assistant Fire Chief/Fire Marshal.

4. **Public Hearing on Potential Surplus of City Property (Hamilton Property) on SR 6.** Bob Nacht stated in as much as they did not yet have a recommendation of what to do about the issue; they did want to hear what the public might have to say. He reported several months ago they started to try to figure out what they could do with the piece of property, adding a number of different options had presented themselves.

Mayor Ketchum closed the regular meeting at 6:09 p.m. and opened the public hearing for public comment regarding the future use, or disposition of 28 acres of property owned by the city located at 1021 State Hwy 6.

Pam Wildhaber (1021 State Hwy 6, Chehalis) stated as a current tenant of the property, she wanted to express her desire to purchase it. She added she would also like to see the boundary line of the property adjusted.

John Santee (3979 Jackson Hwy) stated he would also like to see the property sold.

There being no further comments Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:11 p.m.

Mr. Nacht stated as Ms. Wildhaber indicated, she would like to see the property boundary revised. He reported the city also received another e-mail requesting similar consideration to revise the property boundary. Mr. Nacht stated they would certainly be taking those two requests into consideration when they start formulating

February 11, 2008

recommendations for council action in the future. He stated the public comments would be taken under advisement and staff would come back with a proposal and recommendation in two weeks.

5. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of January 28, 2008; and
- b. Claim Vouchers No. 88677-88903 in the amount of \$716,486.11 dated February 4, 2008 and; Payroll Vouchers No. 30092-30258 in the amount of \$640,157.48 dated January 31, 2008.

Councilor Taylor seconded the motion.

Councilor Fuller requested to have the minutes amended on page 8, asking that the reference to the words 'Barnes property' be changed to the words 'barns on the property.' Councilor Lund also stated he made reference to 'the political guru of the community' when asking J. Vander Stoep his opinion of whether the council should make two separate motions regarding support for Dr. Hendrickson's group and support for Representative Alexander's proposal on page 6. He asked that his statement be added to the minutes. Councilor Dawes noted Mr. Vander Stoep's first name should be noted as just the initial 'J.'

Councilor Dawes amended his motion to approve the consent calendar as amended. The motion was seconded by Councilor Taylor and carried unanimously.

6. **Staff Reports.**

a. **December 2007 Financial Report.** City Manager MacReynold stated finance manager Eva Lindgren was unfortunately out of the office ill that day. He noted if the council had any questions regarding the information provided in the agenda packet, they could talk to him about it and he would pass the information on to Ms. Lindgren.

b. **Discuss Airport Board Opening.** City Manager MacReynold reported at the last council meeting he identified a vacancy on the Airport Board, and staff was exploring how to approach filling that vacancy. He noted to date, no applications had been received. City Manager MacReynold stated there was some discussion about expanding the boundary to the school district however legally we could not do that. He suggested staff continue to advertise until the vacancy was filled, adding if the council knew of anyone who fit the criteria that they encourage them to apply.

Mayor Ketchum inquired as to which position was open. Bill Hillier noted he wasn't certain, but knew John Alexander had resigned. Mayor Ketchum believed Lewis County recently made the appointment of Mr. Sabin to replace Mr. Alexander.

Councilor Dawes reported the city recently had one of its appointments (Mr. Daniel Foster) expire on December 31, 2007, which meant they had to replace that position, and fill the floater position which rotates every two years between Lewis County and the city.

Councilor Dawes noted he spoke with City Manager MacReynold about approaching the county to see if they might be interested in going to a five-member board, thinking that seven may be a little too much with just the two agencies operating it now. He noted at times there were issues about getting a quorum with a seven-member board. City Manager MacReynold stated he had not yet discussed that issue with the county. Councilor Dawes felt five would be a sufficient number and would probably eliminate the quorum issue. Mr. Hillier noted the operating agreement was created between the Lewis County Commissioners and the city, so that issue would have to come back to the two entities as an amendment to the operating agreement, which could be done.

c. **Update on FEMA Post Flood Event - Property Assessments.** Mr. Nacht reported Chehalis, Centralia, and Lewis County all participated in the national flood insurance program and the community rating system (CRS)

February 11, 2008

program. He stated the flood insurance program provided opportunity for persons living or owning a business in a flood prone area to obtain flood insurance on that building. Mr. Nacht noted the insurance rates were established using the finished floor elevation of the building as it relates to the theoretical 100 year flood. He indicated the lower the building level, the higher the insurance premium would be. Mr. Nacht reported the CRS program provided the opportunity for local jurisdictions to implement stricter floodplain development regulations, than the minimum state and federal regulations. He indicated flood insurance premiums were reduced for those jurisdictions because the risk of flood damage was reduced. Mr. Nacht reported the citizens and businesses in Chehalis currently enjoyed a 20 percent reduction in their flood insurance premiums because of the way the city regulates development in the floodplain. One of the provisions of the CRS program, and our local regulations, requires any building that becomes substantially damaged because of a flood must be elevated to the flood protection level. He reported that flood projection level was generally a flood of record level.

Mr. Nacht stated the first thing they must do is determine whether or not a building has been substantially damaged. Initially the first step was to do a field analysis using a standard FEMA format to estimate the damage or percentage of damage to the building. They also look at the Lewis County PATS system for assessed values. He indicated they compile all the information into a computer program created by FEMA, which produces a printout that will tell them whether or not the building was substantially damaged. Mr. Nacht stated once they produce a 'substantial damage' letter, they send it to the building owner and provide them an opportunity to appeal that determination if they are not a repetitive loss property. He noted it also gave them the opportunity to produce information relevant to their specific circumstance. Mr. Nacht reported if the administrative appeal was successful they could reverse the determination of substantial damage, based on the specified criteria.

Mr. Nacht stated one of the issues they run into with substantial damage determinations was that all properties that had flood insurance on them were eligible for a subsequent program called Increase Cost of Compliance. This program allowed for additional funding to elevate buildings.

Mr. Nacht reported they were also providing moisture content information for the buildings located in the city of Chehalis. Anyone who had flood damage to buildings was required to remove the damaged portions of the building, typically the drywall, installation, cabinets, and any of the flooring that absorbed flood waters. Mr. Nacht reported they were unfortunately running across a lot of buildings that did not comply with the process of debris removal that were now essentially covered with mold. He indicated there were a number of buildings out there that were going to have considerable cost escalation in their damage repair because they did not remove the contaminated material from the building.

Mr. Nacht reported they were advising people on when they could reconstruct their buildings. He noted Jeff Shine was going out on a daily basis and measuring the moisture content of the framing materials. Mr. Nacht stated the biggest issue they were running into was the substantial damage and determination. He added once they determined that, the city requires the building be elevated as a condition of the repair permit. Mr. Nacht reported the city does intend on applying for grant money for elevation and buyout, but that would not happen for several months. He stated they were working with the state hazard mitigation grant program on that issue.

Councilor Pope noted years back the city participated in a buyout program and there were a few property owners who would not sell their property at that time. He inquired as to whether or not they would be eligible this time around for the buyout program. Mr. Nacht stated they anticipated creating a program that would allow the city to get as much flood prone property as possible into the program, including any properties that may not have been participatory in 1996. He noted there may very well be FEMA and/or other criteria that would need to be used, but the city intended to get as wide an area as possible eligible for either elevation or buyout.

Councilor Dawes asked if the city had any staff conducting inspections prior to people removing damaged materials from their property and doing repairs. Mr. Nacht indicated immediately after the flood city staff was available in the field. He noted at one point they had five inspectors who came down from the city of Tumwater, along with two FEMA representatives doing fieldwork for the city, and a few days after the flood there are a number of people in the field advising residents on what they needed to do and how to do it. Mr. Nacht reported the city also put out twenty-seven 40-yard dumpsters on public rights-of-way over the last 60 days, and made disposition of flood damaged

February 11, 2008

insulation, drywall, carpeting and other components. He noted that program was discontinued as of January 31, because of the length of time they had been out there.

Councilor Dawes reported he was contacted by an individual regarding the issue of staff conducting inspections. He asked that individual to email him his concerns so he could get the information correct. Mr. Nacht stated they were running into a number of properties that had been substantially damaged, which were probably substantially damaged in the flood of 1996 that did nothing to protect themselves at that point in time. Those were the properties they referred to as repetitive loss properties. He noted under the city's CRS program, if a property was substantially damaged by a flood and the cost to repair that building was more than 50 percent of the value of the property, they must elevate that building, or otherwise protect it.

d. **Introduction of New Human Resources Director.** City Manager MacReynold introduced Peggy Hammer, the new human resources director for the city of Chehalis. Ms. Hammer stated she was very happy to be here.

e. **Employee service awards.** Mayor Ketchum presented an employee service award to Patrick Wiltzius, Wastewater Superintendent, for 10 years of service with the city. Others who would be receiving service awards were Chuck Moses, Water Treatment Operator I, for 15 years of service; and Pat Gilligan, Firefighter, for 10 years of service.

## 7. **Council Reports.**

a. **Mayors Meeting.** Mayor Ketchum reported he attended a mayors meeting on January 1, at the Lewis County Courthouse. The main focus of the meeting was the forming of a flood district. He noted it was a very productive meeting.

b. **EDC Banquet Attended.** Councilor Fuller reported he attended the Lewis County Economic Development Council Banquet on February 7, along with Councilor's Lund and Dawes, and City Manager MacReynold and his wife. He noted it was a nice event. Councilor Dawes echoed Councilor Fuller's report, adding it was a great night.

8. **Report on Utility Billing Analysis.** City Manager MacReynold reported three months ago the city decided to take a serious look at its utility billing system. The city signed a multiple services agreement with HDR Engineering, Inc. to evaluate our system to ensure that it met city code and to see if there were any areas in which the system could be used more efficiently. The administration and staff worked with Herta Fairbanks, Senior Analyst, to review the city's utility rate policies and application. City Manager MacReynold noted the council was briefed on the analysis and Ms. Fairbanks was there to make a formal public presentation on what the report said, and what the recommendations were.

Ms. Fairbanks reported she sat down with the utility billing department to talk about repeated comments they had received about the utility billing system, as it pertained to the bills of the customers and the service they were receiving. She also discussed with staff the concerns constituents had in relation to confusion or inequities in the way the ordinances were currently written. Ms. Fairbanks noted the comments received by the city regarding utility billing practices centered on the following issues:

- Landlord/Tenant relationships
- Billing Cycles
- Sewer Rate Basis
- Leak Adjustments
- Deposit Requirements
- Bill Due Dates
- Late Fees
- NSF Check Procedures
- Confusing Bills

February 11, 2008

Ms. Fairbanks noted HDR surveyed 12 different cities in Western Washington; based on proximity to the city of Chehalis, and others were selected based on the fact that they were much larger cities, with the assumption that they probably had faced similar issues before and came to some conclusion as to what would be the most appropriate method for dealing with them. In addition, HDR chose some other cities that were close in size in the number of customers. Ms. Fairbanks summarized the following:

Landlord/Tenant Relationship - Ms. Fairbanks noted one of the issues brought to light was whether or not the landlord should remain responsible for the utility bill, or whether it should go into the name of the tenant. She noted the ordinance, as currently written, stated the landlord shall remain the responsible party. Ms. Fairbanks noted the city's ordinance was contemporary and no changes were recommended.

Mayor Ketchum felt both the landlord and tenant should receive a notice of the bill. Councilor Taylor thought the person who turned the water on should be the responsible party, adding the property owner was just renting the house to the tenant. He added if the city was going to be issuing someone credit in the form of giving water, the tenant should be the party that had to pay the bill, not a property owner who had nothing to do with the use of the water. Councilor Taylor noted he would like to make a motion to change that and would do so when appropriate. Mayor Ketchum noted they would do that when they bring back the final recommendations.

Ms. Fairbanks noted their comments were appropriate, adding it was really a political decision, not a matter of what was fair or equitable. She stated the question came down to who was ultimately going to pay the bill should the responsible party move out. Ms. Fairbanks noted there were other safeguards in place to help the city with recouping that loss, if in fact the responsible party (the tenant) skipped out, which was where the city ran into that problem most often. She noted ultimately the reason most cities maintain the landlord as the responsible party was because cities had the ability through Washington law to place a lien on a property. Ms. Fairbanks indicated if the tenant was the responsible party that lien would mean nothing to them.

Council Lund asked why Lewis County PUD didn't do that. Ms. Fairbanks stated the PUD did not have lien authority. Councilor Lund thought the city should use the same process as the PUD.

Councilor Dawes stated he would like to know how much they were really talking about in year's time.

Councilor Taylor noted he understood what Councilor Dawes was asking, but it was his philosophy that the person who used the water should be responsible for it. Councilor Dawes stated he agreed accountability was number one, but if all of a sudden they had several irresponsible people leave town and they had to raise rates by five percent to make up that difference, then everyone would be paying for that loss and he didn't believe that was doing their constituency the right way.

Councilor Lund stated if they had the right policies in place they wouldn't have to worry about what Councilor Dawes was worrying about.

Billing Cycles - Ms. Fairbanks reported the issue with billing cycles came to light when staff was unable to read a meter during the normal cycle. She added, generally speaking, utilities try to target within three to five days before or after the last meter read so things stay consistent. Ms. Fairbanks reported on a bimonthly cycle it was usually between 55 and 65 days to reach the 60 day goal. She noted the city indicated occasionally billing cycles reflected up to 70 or 75 days, which takes some of the consumption that would have been billed in the following cycle and places it into the current billing cycle. Ms. Fairbanks recommended the city implement a policy of estimating bills if meters cannot be read on the scheduled date.

Sewer Rate Basis - Ms. Fairbanks noted the way the current ordinance was written, the city had essentially two potential sewer winter periods. She noted the sewer rate for residential customers was billed based upon the average winter water use. Ms. Fairbanks recommended four primary solutions which included:

- Adjust the winter period to incorporate the water consumed during the stated winter periods, not the water billed during the stated winter periods



February 11, 2008

- Reduce range of months included in water period
- Bill sewer on flat rate basis
- Bill all customers on the same schedule

Ms. Fairbanks reported most cities tend to use a shorter timeframe of four months, starting anywhere from October to December and end anywhere from February to May.

Leak Adjustments - Ms. Fairbanks noted the question about leak adjustments was derived from staff. They wanted to know what was contemporary in terms of how frequently a leak adjustment would be allowed on the same property. She reported the city currently allowed essentially one leak adjustment per property, per year; or per 12 month period. Ms. Fairbanks noted that was contemporary with other cities, and no changes were recommended.

Ms. Fairbanks indicated another issue that came out was whether or not a leak adjustment affected the sewer bill based upon the fact that the sewer bill was based on a water bill. She stated the city did in fact reflect the leak adjustment on the sewer bill as well, which was also considered contemporary.

Councilor Dawes stated he would like to see the council give staff some flexibility to allow more than just one leak adjustment per year. He noted with the age of some of the water pipes in the homes around town it would not be unrealistic to see more than one leak per year. Councilor Dawes added if the leak was significant enough they more than likely had to hire a plumber and probably paid a relatively large sum of money to have those repairs made.

Deposit Requirements - Ms. Fairbanks reported comments received from customers were: there was no waiver of deposit for landlords who demonstrated good credit; there was no timeframe for return of deposits; and there is no interest paid on deposits. She stated the city's ordinance was contemporary and no changes were recommended however, it was a political decision on the part of the council. Ms. Fairbanks added if the council decided to change the ordinance, they would need some very strict credit requirements as far as what the credit policy would be and how they do credit checks on people, as well as additional tracking requirements of the finance department.

Councilor Dawes noted if a residence provided a letter of credit to the local PUD they would not be charge a deposit. He added if you had a certain amount of time established with them as a good customer, you could get your deposit back either by a refund or have it applied to your bill.

Councilor Lund stated he didn't receive any interest from the PUD because he didn't have any deposits with them. He felt it was good that the PUD returned deposits after 36 months and thought the city should look into giving deposits back for those who pay on time.

Bill Due Dates - Ms. Fairbanks reported the city had received comments that its practice was very aggressive in regards to the bill due dates and the date the delinquent charge was applied. She noted the city's bill due date was consistent with the surveyed cities and no change was recommended. However the date the delinquent charge was applied was more aggressive than most surveyed cities and any change would be at the council's discretion.

Late Fees - Ms. Fairbanks reported the late fees were tied to the bill due date and comments received were that the late fees were applied too early; the fee was too high; and the compounding of late fees on unpaid bills was unfair. She noted in their review they found the compounding issue was something that was pretty unique to Chehalis, adding most of the other cities used a collection agency for unpaid bills. Ms. Fairbanks reported Washington state law allowed cities to engage in the services of collection agencies for the purpose of collecting unpaid bills. She noted the city could also start turning uncollectible accounts into a lien situation and collect the money that way, as opposed to simply letting it sit on our system waiting for someone to actually pay the bill. Ms. Fairbanks reported the rate was contemporary and our apply date was only five days more aggressive than the average of the cities.

Councilor Taylor asked if the city had a real high uncollectible balance. City Manager MacReynold noted he could not answer that question with any certainty without the finance manager. Councilor Taylor stated he would like to see that figure. Councilor Lund felt the city should go after them, adding it wasn't fair for the people who do pay the

February 11, 2008

money.

NSF Check Procedures - Ms. Fairbanks reported city staff requested review of its unofficial NSF check procedure. She reported the city did not currently have a formal policy addressing NSF checks however, there was an unwritten policy that was applied consistently to all NSF checks. She noted the procedure was to accept up to three NSF checks from one single party, and after that they were placed on the cash only basis. Ms. Fairbanks noted the procedure was contemporary and recommended the city formalize it with an internal policy and procedure.

Confusing Bill - Ms. Fairbanks reported the final issue was related to the confusing bills. She noted with the recent change in billing format it was going to take some time for customers to adjust to what the new bills looked like. In addition, there were some abbreviations being used on the bill such as "Cons" for consumption and "C" and "P" on charts that were portrayed on the bills, which were very confusing to the customers. Ms. Fairbanks noted the new bills had been going out for about six months and the customer's comments, just by virtue of becoming more familiar with the bills, had probably dropped off.

City Manager MacReynold stated that was the case, but staff was still exploring how to make the bills more understandable. Ms. Fairbanks noted in regards to the data being presented on the bills, it was all flexible in terms of being reprogrammed and presented in a different way. She recommended staff store all the customer comments up and go to the software provider and in one shot have them make the adjustments to the bill.

Ms. Fairbanks noted another concern related to the way garbage service was being billed was that under the current contract the collection company (Superior Refuse) reported to the city how many extra cans the customer needs to be billed for. She reported because of the way the current contract was structured there was nothing that could be done about that situation, however it appeared the contract would be expiring in April 2008. Ms. Fairbanks recommended the council consider including billing of garbage service as part of any revised or renewed contract with a contractor.

Councilor Dawes stated he found the bills to still be confusing, adding he was able to take his PUD bill and come up with the same figure they did, based on his consumption. He added he hated always using the PUD as an example, but it was the only other bill he received that had the same complexity. Councilor Dawes thought the bills should clearly state the base charge and the consumption used. He felt the new system should be able to do all of that, and within the system staff should include notes on the past history of the customer. Councilor Dawes felt it shouldn't be that difficult to come up with that information.

City Manager MacReynold reported staff would bring formal recommendations to the council and would also be recommending a public hearing sometime next month so the public could respond to the recommendations.

**9. Resolution No. 2-2008, First and Final Reading - Establishing a Multi-County Flood Control District.** City Manager MacReynold reported staff was working in cooperation with Lewis County and the city of Centralia to try and come up with a common approach to deal with the flood control issue and a flood solution. He reported there were discussions earlier in the evening from consultant Tim Moore, who gave them some recommendations on how to do that. City Manager MacReynold noted the council was provided with the latest version of the resolution, under separate cover, which was improved upon by the city attorney. He requested council's consideration of the latest version of Resolution No. 2-2008.

Councilor Dawes moved to adopt Resolution No. 2-2008 on first and final reading.

Councilor Pope seconded the motion.

Councilor Dawes stated he wholeheartedly supported the concept of the resolution, and urged its passage.

Councilor Taylor appreciated the conversations and discussion about the flood control Corps, adding after hearing Dr. Hendrickson and Mr. Moore speak he was in support of the resolution. He indicated he would like to have a further workshop to explain the flood control Corps and to find out what kind of authority they would have and how

February 11, 2008

they tax. Councilor Taylor urged the support of the resolution as well.

Councilor Lund waived his comments to Dr. Hendrickson. Mayor Ketchum stated Dr. Hendrickson could speak after the council was done.

Councilor Fuller asked if the resolution was something the city was doing, or if it was in conjunction with the other entities. City Manager MacReynold reported the city received the initial draft of the resolution from Lewis County Prosecutor Michael Golden. He noted he used Prosecutor Golden's 'good' resolution, made some amendments to match up with the direction the council gave at the last meeting, and had it reviewed by the city attorney. City Manager MacReynold suspected the county's resolution was similar, but not exact. He noted in discussions with City Manager Fouts of Centralia, their resolution would be similar with a few minor differences. Councilor Fuller asked if they would be speaking with one voice. City Manager MacReynold stated that was his hope.

Mayor Ketchum commented on what had happened during the preceding week, with regards to the flood resolution issue. He stated he was personally saddened because a week ago they sat around the table and talked about the issue of having one voice. Mayor Ketchum noted at some point in time human nature was going to take over and each entity was going to push for whatever they needed, and unfortunately he saw it all come out over the last week, and more so in front of the state representatives. He felt we ended up looking like none of us were on the same page, or talking to each other.

Mayor Ketchum stated he was also saddened that the Governor decided the Levee Project needed to come, adding he simply didn't believe the project by itself would work. He noted if it was a political grandstand, it was wrong. Mayor Ketchum felt they needed to protect the people, and appreciated Commissioner Averill's response in an article stating if they save 5,000 people and lose 500, that was not okay. He added if they lose even one house because of something the state does or we do, it was a bad mistake.

Mayor Ketchum believed Mayor Browning's statement in *The Chronicle* to "take what we can get" was a sell out. He stated we need to fight for everything we can get and not sell out to anybody. Mayor Ketchum stated we needed to protect the people of the county, those upstream and downstream. He believed by putting a flood control district together it would bring everybody to the table, and enough force that people would listen.

Mayor Ketchum stated the state needed to put the money away where it could not be touched, so it doesn't go away like the other \$30 million did last time. He added we needed to have control of that money and it was their job to make sure that whatever plan was put into place that it was the right plan, and they as local officials should be fighting for that. Mayor Ketchum believed it was the Governor and the local legislator's job to put pressure on the people in Washington DC to give us the money we need.

Mayor Ketchum felt part of the Corps plan should be used, but not all of it, adding it was a fatal plan if they admitted it. He believed they needed to get the project out of the Corps hands and into our own and use public and private entities to get the job done. Mayor Ketchum was glad we had citizens that were willing to get involved, adding they were the backbone of what really makes government work. It was his hope that together they could come up with something that would work for all three counties.

Dr. Hendrickson thought the resolution had some teeth in it and expressed very forcefully the council's position on support of a basin-wide flood control district. He mentioned anybody wanting more information on flood districts should visit the website for the Sacramento River Basin Flood Control District. Dr. Hendrickson's only concern with the resolution was it noted the city would support the amended Corps plan. He suggested they remove just that part, since they had no clue what the amended Corps plan was going to be. Mr. Hillier noted the resolution stated it would support an amended plan. Dr. Hendrickson noted earlier Mr. Moore made a very good statement in that the Corps only does what they are told to do.

Commissioner Averill thanked the council for their consideration, noting the resolutions showed solidarity of the community in not pursuing a plan that would not do what we need it to do. He added there was much more that needed to be done and it may be that when they form the flood control district and do a review of all that was on the

February 11, 2008

table, at least part of the Corps plan may play a role, but that should be part of the process of looking at the entire flood basin, with the idea that we would eventually phase toward a solution that really worked and not one that partially worked. He strongly supported the resolution before the council.

County Prosecutor Michael Golden also thanked the council for hearing from everyone, adding the passion of Mayor Ketchum was what was going to be required to make it work. He noted the Lewis County Commissioners asked him to help put together a structure, and the best structured they were able to come up with for drainage-wide protection was a flood protection district. He noted if the resolution did pass, it would allow them to enter into negotiations to come up with an interlocal agreement, so they could in fact speak legally with one voice. Prosecutor Golden stated he had no idea what the Corps plan was going to look like if it ever turned into something, but it was clear that part of it that had some validity; however it was based on bad data.

Prosecutor Golden reported he had two engineering firms look at the data, including PIE, the original firm who in their presentation years ago knew that the data was incorrect. He subsequently retained Northwest Hydraulic Consultants who were currently working with FEMA, putting together their floodplain maps. Prosecutor Golden reported this was important because they had the data the Corps used in putting the plan together. He indicated the first thing the FEMA contractor would determine was if the data was valid, and the answer was, it is not. He reported the problem with the data was it underestimated the flows by roughly 10 percent, in affect the Corps plan only protected against a 70-year flood, not a 100-year flood.

Prosecutor Golden reported when the Corps brings forward its plan it will state they would be providing a plan that would have levees that were certified for 100-year protection. He reported FEMA would be getting information that that was not the case. Prosecutor Golden indicated if someone had property behind a levee that offered 100-year flood protection, that land, protected by the Levee would be removed from the flood map and they would be able to develop it. He noted once the Corps provides that plan to FEMA, FEMA having received it from another governmental agency would accept it at face value. Prosecutor Golden indicated any person can point out the flaw, and FEMA's own contractor was aware of the flaw. He closed by saying people who believe they had 100-year protection and were able to develop their land, may not have the protection that the plan appears to promise.

Mr. Golden reported the citizen's commission was going to be meeting on Wednesday at 7:00 p.m. at the Adna High School. He stated he would be bringing his engineers to that meeting to show people the facts.

Councilor Pope noted one thing that had not been discussed was property acquisition. He didn't believe the \$50 million would even cover the acquisition of property, adding they needed to factor that in. Prosecutor Golden reported he heard there were engineers out looking at the values, but noted under the Corps plan, the federal government would not pay for acquisition of property, adding it would be the responsibility of the non-federal partners, which meant us.

Prosecutor Golden believed the project would not happen for some time and felt they wouldn't even be turning a spade for at least two to four more years. He noted a question they'll have to ask the Corps was, what's the rush?

The motion carried unanimously.

10. **Library Landscaping Project.** City Manager MacReynold reported the landscape architect was present to answer any questions, and encouraged the council to authorize the administration to proceed and go out to bid.

Councilor Taylor moved to authorize the administration to seek bids for the Library Commons Landscaping Project.

The motion was seconded by Councilor Taylor and carried unanimously.

11. **Copy of Resolution for Senator Swecker.** Councilor Lund asked if they should vote on sending a letter to Senator Swecker asking him not to support the Corps project. Councilor Dawes noted the resolution they just

February 11, 2008

passed would do the same thing and suggested they send a copy of that to the senator. City Manager MacReynold stated he would be attending a meeting with Senator Swecker Tuesday morning and would hand a copy of it to him at that time.

Councilor Pope felt the cities should definitely send an e-mail to Representative Alexander, telling him we support him. Mayor Ketchum noted they would also be meeting with Representative Alexander in the morning.

12. **Thanks for Support.** Mayor Ketchum asked for permission to speak on a personal note. He personally thanked everyone for their support over the last week. He appreciated the cards, the thoughts, and the food, adding there was a tremendous outpour and it was a tremendous help to him. Mayor Ketchum noted the family had all gone home and visitors were welcome to stop by anytime.

There being no further business to come before the council, the meeting adjourned at 7:38 p.m.

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Mayor

Attest:

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City Clerk

February 25, 2008

The Chehalis city council met in regular session on Monday, February 25, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:08 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Peggy Hammer, Human Resources Director; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director, and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session for one hour pursuant to RCW.42.30.110(1)(i) – potential litigation; RCW 42.30.110(1)(b) – purchase or acquisition of real estate; and RCW 42.30.110(1)(c) – lease or sale of real estate and there would be no decisions announced.

Mayor Ketchum closed the executive session at 6:04 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:09 p.m. Additional staff included: Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; Dave Vasilauskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

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

- a. Minutes of the regular meeting of February 11, 2008;
- b. Award contracts to various vendors for 2008 rock, gravel and asphalt bid;
- c. Accept the Valley View Booster Pump Station as complete and release retainage to Northern Con-Agg, Inc. in the amount of \$12,493.63; and
- d. Re-appoint Dave Herzog to the Civil Service Commission for a six-year term expiring on December 31, 2014.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Staff Reports.**

a. **Flood Mitigation and Recovery Issue Update.** Tim Grochowski reported National Avenue and part of Airport Road, which were damaged by the flood waters, were considered to be federal aid routes and the city was authorized on the preceding Friday by the federal government and state to go out to bid to repair the two roadways. Mr. Grochowski noted because it was a federal aid route the work had to be done 180 days from the date of the event, which was December 3, 2007.

Mr. Grochowski reported during the week of the flood, Dick Riley from Gibbs and Olson called to ask if the city needed any help. He stated they came down to do some evaluations and threw some estimates together to help the city come up with figures for FEMA. Mr. Grochowski indicated the city needed to contact two or three other consultants in order to fulfill the obligations according to the L.A.G. manual and contacted Gray and Osborne, and HDR Consulting, Inc., which were both too busy, and also Todd Mason who indicated it was too much for him to do.

Mr. Grochowski asked the council to authorize City Manager MacReynold to execute the two agreements with Gibbs and Olson, to perform the work in order to get it out to bid. He noted once the contracts were signed they would be ready to go to bid on the federal work around March 7, and have it completed by the end of May. Mr. Grochowski indicated the additional FEMA work would need to be completed by the end of October.

Mr. Grochowski reported the total amount of damage sustained under FEMA was around \$587,000 and the federal routes, both National Avenue and Airport Road, was around \$700,000. He reported the city would be reimbursed from both the state and federal agencies, adding there was also a rumor going around that the Department

February 25, 2007

of Transportation (DOT) would be paying the city's portion. Mayor Ketchum believed the state was trying to pass some sort of legislation to cover it 100 percent. Mr. Grochowski stated he too heard that the FEMA and federal work could possibly be covered 100 percent.

City Manager MacReynold noted because they only recently found out, they really needed to move fast to get the federal route work done. Mr. Grochowski reported the agreement for the federal aid projects was for consulting for the bid documents and inspection work by Gibbs and Olson. He noted the other agreement was for engineering services for the design and construction phase of the FEMA work. Mayor Ketchum asked if they couldn't just make a motion to give approval. Assistant City Attorney Mark Scheibmeir noted they really didn't know what they were approving yet, but would need to do it formally.

Councilor Dawes asked Mr. Grochowski if FEMA would be satisfied that the city made contact with the other consultants even though he couldn't get them to do the work for whatever reason. Mr. Grochowski indicated everything the city had done to date was satisfactory and documented with FEMA, adding they were in continued contact with them. Mr. Grochowski noted FEMA would be looking at the work done by Gibbs and Olson as well as the bids and specs.

City Manager MacReynold felt it might be cleaner if the council authorized him to execute a contract for engineering services based on an emergency need, and bring the other key points back to the council for approval at later date.

Councilor Harris moved that the council authorize City Manager MacReynold to execute a contract for engineering services with Gibbs and Olson based on an emergency need, and to bring back any key points for additional approval at a later date.

The motion was seconded by Councilor Taylor and carried unanimously

#### 4. **Council Reports.**

a. **Meetings Attended by the Mayor.** Mayor Ketchum reported he attended the Centralia city council meeting and the flood workshop held afterwards on February 12. He indicated it was a very good workshop and they all seemed to be on the same page. Mayor Ketchum noted he also attended a flood meeting on February 13 at Adna High School, which there was a large turnout for.

Mayor Ketchum reported at the airport board meeting on February 20 the Airport Manager of the Year award was given out by the Washington Department of Transportation to Airport Manager Allyn Roe.

#### 5. **Council Committee Reports.**

a. **Chehalis River Basin Partnership Meeting.** Councilor Harris reported back in January the partnership looked at their group as being the vehicle that had the ability to deal with and to handle a flood reduction process for the entire basin. He noted after a month and some extended thought, the partnership decided to go along with the governor and Legislature and turn it over to a five member flood executive committee, which included the city's representative; and Ted Shannon from the city of Centralia; Grays Harbor County Commissioner Bob Beerbower; Thurston County Commissioner Robert Macleod; and Lewis County Commissioner Richard Graham.

Councilor Harris reported the meeting was very informative and was attended by various agencies. Some of the highlights pointed out by Keith Phillips from the governor's office included:

- the short-term loss of I-5 did not override the people's needs in any fashion
- the project should be 80 percent about people and 20 percent about I-5
- they would be setting up a general investigation survey to track scientifically how the flood actually happened; part of it to be funded by Representative Alexander's house bill

February 25, 2008

Councilor Harris noted all of the players at the table understood it was going to take a wide range approach when it came to cleaning up the rivers, including dredging, re-channeling, water storage, soil removal in the basin, dams, and dam improvements. He stated they knew they were not going to prevent flooding, but they needed to try and take some of the crust off to help know and guide where the water was going to go.

Councilor Harris noted Dr. Hendrickson was present at the meeting and did a very good job. He noted it was good for the state offices to hear what was being said by the public. Councilor Harris felt state agencies tend to listen much more clearly and with sharper ears when the public speaks.

Patrick Wiltzius noted a representative from the Corps of Engineers tried to downplay their plan, saying there was a lot of misinformation going around about it and she would be happy to attend any meetings that she was invited to, to discuss the plan. Councilor Harris added the representative noted twice that the plan was 35 percent designed and wondered how that could be if there was no plan. Mayor Ketchum noted the representative never indicated that at any other meeting.

Mayor Ketchum reported Dr. Hendrickson also sent out a good email stating his perspective about the flood basin.

Councilor Harris noted Chehalis Tribes Representative Mark White didn't know what the Tribe's thoughts were about some of the flood prevention measures. He added Mr. White was disappointed because he had not been invited to any of the open public meetings, adding they felt they must receive a specific invitation to attend. Councilor Harris summarily invited Mr. White to attend every meeting they had and let him know when our city council meetings were. He felt some involvement by the Tribes, and not last minute involvement, would help move the process along.

b. **Lewis County Historical Museum**. Councilor Dawes reported the Lewis County Historical Museum received a preservation grant, which included a set of books and DVD's, to assist in preservation of the artifacts they had in the museum. He noted they were making progress with the McKinley Stump and were continuing to do good things.

c. **Chehalis Foundation**. Dr. Pope noted the Chehalis Foundation was still looking at putting together a celebration for Dobson and McFadden Park. He noted they were still in the process of looking at when and how to do it, and would bring a plan back to the city council at a later date.

d. **Chehalis Business Association Meeting**. Councilor Fuller reported he met with the Chehalis Business Association, which meets monthly with the exception of the marketing side which meets every Wednesday night at 6:30 p.m. Councilor Fuller noted they were busy planning for the summer event formerly known as "ChehalisFest" that would now again be called "Crazy Days." He reported the event would take place the first weekend in August.

e. **Strategic Transportation Meeting**. Councilor Taylor reported Tim Osborne from Gray Osborne attended the meeting to give a presentation on Chamber Way and to talk about where we were with the project. The group also discussed the different concepts and strategies of the I-5 widening project and whether to do the temporary fixes at Mellen Street, or not. Councilor Taylor stated they also briefly talked about the Airport Road extension. He added it was the first meeting of the organization as a whole, so they were able to receive overviews of all the projects that were currently going on.

City Manager MacReynold reported they also talked about the timeframe, which was very short to get federal transportation earmarks. Additionally, they were significantly changing their widening strategy with reference to Centralia's position on the west connector. He indicated the costs on that project went from \$20 million to \$70 million plus, which they could no longer afford. City Manager MacReynold thought it might be helpful and suggested the Council invite DOT to come and give a briefing in a work session. Mayor Ketchum noted DOT would be at Centralia's Council meeting on February 25 and invited everyone to attend.

Councilor Dawes stated he was hoping to get some kind of an update because the last time he asked about the Chamber Way project, City Manager MacReynold indicated they were trying to fast-track some other projects. He



February 25, 2008

noted given the budget outlook for the next couple of years, he didn't believe they would be fast-tracking anything but rather backtracking on a lot of projects. Councilor Dawes hoped to get an answer so the city could do something on the Chamber Way project. City Manager MacReynold reported he did receive a response from DOT, which stated they were not fast-tracking anything. He added their recommendation was for the city to go ahead with the Chamber Way project.

f. **Twin Transit Board**. Councilor Taylor reported the board was looking at moving its facilities to the Port of Chehalis.

6. **Closeout of Chehalis Regional Water Reclamation Facility Project**. City Manager MacReynold stated the water reclamation facility was a significant regional project. He thanked Patrick Wiltzius and his staff who did a commendable job working with the contractors and the architects to make it happen.

Mr. Wiltzius stated it had been a long time coming. He reported the bottom line was they finished the treatment plant project and all the projects leading up to it, including: land acquisition, right-of-way easements, development of the poplar tree plantation, the seismic stabilization project and site-fill project, all in order to save money. He felt the treatment plant was a successful project and the facility would service the city for many years to come.

Mr. Wiltzius reported the project came in about \$432,000 under budget and thanked everyone who helped out with the project. He added the people that really made the project successful were the engineers from Gibbs and Olson, Dick Riley and Mike Marshall. He added Mr. Marshall was his counterpart and deserved the credit for negotiating with the contractor to bring the project in under budget. Mr. Wiltzius stated they had a lot of operator input and were real happy with what they had.

Mayor Ketchum noted he didn't want to take anything away from Gibbs and Olson, but felt a lot of it got done because of the work Mr. Wiltzius did, and his pit bull attitude.

Councilor Dawes stated he knew that the council and staff went through a lot of trials and tribulations with the project, but as a lifetime resident of the city he wanted to thank not only the staff, but the council members that were involved with it. He noted the city had a facility they could be proud of, that would serve the city for many years to come.

Councilor Pope stated he remembered when they started the project and told Mr. Wiltzius he really appreciated the fact that all along he had kept the council well informed. He noted because of the good information that Mr. Wiltzius gave them, they were able to make good decisions as a council.

Councilor Harris felt the city could not have had a better person to oversee the project, and thanked Mr. Wiltzius very much for the great job he did.

Councilor Pope moved that the council accept the construction work for the Chehalis Regional Water Reclamation Facility Plant and Force Main contract as complete, and authorize payment of the last pay estimate in the amount of \$12,433.19, and release retainage in the amount of \$142,530.24 to Apollo, Inc., after the city clerk ensures all statutory requirements have been met.

The motion was seconded by Councilor Harris and carried unanimously.

7. **Establishing WiFi in Downtown Chehalis**. City Manager MacReynold reported the WiFi project was something they started about a year ago, and Joanne Schwartz was the lead on the project. He felt the key technical people who volunteered from the community did an excellent job on the project.

Ms. Schwartz introduced the WiFi committee members, which included: Mike Carrier, Rainier Connect; Ed Schonack, Comp Prime; Allyn Roe, Chehalis/Centralia Airport Manager; Nathan Reitz, Lewis County Webmaster (who was unable to attend); and David Hartz, Book n' Brush (who was unable to attend).

February 25, 2008

Ms. Schwartz noted the project actually started in October 2006. She reported what they thought was going to be fairly simple, turned out to be a very complicated project. She stated they received seven requests for proposals in July 2007 and the lowest bid was fortunately the firm they picked, which was GoNetworks out of Mountain View, California. Ms. Schwartz introduced Paul Vallesteros, Sr., Systems Engineer for GoNetworks, who was available to answer any questions the council might have about his company.

Ms. Schwartz reviewed the map of the area that the WiFi would cover, which was located in the downtown area, including a portion of Main Street and Chehalis Avenue. She reported the actual cost of installing WiFi was \$26,790.49. Other costs associated with the installation included: electrical and physical installation; creation of a splash page; and surveillance/security cameras. Ms. Schwartz noted there would be an initial startup cost of about \$47,000 and an annual ongoing cost of \$14,556. She indicated they high-balled the estimate because they didn't know exactly what those annual costs were going to be. Ms. Schwartz stated they would also need to talk to the various building owners downtown, on the buildings they identified as where they wanted to place the nodes.

Councilor Pope asked what the cost-benefit would be to the city. Ms. Schwartz felt they couldn't do a cost-benefit in terms of cold hard cash, because what they were doing was providing a service to people of the community as part of a tourism/economic development package.

Councilor Dawes stated he was one of the ones who suggested they look at WiFi, but added he had a real concern and the cost-to-benefit ratio was part of it. He noted when he originally suggested WiFi, he was more interested in covering the entrances to town and the possibility of partnering with the motels and restaurants. Councilor Dawes felt the downtown area was the wrong area to be looking at for WiFi, adding they were going to have to drag people off the freeway to get them into town, which may not happen. He added it was a significant cost and didn't feel there would be a cost-benefit ratio in the downtown area, unless they provided it to the residents that live downtown, but didn't believe that was what it was about. Councilor Dawes stated economic development meant to bring in people that otherwise would not come into town. He thought it would be better to form a partnership with the motels in town that might be willing to share the cost.

Councilor Dawes felt the committee did an excellent job, and his suggestions were not meant to put down any of their hard work. He stated one of the things he was very interested in seeing happen was getting WiFi into areas where they get the most traffic off the freeway, and submitted that those areas were probably going to give the city a better cost-benefit ratio than they would get in the downtown area. Councilor Dawes stated he would rather see a plan that included a cost-sharing benefit with those businesses that were located closer to the freeway and expand in-bounds from there.

Councilor Lund responded to Councilor Pope's question, stating he had a couple of friends who lived in Alaska who come down to visit several times a year. He noted the last time they were down during the holidays they had to go over to McMenamins Olympic Club in Centralia to get WiFi because there was nothing in Chehalis. Councilor Lund added he was sure they had something to eat and drink, noting it would have been nice if they could have gone down to the Shire to do that.

Councilor Harris stated he just came back from vacation where they supposedly had Internet access in the house they were renting, however they only got nine numbers of the 10 digit access code. He noted they found out very quickly that all they had to do was walk a half-mile down the road to get Internet access. Councilor Harris noted he understood what Councilor Dawes was talking about, but his hope was to get the entire city covered in wireless, including the off-ramps. He reported The Chamber had Internet access but was unsure of the other side of the freeway. Councilor Dawes noted Starbucks had it, but thought there was a cost to use it. Councilor Harris was also unsure if the hotels were hardwired or had wireless, but thought they had WiFi available.

Councilor Dawes reported when he first talked to City Manager MacReynold about the project, it was his understanding that neither of the motels had WiFi, which was why he pitched the idea that it could be a cost sharing benefit to everyone.

February 25, 2008

City Manager MacReynold stated he agreed with almost everything everyone said. He agreed that people want to have WiFi access and it was a tool in the economic development tool box that the city was trying to create in the community. He reported the reason they started with the downtown area was to start small to see if they could make it work. He reported Ms. Schwartz was willing to work with a group of technical people who could help the city work out the glitches. City Manager MacReynold stated the committee's approach was to start small, see how it worked and how affordable it was, and then over time begin to be more strategic on how to expand out.

Councilor Dawes noted the problem was, unless there are meetings that he was never told about, those outlying areas near I-5 were never approached, or given the chance to cost-share. He felt 13<sup>th</sup> Street would be a smaller geographical area, equipment wise, than what he saw in the downtown area.

City Manager MacReynold responded by saying if his memory served him right, from the beginning they discussed a smaller central area and cost-sharing with businesses that were willing to participate, along with the county. Councilor Dawes asked if any of them were cost-sharing, because he didn't see anything in the proposal that talked about cost-sharing. City Manager MacReynold noted they had not gone to that level yet. Ms. Schwartz noted they also had an opportunity to advertise on the site as well.

Councilor Pope inquired about the cameras that were going to be strategically placed. Ms. Schwartz noted the committee talked about putting one up on Market Street and perhaps one on Chehalis Avenue. Councilor Pope noted in the small town that he came from it was amazing how much the vandalism and cruising up and down the streets stopped once they put up cameras. Airport Manager Allyn Roe stated that was what they noticed at the airport as well. He noted they would be used primarily for tourism, allowing people to see what our city was like.

Mayor Ketchum thought it was a good concept and agreed with Councilor Dawes, but the problem he had was the \$15,000 a year for the up-keep.

Councilor Fuller asked who the project would benefit, adding he didn't feel anyone was going to pull off of I-5 and come into town when they could pull into Starbucks, or The Chamber. Ms. Schwartz felt it was an unknown equation, but it was the in-thing and what was happening. Councilor Fuller felt the concept of starting small came at too big of a price tag. His alternative would be to wait until after the Renaissance plan, adding they would be spending a lot of money on that project and he would like to see if that plan would find WiFi viable to the downtown area. Councilor Harris noted that was a good point.

Councilor Lund stated he recently read that they put bricks on our streets in 1908, noting perhaps because people were starting to buy cars and asked the question, how many people had cars in 1908? He felt they were thinking ahead and perhaps they as a council should thinking ahead and install WiFi.

Councilor Dawes noted his reluctance was based on the location, adding he felt they were starting in the wrong area. He noted he appreciated the work the committee did, but wished it would have covered a different area of town. Councilor Dawes noted if they had a chance, he would like the committee to look at the area around 13<sup>th</sup> Street and the Twin City Town Center area and see how the equipment would fit in over there.

City Manager MacReynold stated he would be happy to take a little breather and look at the other alternative locations and see what it does for the project, noting he wanted them to do it right. He reported they could look at how it would impact the project and what it would do to the costs, and also try to pull in some of those other partners.

Councilor Fuller noted they were also supposed to end up with two more motels down on Main Street within the next year. Mr. Schonack felt that was a moot point because all new motels were going to come in with their own wireless. He reported the committee was trying to get it into an area that did not have wireless access. Mr. Schonack stated their concept was to stay away from the Twin City Town Center and hotel sections, adding people staying at the existing three hotels out on 13<sup>th</sup> Street already had access to WiFi in their rooms.

Councilor Taylor noted he personally liked the WiFi idea and would like to see what type of business support and involvement they could get, adding it would be a benefit to their customers that want to use the WiFi. He felt they

February 25, 2008

might be able to subsidize the start-up costs and perhaps partially fund the yearly costs with business support. Mayor Ketchum thought that was a good idea. He also didn't feel they were opposed to letting it rest and have staff look at the other alternatives.

Councilor Harris moved that the council approve the recommendations of the WiFi committee and direct the city manager to negotiate a contract with GoNetworks to provide WiFi in the designated areas of downtown not to exceed \$47,000.

The motion was seconded by Councilor Lund and failed 3 to 4. Councilor's Fuller, Taylor, Dawes and Mayor Ketchum voted against the motion.

City Manager MacReynold noted they would go back and look at some alternatives and look at some of the points that council made and come back at a later date. Councilor Harris thought it was important for them to understand that they were a budget body as well as a policy body. He noted sometimes when they set policy they don't necessarily need to look at the budget as being the answer to what it was that they were, or were not doing. Councilor Pope felt they should look at their procedures as well.

Mayor Ketchum noted he liked Councilor Fuller's point about talking to the people designing the Renaissance plan to see if they had a different view about where to go with the WiFi. Councilor Pope didn't feel that was their job. Councilor Fuller noted they might be putting the cart before the horse. Councilor Pope stated they were dealing with technology, which was being used all over the country.

There being no further business to come before the council, the meeting adjourned at 7:16 p.m.

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Mayor

Attest:

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City Clerk

March 10, 2008

The Chehalis city council met in regular session on Monday, March 10, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:35 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Community Librarian Corine Aiken was also in attendance. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Work Session –Chehalis Renaissance Planning Process.** Mayor Ketchum introduced Tom Beckwith from Beckwith Consulting Group, to lead the discussion on the Renaissance planning process. Mr. Beckwith introduced Steve Price, Economic Consultant; Don Stastny, FAIA FAICP – Architect; and Terry Reckord ASLA – Landscape Architect, who would be assisting with the planning process and attending most of the workshops and presentations.

Mr. Beckwith reported the council had already seen the scope of work and he would not be reviewing that portion unless the council had any questions. He noted the plan involved a two phase process; Phase I would include:

- Stakeholder interviews with key business owners, employers, and community leaders
- Gathering of background information
- Public charrettes
- Public outreach surveys for employers, residents, and a separate survey for the parks and recreation plan

Mr. Beckwith reported at the conclusion of Phase I they should have a clear indication of what the issues were; what some of the project opportunities were; and develop implementation measures to see those issues accomplished. He noted they would also be sending a mail-out/phone-back survey to a sample of registered voter households. Mr. Beckwith reported Phase II would involve the production of the key issues and proposals; and the means to see them get accomplished.

Mr. Beckwith reviewed the project calendar key dates, and talked in more detail about the various surveys, charettes, and stakeholder interviews.

Councilor Harris had a concern with meeting only on Thursdays and Fridays, adding they might be segmenting themselves with who they were speaking with. Mr. Beckwith noted it was a good point, but from experience they found that they needed to publish the schedule ahead of time so the public could see and anticipate what was coming up; and needed to have a consistent place and day where people expected them to be. He noted they would also be publishing the schedule and the various surveys on the city's website.

Mr. Price covered the purpose of the stakeholder interviews, noting he received a list of 41 possible stakeholders that would be meeting with him in different groups, or individually.

Councilor Pope felt Mr. Price should only be interviewing the primary stakeholders who lived within the boundaries of the city limits; who were invested in our tax structure; and would be impacted by the decisions made. He indicated he would also like to see business owners in Chehalis, who made significant contributions, be included as primary stakeholders. Councilor Lund agreed, noting there were two people that were not included on the list who owned a majority of the buildings in town. Councilor Dawes added he would have hoped that the council would have had a chance to have a little input on who was giving them the input, noting it was the first time he had been on a board where they didn't have that opportunity.

Mr. Beckwith noted if there were people the council would like to have added to the list that was fine, they could add them and continue to interview. He reported there would be other opportunities, such as the internet survey's, the mail-out/phone-back survey, and the brainstorming session for people to give input. Councilor Lund had concerns that there might be a lot of residents in town that may not know how to use, or have internet service. He noted again he felt they were alienating some key stakeholders who should have been on the list. City Manager MacReynold indicated some of the people Councilor Lund might be referring to were on the Economic Development

March 10, 2008

Steering Committee, who were working with Beckwith and would be an active part throughout the process. He noted other groups involved were the Planning Commission, the Chehalis Business Association, and the Historical Board.

Mayor Ketchum asked Councilor Lund to give the two names to the city clerk so they could be contacted.

Mr. Beckwith stated the council would be asked to recommend and take some personal effort in recruiting people to attend the two brainstorming sessions in order to get the turnout, diversity, and opinion they were looking for. He indicated the first meeting would be to introduce the information received from the surveys and interview process; and the second meeting would involve the actual brainstorming on their part.

Councilor Dawes indicated it would be nice to have the names of the people on the different committees. Mr. Beckwith noted they would get that information to the council.

Mr. Beckwith reported they would be posting a notice in *The Chronicle* and city newsletter to notify residents of the various surveys that were coming out, and how to get access to them. Councilor Pope thought it would be beneficial to get the opinion of high school students because they have a lot of very good ideas. He felt a survey should be designed or the information presented to them, to give them the opportunity to be included. Mr. Beckwith agreed, noting there would be a third survey for the park plan on-line for both adults and youth, but had not thought about including other things besides park issues. He added they might want to include that as well.

Mayor Ketchum asked what the timeframe was for getting all the information back. Mr. Price reported they could let it run for at least a month, maybe longer. Mayor Ketchum felt there might be a lot of people who do not use the internet and asked if it might be wise to include the surveys with the bi-monthly utility bills so every household receives one. Mr. Beckwith noted what they found to be successful was to indicate on the utility bill where they could get the surveys, and if they didn't want to go on-line they could have hard copies available at various locations for people to pick up and mail back in. Mr. Price suggested they also include a phone number for residents to call to get a hard copy mailed to them.

Councilor Harris felt one of the bigger pieces of information would be the age and generation of the person answering the questions, which the surveys did not ask for. He noted, when talking with the various stakeholders and committees, it would be very helpful to track it by age group as well, adding a lot of the responses would be indicative of the market they were hitting. Mr. Price noted that could easily be added to the surveys.

Mr. Beckwith stated he wanted to define the council's issues in order to have a roadmap of what they want the consultants to focus on as they go through the process. The issues, concerns and ideas included:

- Two-way traffic through town
- Downtown parking
- Melhart's maze – downtown streetscape issues
- Spruce up entrances to Chehalis, making them inviting
- Recreational activities for kids
- Retention of youth to get them to come back to work and live in the community
- Single community view, to involve the community as a whole
- Declare future business district from downtown to 13<sup>th</sup> Street
- Economic diversity
- Adequate land supply
- Downtown retail business
- Look at UGA to add housing
- Quality residential construction and development
- Ownership of homes versus rentals
- Affordable housing for younger families
- Residential and employment capacity
- Renovation of older buildings and other eyesores such as St Helens Inn
- Restrict churches from residing in the downtown core retail area

March 10, 2008

- Revitalize downtown to have retail on the first floor and housing on the second floor
- A way-finder system to get people off the freeway and into town (city-wide)
- Branding the city/image and positioning of the brand
- Identify and celebrate the different districts, but find a way to meld them together
- Develop activities for young adults
- No career opportunities
- Family wage job opportunities
- Older utilities

Mr. Price asked what some of the selling points were for establishing a business or choosing to live in Chehalis:

- Freeway and rail access
- Centrally located between Seattle and Portland
- Cost of doing business
- Good community college/WSU Teaching program/nursing, tech and diesel programs
- Capital financing available – Local and chain banks

Mr. Price asked what would keep a retiree or someone going into a second or third career in Chehalis.

- Medical services
- Hospital services
- Transit system
- Training programs for local job opportunities

City Attorney Bill Hillier indicated there were less than 40 cities in the entire state that were county seats and they hadn't even broached that subject yet. He noted the county was expanding and were planning their facilities without a whole lot of input from the city. Mr. Hillier noted historically being a county seat was a benefit, but added times had changed and felt that was something that needed to be on the list.

Mr. Beckwith asked how the city was doing fiscally. City Manager MacReynold reported the city was in okay shape, but for the next two to three years they would be running a tight ship to complete projects such as the Chehalis Commons and the Chamber Way project. Mr. Beckwith asked how the one percent tax limitation was affecting the city. Mayor Ketchum reported the city had only raised taxes a couple of times over the last twenty years. Councilor Pope indicated they chose to keep the taxes down and banked the one percent capacity. Mr. Beckwith asked if the council felt they were going to have enough money to maintain its system in the future with revenues only growing one percent per year, and being a low-growth area. Mayor Ketchum felt only if they continue to have industry coming in to increase sales tax revenues. City Manager MacReynold reported new construction and sales tax revenue was what really saved the city over the last few years. He added it certainly could come to a grinding halt based on the communications with the state in reference to building in the floodplain and future development.

Mr. Beckwith noted Chehalis was an old city and inquired about the city's older utilities. City Manager MacReynold stated the city had a lot of old everything. Councilor Harris noted the city had a big inflow and infiltration situation they needed to deal with soon. Mayor Ketchum reported the city had a maintenance program and felt they were not far behind in the schedule. Councilor Pope added the city also had the foresight many years ago to be proactive and started taking care of some of the problems before the Department of Ecology stepped in to tell the city they had to do it.

Mr. Beckwith reported he would get the list of names of the people participating in the interviews back to the council within the week, adding if there were people the council thought should be added to the list, to get those names back to Caryn. His task for the council was for them to come up with at least 12 names each, of who they wanted to invite to the brainstorming session, and to have them turned in to the city clerk by the end of the week.

March 10, 2008

Mayor Ketchum closed the work session at 5:58 p.m. and announced council would take a ten-minute recess and reopen the regular meeting at 6:12 p.m. Additional staff included: Amanda Vey, Assistant City Attorney; Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Eva Lindgren, Finance Manager; and Tim Grochowski, Public Works Director.

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

- a. Minutes of the regular meeting of February 25, 2008;
- b. Payroll Vouchers No. 30259-30427 in the amount of \$655,993.86 dated February 29, 2008; and
- c. Award bid for apparatus mounted diesel exhaust system to Ward Diesel Filter Systems in the amount of \$56,155.48.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Proclamation - Red Cross Month.** Mayor Ketchum read a proclamation designating the month of March as 'Red Cross Month' in the city of Chehalis. Gerald Moczynski, CEO, and Michelle Fries, Emergency Services Specialist, accepted the proclamation on behalf of Red Cross Mount Rainier Chapter.

4. **Staff Reports.**

a. **January Finance Report.** Eva Lindgren briefly reviewed the January finance statement, adding the format was a little different from what they previously received because she was still working on putting the 2008 budget in the finalized form. Ms. Lindgren stated she planned to report on the February finance statement at the next meeting, but noted the 2008 budget figures would not appear until the March report.

b. **Garbage Contract.** City Manager MacReynold reported the city's contract with the existing garbage company was up in April. He noted his interest as they begin to gear up was what the council's interest was as policymakers. City Manager MacReynold asked if the council would like administration to renegotiate with the existing company; or go out to bid as they did four years ago. He noted, based on his own experience in fielding complaints and phone calls with the current company, that it was a mixed bag. City Manager MacReynold noted the current company provided the city with very low rates, but there were significant issues around service and recycling.

Mayor Ketchum polled the council and the consensus was to bid the contract out. Some of the issues noted were:

- Size of containers
- Additional charges for open lids on containers
- Increased fees by having to use a larger can because of the shape and size of the smaller containers
- Size of trucks being used on the smaller roads
- Recycling bins

Councilor Pope noted he would like to know the cost of transitioning from one company to another. City Manager MacReynold stated he would work on getting that information to the council.

Councilor Lund stated he wanted to see the billing for services done by who ever the city contracts with. He believed that issue had already been discussed, but wanted to be sure that was part of the bid.

Councilor Taylor asked if the administration would be talking to the council before going out to bid. Mayor Ketchum felt they should so they know what additions and changes need to be included.



March 10, 2008

Councilor Dawes reported he personally never had any problems, or heard of any issues. He asked that bidders not be allowed to have any direct contact with the council members regarding the contract, adding they needed to go through the bidding process, and staff would evaluate them based on what they submit. City Manager MacReynold indicated that would be administration's intent, but that also meant the councilor's need to say no thank you if individuals try to contact them directly. Councilor Harris noted being on the solid waste advisory committee, he made very clear his limitations as to what his discussions would be with them. Councilor Dawes felt their job was to call for and award the bid and any questions about the bid documents should be directed to the city manager. City Manager MacReynold agreed.

Mayor Ketchum stated he would like to schedule a council work session to go over the old contract to see what they want to add or change before going out to bid. City Manager MacReynold noted the council would be provided with a copy of the existing contract for their review, and to make comments of what they would like to see in a new contract. He added the bid documents would outline what it entails, but there would be no actual 'new' contract to hand out at that time.

5. **Council Reports.** Mayor Ketchum reported on February 26 he attended the Centralia city council meeting and transportation workshop, where they talked about the projects going on north and south. He noted they were pretty confident they were not going to be able to come up with \$70 million dollars for the West Connector Project. Mayor Ketchum reported the Washington State Department of Transportation (DOT) came up with a possible solution, which included taking the money for the Mellen Street to Harrison Avenue widening project and put it into CD lanes between the two exits. He noted they were still in the preliminary discussion stage on that option and would learn more at the meeting on March 31.

Mayor Ketchum reported he attended the downtown events committee meeting on February 27, adding there was a lot of interesting ideas that came out but thought they could somehow be grouped together for a real interesting 'Crazy Days.' He also attended the Chehalis basin flood executive committee meeting.

6. **Council Committee Reports – Chehalis Basin Flood Executive Committee.** Councilor Taylor reported he also attended the Chehalis basin flood executive committee meeting on Friday. He noted the meeting was also attended by representatives from Lewis, Thurston, and Gray's Harbor Counties, the Chehalis Tribe, and DOT. Councilor Taylor reported the county spent a lot of time debriefing everyone on recovery efforts, funding, and House and Senate bills. They also discussed the interlocal agreement between the two cities and counties and outlined what the roles and responsibilities were and what they agreed on as far as what they wanted to accomplish. Councilor Taylor reported the idea of the flood executive committee right now was to be an interim group until the 'One Voice Committee', if they are successful, could create a flood control authority. He noted it was a place where projects could come and still move forward until and if the new group was formed.

Councilor Taylor reported they talked about the Corps plan and what it was and wasn't. He noted there was a lot of discussion with the Chehalis Tribe about what they liked and disliked, and what their authority was. Mayor Ketchum asked if the group came up with a plan about where they were going to go from there. Councilor Taylor reported the next step was to get the interlocal agreement done.

7. **Briefing on Chamber Way.** City Manager MacReynold reported the Chamber Way project had consumed a great deal of the city's energy for the past many years. He noted they were close to going out to bid and asked Tim Osborne from Gray and Osborne to brief the council on the latest information.

Mr. Osborne reported they had acquired all the permits, the design deviation required by DOT, and design approvals. He noted the one thing they had not received approval on from DOT was the plans themselves. Mr. Osborne talked briefly about the construction cost estimates. He indicated by going with re-signalization the project was targeted at \$3.84 million, which put it back within the original budget from a number of years ago.

Mr. Osborne reported he and city staff met with Lewis County to recommit their funding in the amount of \$675,000. He noted the county at one point re-appropriated the money to the design phase, but it was now recommitted to the construction phase. Mr. Osborne stated they also met with the Transportation Improvement Board

March 10, 2008

(TIB) who verbally committed to distribute the money from their entire grant of over \$1.9 million. He reported Louisiana Avenue was one of the four intersections that TIB did not agree to pay for originally, but now that it was a re-signalization project, they would. Mr. Osborne reported TIB originally had a 43 percent threshold on the \$1.9 million that would only pay for construction. He stated by lifting the cap it allowed the city to spend the entire \$1.9 million on the project regardless of the percentage.

Mr. Osborne reported they were also working with DOT to get all the city expended right-of-way funds eligible for reimbursement under the federal grant. He was happy to report that DOT concurred and sent out a supplemental agreement for City Manager MacReynold to sign to recoup that money.

Mr. Osborne reported he would be meeting in the morning with DOT's design engineers in Vancouver, to go over the plans page by page to see what it was they needed to get our approval on. He noted he started submitting back in mid- November to get approval for the plans. Mr. Osborne believed it would be closer to the third week in April before they would be able to go to bid, but they were still anticipating a summer construction.

**8. Resolution No. 3-2008, First Reading – Relating to the Expansion of the Chehalis Urban Growth Area.** Bob Nacht reported the Port of Chehalis submitted to the city a petition to expand the Chehalis Urban Growth Area (UGA) to include a 20-acre parcel they purchased, adding the petition had already been submitted to Lewis County. He noted two years ago the county changed the way they accept UGA expansion petitions. Mr. Nacht stated not only was a resolution from the city to indicate the councils support necessary, but also the timeline involved was now a year from the time of submittal of a petition to when the county would make a decision on it. He was hopeful they would have a decision on the petition by the end of the year. Mr. Nacht requested the council adopt the resolution on first and final reading.

Councilor Harris asked if the petition had to go before the Lewis County boundary review board. Mr. Nacht believed it would not, since it was not a petition to annex.

Council Harris moved to adopt Resolution No. 3-2008 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:44 p.m.

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Mayor

Attest:

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City Clerk

March 17, 2008

The Chehalis city council met in special session on Monday, March 17, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI. Also in attendance were Centralia's Mayor Tim Browning and Councilor's Bonnie Canaday and Bill Bates, and Lewis County Commissioners Averill and Graham.

1. **Creation of a Flood Control District.** City Manager MacReynold stated the creation of a flood control district was very important and they were exploring how to best come up with reasonable solutions for the long term, not only for Lewis County, but for the full basin.

City Attorney Bill Hillier provided the council with a general overview of the formation, implementation and operation of a flood control district in the State of Washington. He reported the county would be the lead on a flood control district and it would be up to the county commissioners, county engineer, and county prosecutor to put together an in-depth process for not only the citizens of the city, but for the citizens of the entire proposed district, to review and ultimately approve or disapprove.

City Attorney Hillier touched briefly on his memo, which talked about the general background. He reported the 1937 Flood Control Act, which was codified under RCW 86.09 was the general footprint to be used while going through the process of creating a flood control district. He added it was appropriate to know that in addition to the general statute there were provisions for flood control by counties, both individually and jointly, as well as flood control by the state in cooperation with federal agencies, or the state participating in controlled maintenance as established by counties. City Attorney Hillier noted the specific provisions were covered in Title 86 of the Revised Code of Washington and implored the council and the county to review those while determining what the best solution would be if everyone decides to head down that road.

City Attorney Hillier noted the advocates for the district must follow the procedures for the creation and operation of special districts as codified in Title 85 of the Revised Code of Washington. He noted a flood control district's authority and power were like any other public agency, adding there were certain rights and responsibilities. City Attorney Hillier set out under RCW 86.09 what the general rights and responsibilities of flood control districts were. He noted the two criteria that were most important to focus on were: the ability of flood control districts to have eminent domain powers, which gave them the authority to condemn property for district purposes; and taxing authority under the assessment process.

City Attorney Hillier talked briefly on what the board would consist of. He indicated the number and scope of the board would be determined by the size of the district. He noted the initial process would be created by 10 property owners in the proposed area that the district would encompass, or by a resolution of the Lewis County Commissioners, to start the process of creating a flood control district. City Attorney Hillier noted at that point the county engineer would be dubbed the lead person, and it would be their responsibility to do a full assessment and evaluation of what the proponents would be in the way of a district, and also bring back a plan with boundaries of the district and how it would be formulated. He stated that process would prompt a public hearing to determine whether the scope of the district was appropriate and what the assessment process would be, as well as determine the number of directors in the election process.

City Attorney Hillier reported at the end of the day the county must make a finding of three conclusions of a fact, in order to go to election. Those findings would include:

- (1) That the creation of a special district would be conducive to public health, convenience and welfare;
- (2) That the creation of a special district would be of special benefit to the majority of the land included within the special district; and
- (3) That the proposed improvements are feasible and economical and that the benefits of these improvements exceed the cost of the improvements.

March 17, 2008

Councilor Harris noted in studying the history of flood control districts, economics played a large part. He added there were a lot of things that needed to be done that were going to be more costly than what the basin could handle. Councilor Harris noted the Chehalis Basin Partnership heard from the state that they would be willing to figure out some way to get involved, and wondered how they could garnish that. City Attorney Hillier indicated from a legal standpoint, in item No. 3, it talked about the benefits, which had to exceed the cost of the improvements, noting the benefits were a moving target and a nebulous concept.

City Attorney Hillier stated at the end of the day all the county had to do was make the determination that the three statutory requirements were met, and once they were at that point it would be at the threshold of an election process.

City Attorney Hillier reported the election process was a sticky wicket, pointing out that RCW 85.38 dealt with the election process and suggested the council read that section in detail. He was certain there would be discussions at the county level during the public hearings as to what the election process would be. City Attorney Hillier noted an even more muddy area, defined in RCW 85.38.010, indicated who was entitled to vote in the process.

Councilor Pope asked if it was possible for 10 property owners to get together and decide to form the district. City Attorney Hillier stated they could not form it, but they could start the process. He added the ultimate determination would not be until it goes to a vote. City Attorney Hillier reported once they approve it, the county commissioners would appoint the first set of directors of the board, which would be substituted by elected members at the next regular meeting of the special purpose district.

City Attorney Hillier touched briefly on the assessment process, adding the size of the district could be countywide or as small as the property owners within the floodway, or the floodplain. He noted that determination would be made by the county engineer. City Attorney Hillier reported in some districts the assessments were done evenly throughout the entire districts, and in some assessments they were done where the larger amount of the assessment was on the areas immediately impacted by the flood control issues and were reduced on the properties further away from the issue itself. He stated once the initial assessment process was established, every four years the district will evaluate and reconsider the assessment process.

Councilor Pope asked if they were only talking about a flood district in the area the river passed through our area, or if they were going to make the whole county a flood district. City Attorney Hillier noted that was the decision that would have to be made by the process. He noted it was not only Lewis County, adding they were also looking at other counties who may work jointly in the process. Councilor Dawes asked if it had to all be contiguous or could they have one district to cover the Chehalis River basin, which received the most attention, and have a separate district for the Cowlitz River up in the east end. City Attorney Hillier reported they could have as many districts in the county as needed. Councilor Dawes asked if it would be worth creating them together as one. City Attorney Hillier stated it was not impossible, but ultimately it would be the county commissioners and engineer who would determine what would be in the best interest of the entire county. Councilor Pope asked if they were only going to deal with the flooding situation in our county and neglect what was happening up at the east end. Mayor Ketchum stated no, adding the commissioners knew they had to look at the other basins as well, but the funding was specific for the Chehalis River basin and that would be where they would start. City Attorney Hillier stated procedurally there were actually three districts in the county, noting they may want to go through a consolidation process of consolidating those districts into a larger one that would not only meet the needs of those districts, but also the needs of the whole.

Councilor Harris felt those who they were affecting the most were going to be the ones who had the most at stake and therefore would hopefully garner the election process. Councilor Pope stated, economically, anything that happened with regard to flooding impacted the whole county and they needed to take a serious look at it when forming the districts, and should consider consolidation. Mayor Ketchum noted he was in agreement with Councilor Pope's statement.

Councilor Taylor indicated he did not see any multi-county jurisdictional flood language in the documents presented. City Attorney Hillier noted it was provided for in RCW 86.09, adding there was a special section that talked about flood districts that were not only one county, but jointly as counties. He noted the state could also create a flood control district in cooperation with the federal government.

March 17, 2008

Commissioner Averill commented briefly on the RCW's that provided for the number of commissioners allowed for each district. He noted if there was consolidation and there were three or more RCW 85.38 required that it be reduced to three. City Attorney Hillier noted Commissioner Averill may be correct, and at the point that it gets larger at the county level, they would have to go through the election process. He added, if you stayed away from consolidation, each county could have a three district member.

Lewis County Prosecutor Michael Golden talked specifically on RCW 85.38 and RCW 86.09, noting a multi-county flood protection district could be created under either of those sets of statutes. He added the political reality was contained within the statutes, which stated they were not going to have everybody that was within the drainage contained within the district. He noted in order for it to get sufficient votes, the districts would need to be tailored to the areas that were damaged by and affected by flooding.

Prosecutor Golden reported the Lewis County Commissioners asked him to look into the creation of a multi-county flood district on the Cowlitz, Chehalis, and the Nisqually Rivers, adding the main drive at that point was the Chehalis River basin. Prosecutor Golden reported he and Commissioner Averill had been over to Grays Harbor County and up to Thurston County, meeting with the various commissioners and prosecuting attorneys, adding prosecutors of those two counties were of the same mind, in that RCW's were a good vehicle to address flooding. He noted the primary concern of the people downriver was they didn't want anymore water any sooner, and the concept of retention in the upper reaches of the Chehalis was something that had our neighbors listening closely.

Prosecutor Golden reported he was going to recommend to the Lewis County Commissioners that they proceed under RCW 86.09, noting RCW 85.38 was a set of statutes that did a lot for the creation of a multi-county flood protection district, but it was more narrow specific and did not have as much room for participation with the federal government as the RCW 86.09 statutes. He noted once it was put together there would be provision for ownership of water. Prosecutor Golden indicated there were also provisions for being a fiscal agent for the United States, which would allow not only the creation of water rights, potentially if they decide to create retention dams in the upper edge areas of the Chehalis, but it would also create room for the creation of a reclamation district. He noted federal reclamation districts were intended, and typically created in areas where people were short on water. They were also intended to create water rights, the value being attached to the land and the landlord, in obtaining water right purchases over time. He stated the federal monies that come in for a reclamation district were in the form of a loan and not a grant, and would be paid back over time. Prosecutor Golden reported the combination of a flood protection district, going throughout the entire basin, and a reclamation district in the upper end may potentially end up being one of the best outcomes. He noted there was also the possibility to create an irrigation district in the upper end, depending on what the land owners up there want and what the possibilities were for the generation of income. Prosecutor Golden felt RCW 86.09 was the vehicle that had the greatest amount of tolerance for the different possibilities.

Prosecutor Golden reported on the process that City Attorney Hiller touched on earlier, which included:

- the resolution
- the boundaries of the districts
- the issuance of findings saying it was necessary, that the benefits outweighed the costs and it would be an appropriate vehicle
- putting it on the ballot to be voted on in November, or sooner

Prosecutor Golden noted there would be a joint session between Grays Harbor, Thurston and Lewis Counties up in Thurston County on April 14 to discuss what they were going to do with flooding. He stated the voice from his county commissioners was very strong, they wanted to move forward with a multi-county flood protection district, one in each basin: the Chehalis; Cowlitz; and Nisqually.

Prosecutor Golden asked the council what their idea was about the intention of the flood executive committee. Councilor Taylor stated they believed it would only be interim until a flood control district was formed. Prosecutor Golden noted he would work with City Attorney Hillier on the creation of a local agreement.

March 17, 2008

City Manager MacReynold reported to Prosecutor Golden the full council had not had a chance to review the document and until they do, he thought it was important for them to not make any pre-judgments. He noted they would be meeting on Monday, March 24 to discuss the local agreement. City Manager MacReynold cautioned them to not assume that it was going to be temporary, because no matter what happened in the future they would need a vehicle that could do something for the flood situation in the long-term. He added they needed to keep their options open as they move through the process, and not pre-suppose the district was going to be formed. City Manager MacReynold stated what was most important was they could access the money and get things done not only for Centralia and Chehalis, but for the west county neighbors as well.

Prosecutor Golden agreed with the approach City Manager MacReynold spoke of, adding the documents should provide for a Plan B. He noted if the flood protection district was not created under the existing appropriations coming from the legislative, either the state or a local entity would become the local sponsor of any federal project.

Prosecutor Golden felt another issue that needed to be addressed in the document was whether they would be moving forward with a Phase I/Phase II approach, Phase I being the Corp's plan or some version of it; or a comprehensive approach from the outset. He noted the direction of the Lewis County Commissioners has been, and remains, they were not interested in doing a Phase I/Phase II approach.

City Attorney Hillier noted as a point of clarification, RCW 86.09 mandated that the process of establishing the district reverted back to RCW 85.38. He added RCW 86.12 and 13 did not necessarily make the referral back to RCW 85.38. Prosecutor Golden stated that was their recommendation, adding RCW 85.38 set forth the procedures for the creation of the district, while RCW 86.09 had separate provisions and additional powers.

City Manager MacReynold stated the city council already took a public position through a resolution, which stated the city could not support the Corps project as it was currently written, however there was support if it did not create harm downstream and upstream, or to the cities of Centralia and Chehalis. City Manager MacReynold noted at the same time the council saw the value and supported the forming of a district to look at flood solutions in a much larger way, and felt the council continued to stand in that very strong position and they would encourage the executive committee to take that same kind of approach. Prosecutor Golden noted he had taken a policy position on flooding, which was that a concurrent approach was necessary.

Commissioner Averill pointed out again, in reference to the number of provisions that the RCW's provided for, the board for a joint county district would include the nine commissioners for all three counties. He noted they were already having difficulties in getting all nine together at the same time and for that reason he felt it was the least attractive of all the solutions out there.

Dr. John Hendrickson stated what he was hearing was in harmony with what the goals of 'One Voice' were from the very beginning. He felt the other two counties were not going to want to participate unless they had representation on the district. Dr. Hendrickson added the most sensible way to approach it would be to have one county commissioner from each of the counties on the board of the flood control district. He talked briefly about the voting process and One Voice's involvement in that process. Dr. Hendrickson noted the Chehalis River not only had a problem with flooding, but it also had low-flow in the summer, and would need to consider enhancing the flow of the river during summer months.

Dr. Hendrickson stated One Voice would be willing to take on a good part of the campaigning once they reach that point, and noted he was very impressed at how the county was handling the situation.

Mayor Ketchum closed the work session at 5:59 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following the conclusion of the executive session.

Mayor Ketchum closed the executive session and re-opened the work session at 6:20 p.m.

There being no further business to come before the council, the meeting adjourned at 6:20 p.m.

March 17, 2008

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Mayor

Attest:

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City Clerk

March 24, 2008

The Chehalis city council met in regular session on Monday, March 24, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:05 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.10(1)(i) – potential litigation for approximately fifteen-minutes and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:29 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 5:35 p.m. Additional staff included: Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Work Session – Discuss Solid Waste Disposal Bid Documents.** City Manager MacReynold noted at the last city council meeting the council decided unanimously that they wanted to go out to bid on the Solid Waste Disposal Contract. During that discussion council asked for the opportunity to see the current contract before giving staff direction on what they would like to see in the bid documents. City Manager MacReynold listed some items the council would like to see in the new contract, which included:

- Have the garbage company do all billing for both residential and commercial accounts
- Be more flexible in the vehicles they provide, such as smaller vehicles for the narrower streets and alley's
- Provide a one-bin (commingled) recycling program

City Manager MacReynold noted some of the complaints from the current service included: excess charges to customers when lids were not closed tight; debris liquids dripping from the vehicles onto the streets and in parking lots; availability of haulers after 2:30 p.m.; and office hours, which they close their doors at 4:30 p.m. He noted additionally city staff would like to see them participate annually in the Spring Rally free of charge, to include pick-up of appliances as well. Councilor Dawes noted last year the spring rally program was replaced with a voucher program .

Councilor Lund thought the city should look at going into the garbage business themselves and not worry about going out to bid. Councilor Dawes asked what the actual cost would be to the city. Councilor Taylor thought the city made money off the program. Councilor Dawes felt the potential of cost savings could be there, but the initial outlay could be costly.

Councilor Fuller reminded the council that Councilor Taylor asked a few months ago that the city research areas that it might be able to provide services for less money by going outside, and felt this was something that might fit into that study.

City Manager MacReynold encouraged the council as a whole to give direction on what they would like to do as far as the bid process. Councilor Harris wondered if they could go into a 3-year contract instead of a 5-year and do an in-depth analysis to find out if it would be feasible to have the city provide that service. Councilor Dawes didn't know how the city could do it cheaper, by the time they buy the equipment and hire employees. Councilor Taylor felt taking it back would not solve anything. Councilor Pope was also concerned with the liability involved by taking it on.

Councilor Dawes noted at one time the garbage company was periodically giving money to the DARE Program, from monies they received from the recycling program and was wondering where that money was going now. Councilor Fuller noted it had to go to a charity, adding unfortunately that was what opened the door for them to stop recycling a lot of stuff. Councilor Dawes noted it would be interesting to know what charity that money goes to now.

Councilor Harris stated items he would like to see the city address included:



March 24, 2008

- gallon sizes noted in the bid for the mini can and the regular can
- having the recycling profits go to the Chehalis Foundation

Councilor Fuller suggested administration go with a shorter contract and look at negotiating with Centralia and Lewis County when their contracts expire, to see if we could get a better deal.

The consensus of the council was to find out how many more years Lewis County and Centralia had on their contracts, and come up with the number of years the city would need to contract out before possibly combining all three entities into one contract.

Councilor Fuller thought with everything else going on it might be a waste of time to try and provide that service ourselves. Councilor Dawes noted he agreed with Councilor Fuller, he didn't know if going into the business was the right move but appreciated Councilor Lund's thinking out of the box. He thought checking on combining services with Centralia and the County was a great idea, and wondered if it was worth going out to bid if they only had a year or two left on their contracts. He suggested the city look at extending the current contract with Waste Connections, Inc. until they all come up at the same time.

City Manager MacReynold thought Councilor Fuller's idea made sense. He noted they would need to come to an agreement with the other agencies, to jointly negotiate and go out to bid and select a company to provide the service.

Councilor Harris stated the city needed to start tracking recycling, noting it wouldn't be long before we were going to be required to do a certain percentage of recycling.

Councilor Lund asked why they couldn't prepare a four-year contract with an escape clause, to leave the city open to get out of the contract at any time. City Manager MacReynold reported most contracts have escape clauses, but if in fact Centralia and Lewis County's contracts were within a year, our time would be better spent by extending what we currently have.

City Manager MacReynold asked the council if there was an interest in starting our own garbage business. The consensus of the council was not to study that issue. City Manager MacReynold asked if there were any other recommendations or specifics the council would like to see in the bid documents. Councilor Dawes stated he would like to see any money going to a charitable organization, go to the Chehalis Foundation. City Manager MacReynold asked the council if they saw any advantage of cooperatively negotiating with the other jurisdictions. The consensus of the council was yes.

Mayor Ketchum closed the work session at 5:59 p.m. and announced the council would take a seven-minute recess and reopen the regular meeting at 6:07 p.m.

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

- a. Minutes of the work session and regular meeting of March 10, 2008; and
- b. Claim Vouchers No. 88904-89075 in the amount of \$305,856.71 dated February 18, 2008; and Claim Vouchers No. 89076-89192 in the amount of \$742,006.10 dated March 3, 2008.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Interlocal Agreement for Study, Analysis, and Implementation of a Flood Control Project to Protect the Chehalis River Basin.** Mayor Ketchum noted the item was informational only and no action would be taken since they were still in the process of updating the interlocal agreement.

March 24, 2008

City Manager MacReynold reported they were in the process of reinstating the executive flood committee, which Councilor Taylor served on. He indicated the committee went through the interlocal agreement, which had been sent out to committee and community members to get their feedback with reference to recommendations. City Manager MacReynold noted as he went through the agreement he noticed there were key places within the document where reference to the establishment of a flood control district needed to be highlighted as a significant goal. Councilor Taylor noted a lot of the other players involved including the Chehalis Tribe, Thurston, Gray's Harbor, and Lewis County, and the city of Centralia were also emailing their comments in as to what they would like to see included in the agreement.

5. **Resolution No. 4-2008, First Reading – Surplus Property.** City Clerk Judy Schave reported the Chehalis fire department had 23 self contained breathing apparatus, masks and bottles they would like to declare surplus and sell to Fire District No. 11 for \$1 each. Councilor Dawes stated because of the flooding situation in the area of that District, he would like to see the city sell everything for just \$1.

Councilor Dawes moved to amend Resolution No. 4-2008 to change the price of the items being declared surplus to a total of \$1.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Dawes moved to adopt Resolution No. 4-2008 as amended on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Disposition of the Hamilton Farm Property – 1021 State Route 6.** City Manager MacReynold reported a public hearing was held and there was further discussion on the matter at the last regular meeting. He noted staff had identified some options and the administration was recommending the city sell the center piece of the property with some adjustments to the boundaries. City Manager MacReynold added they were not recommending the sale of all the property because the rest of it would be a significant benefit for future development.

Bob Nacht reported community development was assisting the wastewater utility department in the administrative process. He reported they identified between \$40,000 and \$50,000 in costs that the city would incur if it were to repair the existing property to make it inhabitable. Mr. Nacht noted there was an item in the report having to do with a new well, and indicated they were not sure if a new well would actually be required. He stated Patrick Wiltzius had been working with the county to identify if the well, as it currently exists, could conceivably be salvaged. Mr. Nacht reported the recommendation was to parcel off either the original 28 acres presented last October, or a slightly larger area as requested by the existing lease holder. He requested the council give direction, adding the city had to either repair the house and make it inhabitable; remove the house and damaged buildings from the property because it was a regulatory floodway; or surplus the property and sell it as is to the highest bidder.

City Manager MacReynold stated administration was requesting the council surplus the property and go through the process to allow anyone interested to make offers on the property. He noted the city recognized Pam Wildhaber's interest in the property, but it was public property and had to be made available to anyone who might be interested.

Councilor Dawes inquired about the recommended Alternative No. 3, wanting to know the exact area of what it was they would be accepting. Mr. Nacht reported it was the easterly portion on the map that was presented in the original presentation. He noted there were two separate requests to move existing property lines; one to expand the property line and the other to make it a little bit less than the 28 acres. Mr. Nacht noted Alternative No. 3 would allow the city to go from the current proposal to perhaps the line that Ms. Wildhaber would like it to be, noting the area had not yet been legally described. Councilor Dawes asked that the city not give the appearance that it was trying to draw the line for one particular individual. Mr. Nacht noted there would still be the opportunity for boundary adjustment after the fact if the party that acquired the property wanted to move it one way or the other.

March 24, 2008

Councilor Harris asked if there were any ground or surface water rights that went with the property. Mr. Wiltzius believe there were no actual water rights other than the existing residential well, adding he thought the previous owner reserved all water rights to the property. Councilor Harris was under the same assumption, that the city only bought the property, and not the water rights.

Councilor Fuller asked, in Mr. Nacht's opinion, if it would be wise to move the property line that runs directly into the pond. Mr. Nacht reported the record of survey and a legal description done on the original 28 acres put the line through a pond at the south end of the developed area of the property, adding there was a request to move it northward by the adjacent property owner and southward by the existing tenant. He added it would depend on where they want to locate it, noting the recommendation was to declare the easterly portion of the property surplus.

Councilor Fuller noted the numbers given to repair the house seemed extremely low for the devastation to that area. He inquired as to whether they were solid. Mr. Nacht reported they did not have a bid on the work, adding they were still waiting on FEMA to see what they would give the city to repair the house. He noted the numbers were based on the best guess estimates of what staff was running into for damage repair, for other similar structures at the same height of water that went into the building. Councilor Fuller noted there was nothing indicating the need to elevate the house. Mr. Nacht stated at that point in time it would not have to be elevated, but added if surplused the city would need to disclose to the new property owner the house was not at a flood protection elevation. He indicated should any future purchaser want to do it, it would be at their expense.

Councilor Fuller noted the insulation and drywall inside the house had been removed and inquired as to whether the insulation under the house had been removed as well. Mr. Wiltzius believed that still had to be done, adding there were also some heating and air conditioning ducts under the house that might still be full of water. Councilor Fuller asked if the replacement of all of the duct work would need to be included in the numbers. Mr. Nacht stated they would theoretically be included, but the city did not have an estimate from a contractor on a given site specific project.

Pam Wildhaber (1021 State Route 6, Chehalis) reported she received four different bids from contractors. She noted the highest bid included the replacement of the duct work under the house for \$120,000, but that price did not include raising the house.

Councilor Taylor stated he would like to sell as much of the property as they could, without impacting the future ability of the property the city needs. Councilor Dawes agreed, adding he would like to see them declare whatever was not needed as surplus and sell it to the highest bidder. The consensus was to go with Alternative No. 3. Mr. Nacht stated with that alternative, the property would be sold as is/where is.

Councilor Taylor felt the property that was not going to be surplused should also be appraised, and the appraised value should somehow be put back into the wastewater fund from the general fund. Councilor Lund noted the value of property always goes up and if they sold it now it would be cheating the wastewater fund. Councilor Taylor stated the sewer fund was not meant to own property it doesn't need. Councilor Dawes thought if they leased the remaining property they would need to have it appraised to determine a lease value. Assistant City Attorney Brian Kelly indicated it was not a requirement.

Councilor Fuller excused himself from the meeting at 6:35 p.m.

## 7. **Staff Reports.**

a. **February Finance Report.** Councilor Dawes asked when the 2008 budget numbers would be added for comparison. Eva Lindgren reported she hoped to have them in the next set of reports.

b. **Update on National Avenue and Airport Road Bid.** Tim Grochowski reported they were out to bid on the project and would be opening bids on Friday, March 28. He noted they would like to award the bid on Monday, March 31, and asked the council to authorize City Manager MacReynold to award the bid to the lowest responsible

March 24, 2008

bidder, as recommended by the project engineer. Mr. Grochowski reported the engineers estimate was \$500,000 and the project needed to be completed by May 31, 2008.

Councilor Harris moved to authorize City Manager MacReynold to accept the lowest responsible bid for the repair work necessary.

The motion was seconded by Councilor Pope and carried unanimously.

c. **Update on Renaissance Plan.** Joanne Schwartz reported nearly 200 letters were sent out on Friday, which included the application to participate in the Renaissance project. She noted a press release also went out and the reader boards around town had information posted on them about the project. Ms. Schwartz reviewed the various surveys that would be made available to the public.

d. **Department of Transportation Workshop.** City Manager MacReynold reminded the council about the workshop with the Department of Transportation on Monday, March 31, at 5:00 p.m. Councilor Dawes noted he would not be in attendance and asked that someone ask the question regarding the extra lanes (CD Lanes), adding he didn't want that to get lost.

#### 8. **Councilor Reports.**

a. **Fire District No. 6 Meeting.** Mayor Ketchum reported he and Councilor Taylor met with Fire District No. 6 on March 11, adding it was a very positive meeting.

b. **Centralia/Chehalis Transportation Cooperative Meeting.** City Manager MacReynold reported discussions continued to be focused on the flood issue.

c. **Chehalis Eagles Fire.** Councilor Harris thanked the city's fire department for their efforts in trying to save what they could in fighting the fire at the Chehalis Eagles. Mayor Ketchum felt there was tremendous effort by all the districts involved, which included: Fire Districts No. 5 & 6, the Grand Mound Fire Department and Centralia.

d. **W.F. West Basketball Team.** Mayor Ketchum congratulated the W.F. West Basketball team for a great season, and a good effort at state.

9. **Prospect Hill Neighborhood Odor Evaluation Report.** Patrick Wiltzius reported representatives from Brown and Caldwell would brief the council on their findings and recommendations for the odor problem on Prospect Hill. He noted they were not expecting any decisions, but would like the council to give input now or at a later time. Mr. Wiltzius indicated letters were also sent in advance to all the residents on Prospect Hill, letting them know they could pick up a copy of the report at public works. He hoped to bring a staff recommendation back to council within a month.

Mr. Wiltzius introduced Philip Wolstenholme and Josh Johnson to briefly review the summary of the work they did over the last six months. The presentation included: test results, options and recommended solutions. Mr. Johnson reported on the sampling details which included measuring hydrogen sulfide gas at six different manholes. He reported the highest concentration of hydrogen sulfide gas by far, came from the manhole identified as manhole 68A, where two sewer lines met on Prospect Street above SE Crestview Drive. They also recorded pressure measurements and again in manhole 68A, they saw positive pressure which was enough to distribute gas out into the neighborhood. Other additional field work included manual pressure testing and dye testing, smoke testing (which measured no major leaks), and field test measuring for sulfide.

Mr. Johnson discussed the analysis of the field data and the conclusion was, high-sulfide effluent from the Alderwood STEP systems was getting into the city's system at the top of the hill, and through the turbulence from the wastewater moving down the hill it was reacting enough with oxygen to produce hydrogen sulfide gas, which was escaping at manhole 68A.

March 24, 2008

Mr. Wolstenholme then briefed the council on options and solutions, which included:

Options:

- Pump STEP system tanks
- Sealing strategic manholes
- Manhole inserts
- Roof Vent Filters

Engineering Solutions:

- Chemical addition – injection of chemicals into wastewater to control sulfides
  - Low capital cost
  - Quick implementation
  - Ongoing chemical costs
  - Chemical handling issues
- Foul air treatment – Air ventilated from sewer through treatment system
  - More complex
  - Need space
  - Positive control and highly effective
  - Must be reliable

Recommended Solutions:

- Foul air treatment options are limited by space restrictions along Prospect Street
- Chemical addition into Alderwood STEP effluent
  - Lower capital cost
  - Quick implementation
  - Space likely available
  - Pre-engineered packaged systems may be suitable
  - Requires chemical dosing station upstream of manhole 68-N
  - Dosing Station would consist of secured Chemical storage area, dosing pumps, and controls
  - Potentially requires property acquisition and small structure
    - ❑ Building options include metal, brick, wood, poured concrete
    - ❑ Approximate dimensions 15'X15'

Operational solutions in addition to chemical dosing included: continued use of carbon inserts; and potential increased frequency of STEP pumping and maintenance.

Councilor Dawes asked about the costs associated and wherein the responsibility laid. He noted it appeared the problem seemed to begin in an area outside the city within a private development, and asked if it was a fair assessment to those who live in the city, or perhaps through the developer a site could be procured for little or no cost as part of the solution. Mr. Wolstenholme noted a majority of the expense would be associated with the building, which would dictate the total cost. Councilor Dawes stated it appeared they had identified the source and it would be up to the council and staff to determine how to cover the cost. Mayor Ketchum noted he had the same thinking. City Manager MacReynold reported they were still in the information gathering mode and they were mostly interested in feedback from the council and the public. He indicated once that was done, staff would develop a recommendation on how to fund it and bring that back to the council for their consideration. Mr. Wiltzius reported they did some preliminary investigation and legally they could not charge the existing residents, however they could have future developments participate in a project.

March 24, 2008

Michael Holst (353 SE Crestview, Chehalis) asked if there was a reason why they did not recommend the fan system, and asked how much space it would take up. Mr. Wolstenholme reported there was noise associated with the fan system and it would need to be located in the area of the odor. He noted the air fan would be approximately 20' X 25' with an 8" to 10' vessel. Mr. Holst inquired as to who would choose the chemicals for the chemical system. Mr. Wolstenholme noted that would be associated with the cost and the hazardous nature of the chemicals, noting any chemicals would be sufficiently diluted with the sewage by the time it got downstream. He reported the chemical solution would be the cure, rather than treating the symptoms, which was what the fan would do.

Councilor Harris asked what the affect of the chemicals would be to the treatment plant. Mr. Wolstenholme stated they wouldn't even be able to detect it. Councilor Harris asked, if they as a council, could require as part of development code that filters be put on vent caps. Mr. Nacht noted it was possible, adding they would need to look at the method of implementation. Mr. Holst noted he treated his home and there was nothing coming from the vents, and suggested that might not be the problem.

Councilor Harris felt there were going to be some homes that would be a problem and some that would not, and since they couldn't pick and chose they were going to have to put a blanket system on top of it.

There being no further business to come before the council, the meeting adjourned at 7:19 p.m.

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Mayor

Attest:

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City Clerk

March 31, 2008

The Chehalis city council met in special session on Monday, March 31, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:03 p.m. with the following council members present: Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Chad Taylor. Councilor's Dawes and Harris were both absent (excused). Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Joanne Schwartz, Economic Development Administrator; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI. Also in attendance were Centralia's Mayor Tim Browning and Utilities Director Kahle Jennings; Lewis County Commissioner Averill; and Bart Gernhart from the Washington State Department of Transportation.

1. **Briefing on I-5 Corridor Projects.** City Manager MacReynold introduced Bart Gernhart from the Washington State Department of Transportation (DOT) to brief the council on the wide range of projects along the I-5 corridor, which DOT was currently working on or had plans for in the near future.

Mr. Gernhart covered a broad spectrum of projects that DOT would be working on this summer and in the near future in Lewis County. The summer projects included:

- US 12 - Rumble Strip Project from I-5 to Randle, Washington
- Exit 68 – southbound right turn lane
- Reconstruct the South Fork to Chehalis River bridge (Boistfort Bridge)
- Install northbound message sign at Exit 68
- Various paving projects: in 2009 from Exit 69 north, through the section that would not be widened for the next several years); in 2008 from Castle Rock to the Toledo Exit; and in 2009-2010 from north of Kelso to Castle Rock

Mr. Gernhart provided several aerial handouts showing the various I-5 widening projects. He reported their plan was to eventually widen all of I-5 to six lanes, adding they had funding secured for the widening of 18 miles in Lewis and Thurston Counties. The 18 miles of improvements included:

- I-5, Rush Road to 13<sup>th</sup> Street - Exit 72 to 76, funding source – 2003 Nickel, began construction in 2007 and complete in 2009
- I-5, Mellen Street to Blakeslee Junction – Exit 81 to 82, funding source – 2005 TPA, begin construction in 2102 and complete in 2014
- I-5, Blakeslee Junction to Grand Mound – Exit 83 to 88, funding source – 2005 TPA, begin construction in 2009 and complete in 2011
- I-5, Grand Mound to Maytown – Exit 88 to 95, funding source – 2003 Nickel, began construction in 2008 and complete in 2010

Mayor Ketchum asked where the Mellen Street temporary fix would come in. Mr. Gernhart stated it would be included in the Mellen Street to Blakeslee Junction Project, which would also be the last section constructed because it was the most complicated.

Mr. Gernhart talked briefly about the new LeBree interchange, noting the realignment of Bishop and Maurin Roads helped get the adequate ramp spacing needed in order for it to function properly.

Mr. Gernhart described some of the interim improvements of the Mellen Street Interchange Project, noting they hoped to start the project sometime in 2009-2010. Interim improvements would include two additional lanes underneath the overpass, and additional turn lanes. Mr. Gernhart stated they looked at four or five alternatives for the Mellen Street area, including the MEGA interchange (which they decided against), and came up with a long-term project which was currently unfunded. He reported in the meantime, they would invest money to build the interim Mellen Street improvements, hoping to have it open around the same time the county builds the road going over the airport dike connecting Airport Way to Louisiana Avenue.

Mr. Gernhart reported the five mile area of interstate between 13<sup>th</sup> Street and Mellen Street would be on hold, waiting for future funding. He added they would like to move forward, however it would be a matter of when the state

March 31, 2008

moves forward with the next big transportation program.

Mr. Gernhart reported the city of Centralia, along with Lewis County, had been working together on the Westside Connector Project. He stated they looked at four different options, each costing around \$70 million. One option in lieu of building the west connector was the use of collector distributor (CD) lines. Mr. Gernhart reported the West Connector Project would allow an opportunity for local traffic to cross the Chehalis River from the Fords Prairie area over to the hospital area, in lieu of getting on the interstate. He noted a sounding board and technical advisory committee was created, which included: Councilor Chad Taylor; Mayor Tim Browning of Centralia; Lewis County Commissioner Ron Averill; and a number of others, who would be meeting to deal with some of the issues that needed to be addressed. Likewise they had the technical team made of staff from Centralia, Chehalis, Centralia Community College, and other business interests. He stated they were trying to get a broad spectrum of people from both elected and technical levels that could provide input on the pros and cons of CD lines, the cost effectiveness and safety, and the impacts it would have on business, the environment and residents.

Mr. Gernhart reported they did not have the resources to move forward with an alternative analysis to determine what the right fix was between Mellen Street and Harrison Avenue, so they were looking at the CD line option as well as adding additional lanes between the two. He noted in all likelihood, the construction of that segment, from north of Mellen Street up to Blakeslee's Junction, would probably not be constructed until 2012. Mr. Gernhart stated they only had one chance to do it right, and felt it was better to take their time. City Manager MacReynold thought it was great idea to pull the two committees together to get some sense from the community.

Mr. Gernhart continued his discussion on the various issues having to do with the Mellen Street interchange, which included:

- widening issues due to the lakes and bridges in that area
- the sewage treatment plant next to the southbound lanes
- the outlet mall next to the northbound lanes

Mr. Gernhart reminded the council that nothing was cast in stone. He added he would be happy to come back and give future progress reports as construction continues.

Mayor Ketchum reported he was pleased with the CD lines, but was not happy about the Mellen Street interchange project being pushed back farther, adding they worked very hard to get that area constructed to allow the Airport Road connection to be completed. He thought it was a good idea to take their time to look at the impacts on both Mellen Street and Harrison Avenue.

City Manager MacReynold asked if there was any way to get funding for the full Mellen Street fix versus doing an interim project. Mr. Gernhart reported the interim project was in the ballpark of \$10 million, while the future interchange was over \$80 million. He noted the new bridge going across the river was expected to be between 23 and 25 feet above the interstate, adding if they built it now it would need to be an additional four to five feet higher, leaving the option open for raising the interstate in case the levee project does not move forward. Mr. Gernhart indicated they were still looking at some alternatives that would look somewhat similar, and provide similar functions.

Councilor Taylor asked if what the city was doing, in regards to flooding, would affect the planning of what DOT was doing to the interstate. Mr. Gernhart stated DOT would not widen I-5 without having complete buy-in on what the flooding solution was. He also noted if they were to raise I-5 and widen it at the same time there would be no money to participate in a more comprehensive project. Mr. Gernhart indicated there needed to be a solution for the flooding project and Chamber Way before DOT would design their project. Other challenges included: the West Street Bridge; and the impacts to frontage roads and properties to the west and east of the interstate. He stated DOT was going to need more property, and any future development along I-5 may be impacted by the widening project. In addition, Mr. Gernhart noted there was a lot of pavement that was not being treated, and when they rebuild the interstate they would need to look at providing some large areas for water treatment facilities.



March 31, 2008

Mayor Browning stated one of the issues they were talking about in Centralia had to do with bringing trucks on to the interstate at the Harrison Avenue on-ramp. He asked if it was possible to engineer a design to have the trucks enter the interstate and still have the CD lines for local traffic. Mr. Gernhart stated they were looking at options to address that issue.

Commissioner Averill stated they pretty much knew the area where the Corps was looking at putting levees and asked Mr. Gernhart if they were coordinating that with DOT. Mr. Gernhart reported several years ago they sat down with the Corps and the County Public Works Director to look at a preliminary layout of where the levees would be and how they would tie in.

Mayor Ketchum closed the work session at 5:50 p.m. and announced the council would take a five-minute recess before convening into executive session.

2. **Executive Session**. Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following the conclusion of the executive session.

Following the conclusion of the executive session, Mayor Ketchum reopened the work session at 6:14 p.m.

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

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Mayor

Attest:

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City Clerk

April 14, 2008

The Chehalis city council met in regular session on Monday, April 14, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Peggy Hammer, Human Resources Administrator; and Bob Nacht, Community Development Director.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately fifteen-minutes and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:55 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle*.

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

- a. Minutes of the special work session of March 17, 2008, and the regular meeting of March 24, 2008;
- b. Claim Vouchers No. 89193-89387 in the amount of \$527,062.70 dated March 17, 2008; Claim Vouchers No. 89388-89595 in the amount of \$310,428.71 dated April 7, 2008; and Payroll Vouchers No. 30428-30608 in the amount of \$704,793.71 dated March 31, 2008; and
- c. Confirm appointments to the Library Advisory Board of Therese Blinks and Caryn Knight for five-year terms expiring April 30, 2013.

The motion was seconded by Councilor Lund.

Mayor Ketchum requested that the city clerk add Centralia City Councilmember Bill Bates' name to the list of attendees at the March 17 special work session. Councilor Dawes moved to approve as amended. Councilor Lund seconded the amended motion.

The motion carried unanimously.

3. **Citizens Business.** Boe Bishop (756 NW Ohio Avenue, Chehalis) reported on the issue of his basement, which was flooded with sewage back in December 2007. He indicated he settled his claim with the city to repair the damage however; felt the city did nothing to prevent it from happening again in the future. Mr. Bishop reported after the incident he took out a building permit to repair the framing work in his basement. He stated shortly after the city found out he was looking at getting a water valve installed, he was sent an amended permit to include plumbing work. Mr. Bishop felt he was protected under RCW 58, since his current plumbing had been approved by the city for 63 years. Mr. Bishop continued to explain his situation until City Attorney Bill Hillier advised Mr. Bishop that the city had received a letter from his attorney requesting the city reopen the claim. Mr. Hillier stated they were dealing with the matter through staff and were reviewing the matter with our insurance carrier. He suggested Mr. Bishop let his attorney speak for him regarding the matter, noting anything he said would be a matter of record.

4. **Proclamation – Chehalis Masonic Lodge 130<sup>th</sup> Anniversary.** Mayor Ketchum presented Steve Carmick with a proclamation declaring the week of April 21-25, 2008, as "Chehalis Masonic Week" in the city of Chehalis.

5. **Interlocal Agreement for Study, Analysis, and Implementation of a Flood Control Project to Protect the Chehalis River Basin.** City Manager MacReynold reported there was an ongoing effort by the Tri-Counties and cities to create, in cooperation with the Chehalis Tribe, a Chehalis River Basin Committee to begin the design of a flood control district. City Manager MacReynold highlighted some of the additions the city of Chehalis made to the

April 14, 2008

agreement, which were accepted by the full committee. He noted the resolution would authorize him to work to create the board, and to work with our partners to create a flood basin district.

Mayor Ketchum felt it was a first good step, adding the three counties would be getting together to look it over. He indicated it didn't mean they were doing anything different, only that the old agreement had expired and they were creating a new one to make it more official.

Councilor Lund moved to authorize City Manager MacReynold to execute the interlocal agreement.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 832-B, First Reading – Amending the Revolving Cash Funds.** Eva Lindgren reported the current ordinance establishing revolving cash accounts was out of date. She felt the current process of bringing the cash funds to the council for approval delayed changes that should be made administratively. Ms. Lindgren indicated if approved as written, they would not be bringing the matter before the council again, adding it would be purely a management function with the city manager's direction.

Councilor Lund moved to pass Ordinance No. 832-B on first reading.

The motion was seconded by Councilor Dawes and carried unanimously.

#### 7. **Staff Reports.**

a. **Hazard Mitigation Grant Program – Application for Elevation and/or Buyout.** Bob Nacht reported he attended a workshop put on by FEMA and the State Hazard Mitigation Grant Program to identify the application process, eligible projects, and a number of other criteria that the city would need to use to apply for hazard mitigation grant funding. He noted it was unfortunate that it was a competitive grant program. Mr. Nacht reported there appeared to be enough money to go around, however until all the applications were processed by FEMA, the city would not know how much it would be eligible for.

Mr. Nacht stated because the grant application was focused around the flood event that occurred in December 2007, staff had been trying to identify local projects that would relate to flood damage reduction, particularly elevation or buyout programs. He indicated the grant process itself required the city to have at least two public meetings, which would be set up to identify where the populace of Chehalis would like to see the money spent if we were to receive grant funding. He noted in the process, they also identified a potential eligible program in storm water management. Mr. Nacht reported if they could identify storm water systems within the city that were causing damage, to either public or private property, those would be potentially eligible programs. He noted he would be talking with Rick Sahlin to identify what kind of programs the city could put together.

Mr. Nacht reported the first step would be to send out a letter to all flood prone properties in the city of Chehalis, to get initial information to identify eligible projects and programs. He noted they would present those programs to the public for review and narrow it down to those that the city would be successful in applying for.

Mr. Nacht reported there would be a 25 percent local match requirement, which was standard for federal programs. He indicated the state had committed 12.5 percent state level funding for a portion of the local match, which meant the city would only have to come up with 12.5 percent of whatever we apply for. Mr. Nacht noted typically, and in the past, the city identified the 12.5 percent as having to come from the program participants whether it was a buyout or an elevation program. He stated the city would propose that as well with the current application. Mr. Nacht indicated because it was a reimbursement program, the city would have to budget a fund for the purpose of paying the expenses of the program, and recapture the money from FEMA as we go through the grant process.

Councilor Pope asked if the funding would be for private property only. Mr. Nacht stated predominantly, but public property could be eligible, however they had not yet identified any public property that would be eligible to satisfy

April 14, 2008

that criteria. Councilor Pope noted in 1996 the city participated in a buyout program, adding there were some people who refused to accept the buyout and wondered if they would be eligible this time around. Mr. Nacht stated technically they would be if the city identified them in an application for buyout, however the program had not yet been written to either identify them as eligible or not. He added there was new criteria within the FEMA system allowing them to be more stringent on how they create the programs for repetitive flood loss. Councilor Pope felt the people who were flooded in December, for the first time, should have priority.

Mayor Ketchum asked if the residents who were already in the process of raising their homes would be eligible at a later date, if the program was approved. Mr. Nacht implied the program would not be retroactive and would not reimburse projects that were committed prior to the date of award, should the city would be awarded the grant.

b. **Bid Award – National Avenue and Airport Road Flood Repair Project.** Rick Sahlin updated the Council on the selection process, stating the bid was awarded to the lowest responsible bidder, which was Martin Sand and Gravel. He reported they mobilized the day after the bid was awarded and started work April 9 on Airport Road. Mr. Sahlin indicated they had completed Airport Road, with the exception of the asphalt work. He stated they hoped to have both projects done by May 15, noting both had to be complete by May 29 in order to receive funding from the federal highway administration.

c. **Work Session Scheduled.** City Manager MacReynold reminded the council about the work session on Monday, April 21, 2008, starting at 5 p.m., to discuss the current airport interlocal agreement.

d. **Chamber Forum/Economic Development.** City Manager MacReynold reported Joanne Schwartz and City of Centralia's Economic Development Director Polo Enriquez spoke at the Chehalis-Centralia Chamber of Commerce Forum Monday afternoon. He noted they addressed how the two cities were approaching economic development, and recognized Ms. Schwartz for the wonderful job she did representing the city.

#### 8. **Council and Committee Reports.**

a. **Lewis County Museum Social.** Councilor Dawes reported the Lewis County Museum would be having a social on Thursday, April 17, from 4 p.m. to 7 p.m.

b. **Law and Justice Committee Meeting.** Councilor Dawes reported he was finally contacted by the Law and Justice Committee regarding a meeting scheduled for Monday, April 21 at 11:30 a.m. He added he was waiting to hear from one other committee appointment as to their next meeting date.

c. **Various Meetings Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the following meetings:

- March 26 – met with One Voice to go over what they were doing and what they would like to do in the future
- March 27 – attended the Governor's signing of legislation for flood mitigation, at W.F. West High School
- February 28 – Toured flood areas with various state and local, and Corps representatives
- April 3 – attended the Chehalis Renaissance kickoff workshop, at the Chehalis Middle School
- April 4 – attended the Mayors meeting at the commissioners office – focus was on economic development in Lewis County
- April 4 – attended flood executive committee meeting
- April 8 – attended Fire District #6 meeting – the district was impressed by the Chehalis Fire Departments repelling team, who recently participated in a high angle rescue
- April 9 – met with One Voice to talk about forming a flood control district and what it entailed, and what their job would be if it got on the ballot
- April 10 – attended the Lewis County volunteer recognition ceremony

April 14, 2008

d. **Employee Service Awards**. Mayor Ketchum reported two employees would be receiving recognition for their years of service with the city. Greg Fisher, Equipment Maintenance Technician - 15 years, and Angie Elder, Community Services Officer – 10 years.

9. **Resolution No. 5-2008, First and Final Reading – Declaring a Portion of the City's Hamilton Farm Property Surplus – 1021 State Route 6**. Mr. Nacht reported city administration reviewed several proposals to segregate the existing parcel into two separate parcels. He noted Tract 1 consisted of approximately 68 acres of mostly farmland, including all the existing buildings on the parcel and the wellhead serving those buildings; and Tract 2 consisted of approximately 69 acres of primarily wooded wetland along the southern portion, and agricultural meadow toward the westerly part of the property. Mr. Nacht reported administration felt it was the logical place to put the line, based on all the comments received.

Councilor Pope moved that the council adopt Resolution No. 5-2008 on first and final reading and directed the administration to establish fair market value.

The motion was seconded by Councilor Lund and carried unanimously.

10. **Chehalis Renaissance Workshop Reminder**. City Manager MacReynold reminded the council about the second Chehalis Renaissance workshop on Tuesday, April 15, at 7 p.m. at the Chehalis Middle School.

11. **Letter from Rosie the Riveter**. Mayor Ketchum advised Helen Holloway, who was present in the audience that the letter from "Rosie the Riveter" had been received.

There being no further business to come before the council, the meeting adjourned at 6:47 p.m.

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Mayor

Attest:

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City Clerk

April 21, 2008

The Chehalis city council met in special session on Monday, April 21, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Robin Fuller, Chad Taylor and Dennis Dawes. Councilor's Pope and Lund were both absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Members of the news media in attendance included Paul Walker of KITI. Also in attendance were: Lewis County Commissioners Ron Averill, Richard Graham, Lee Grose; Lewis County Treasurer Rose Bowman; Lewis County Community Development Director Bob Johnson; Lewis County Prosecutor Michael Golden; Airport Manager Allyn Roe; and Airport Board Members Ken Sabin, John Spears, Jerry Zabriskie, Frank DeVaul, and Daniel Foster.

1. **Discuss Current Airport Agreement Between the City and Lewis County.** City Manager MacReynold reported Lewis County Community Development Director Bob Johnson contacted him about a month ago, to say the county was exploring the possibility of discontinuing our partnership in the airport. He invited Mr. Johnson to brief the council on what the county's thinking was and why.

Mr. Johnson stated the county was exploring the option of dissolving the partnership with the Chehalis-Centralia Airport. He reported they were experiencing some budgetary problems, and had been having revenue problems for a number of years. Mr. Johnson stated due to the recent flooding event and the severe downturn in the building industry, the county was encouraged to start focusing on how to increase revenues, and at the same time reduce expenditures. He stated the county was currently looking at ways to maximize their investment/resources, which prompted the discussion on the airport. Mr. Johnson stated they were not looking to dissolve the airport board or get rid of it, they were just looking at withdrawing from the interlocal agreement.

Mayor Ketchum inquired as to what kind of costs were involved, that the county was paying out for the airport. Mr. Johnson believed they were currently paying on a bond and some insurance. Lewis County Treasurer Rose Bowman thought the county was also providing liability insurance for the airport, but noted they had been maintaining their own as far as operational expenses. She reported there was an interlocal agreement between the city and the county for the airport to take out a single issue bond through the Bank of America, to pay for the capital construction projects recently completed out at the airport. Ms. Bowman noted the balance on the bond was just under \$3.4 million, and could be pre-paid or refinanced early with a small penalty. She stated if the airport became the sole property of the city, the bonds would need to be paid off, or reissued under the city's name only. Ms. Bowman noted there was also the option of defeasing the bond, which meant putting a large amount of money aside, designed to earn enough interest to amortize it down over the life of the bond, or until it was paid in full. Mayor Ketchum thought the bond was being paid by the airport. Ms. Bowman stated it came out of the airport's annual budget.

Councilor Dawes reported he was unaware the county was paying liability insurance for the airport and asked what the cost of that insurance was. Airport Manager Allyn Roe reported the county did not provide liability insurance, however they did provide the airport with facilities insurance, which was pooled with the other expenses that the airport paid. Councilor Dawes asked the county representatives what came out of their general fund that supported the airport. Mr. Johnson felt more importantly was the question of, what was coming into their revenue fund. Councilor Dawes indicated nothing was coming into the city's either. Ms. Bowman stated that wasn't exactly true, adding the city was receiving sales tax revenue. She reported the only money the county received on sales tax was earmarked for Law and Justice. Councilor Dawes felt the city faced the same issues as the county, and believed it was a piece of property that was only appreciating in value, and was not costing the general fund taxpayers any money.

Mr. Johnson felt there was also a liability associated with the airport, one of which was flooding. He stated the county would rather spend their money and efforts on projects that would help the county with long-term revenue sources.

Councilor Dawes stated it sounded similar to the same discussion they had with Centralia when they pulled out. He thought there were indirect benefits to the whole area because of where the airport was located. Councilor Dawes stated it appeared, based on what he was hearing, that the county was motivated to dissolve the agreement and get some kind of asset out of it before leaving. Mr. Johnson noted Councilor Dawes was not entirely wrong, and

April 21, 2008

suggested the county had other areas they would like to explore with regard to airport operations and that did not include an airport within Chehalis.

Commissioner Graham reported cities continue to encroach upon county properties, putting them in their urban growth areas (UGA) where the tax revenue was. He stated the county owned two airports and he would like to see them direct their efforts into the Toledo airport, which was outside anyone's UGA. Commissioner Graham noted there was also some industrial land in that area, which would give them the opportunity for expanding the runway. His vision was to turn the Toledo airport into a freight airport, giving the opportunity for Lewis County, as a whole, to benefit from it. Commissioner Graham felt the biggest problem with the Chehalis-Centralia airport was the instrument landing, which fell upon the county. He indicated the county receives continuous complaints about condemnation issues, whether it was air space or land.

Councilor Taylor inquired as to how much costs the county incurred during the flood. Mr. Johnson noted there was only the potential for liability, because the county was a co-owner of the property. He noted it was part of a repetitive loss area and the federal government could cease flood insurance at anytime, and the county and/or someone was going to have to pay it. Mr. Johnson agreed with Commissioner Graham, they were looking to focus on an area where the county could control the development and get the benefit from it. He stated the county didn't want to deny the city anything, however the city was already doing development and getting the biggest percentage of the revenues associated with that development.

Councilor Fuller felt Commissioner Graham also hit it right on the head, but felt the airport board received the biggest piece of the revenue source, not the city. Mr. Johnson noted even though the airport board operated as an independent body, in reality they just made recommendations to the city and the county. Lewis County Prosecutor Golden noted it was a statutorily created body that had authority to operate within the statutes pursuant to the operating agreement.

Councilor Fuller asked who benefited from the airport. Mr. Johnson felt the airport benefited the whole area; like everything in the county, every project had some spill-off to everyone else. He indicated the city also benefited from the permit fees and fees for the services; the airport received money back for operations; and the county received relatively very little compared to the amount of resources they put into it. Mr. Johnson noted from the county's perspective they would rather get into an operation where they had total control and focus all their resources on an area that would clearly benefit the county, as well as the region.

Prosecutor Golden reported the county had concerns with issues of liability and condemnation at the Chehalis-Centralia Airport, noting the city took a position, by resolution, for condemnation of ground and air easement rights while the county's position was only air rights. He stated he spoke with the attorney hired by the airport board, who would be getting him a budget as to what the costs would be to engage in condemnation proceedings. Prosecutor Golden felt they would be looking at legal fees in excess of \$100,000, which could be reimbursed by the federal government. He asked if the city was still authorizing both air and ground condemnation. Councilor Harris noted all the city wanted was the air space, however they received a request by the property owners, who didn't want just the air space taken up, but wanted their entire property purchased.

Councilor Taylor noted earlier the county stated the airport was more of a liability than an asset, and asked if the county intended on just walking. Prosecutor Golden indicated as far as a negotiating position that would probably not be where he would start the county out. He indicated he would be talking with the commissioners to see what position the county wanted to take. Mr. Johnson stated there was clearly value in the property and from that perspective it was an asset, adding it just didn't fit into the scheme of what the county would like to do long-term.

City Manager MacReynold asked Mr. Johnson if it was a policy driven decision rather than a dollar and cents decision. Mr. Johnson noted there was a dollar and cents component with regard to potential cost. City Manager MacReynold suggested the county proceed with development of the other airports and let this one continue as is, noting the airport board was taking care of the operations and expenses. He felt it was policy driven because it wasn't costing the county any money and they were benefiting from the higher property value. Mr. Johnson indicated that could be part of it, but realistically the county felt there was a potential for liability. He stated if the potential county

April 21, 2008

revenues were going to be somewhat limited with regard to the kinds of activities the city wanted to do, those potential liabilities didn't encourage them to stay focused on that airport.

Councilor Harris stated in previous years, revenue from the Chehalis-Centralia airport had been used to help support the Toledo airport. Mr. Johnson indicated there was around \$38,000 given to the Toledo airport to help with a local match for a resurfacing project in 2003. Councilor Harris asked if there were other revenues that had gone that way for different purposes. Mr. Johnson indicated he did not know of any others.

Councilor Fuller applauded the county for looking at a long-range plan, and was in favor of what they were doing. Mayor Ketchum agreed, adding that was the way of business.

Mayor Ketchum asked what financial payment Centralia received when they walked away from the airport. City Attorney Hillier stated nothing, adding the county would not receive anything either because of the FAA grant requirements. Councilor Fuller agreed that the city of Centralia set a precedent on the value.

Airport Manager Allyn Roe thought the county was safe with the Chehalis-Centralia airport because they had a fund set up to cover a lot of liability costs, including: insurance fees and property leasehold tax. He didn't see any economical gain, adding the airport held its own and was self-sustained. Mr. Roe felt it made no difference as to how they did business, since the county really put no money into it. He stated they would be in the same boat no matter where they go, noting whatever goes into the airport stays in that airport.

Councilor Fuller asked Mr. Roe who the airport benefited. Mr. Roe stated it benefited the whole community by what it brought into it, which included corporate development in the greater Chehalis and county area. He noted the airport also provided the community with 85 jobs.

Councilor Dawes stated due to the work of a lot of volunteers, the Chehalis-Centralia airport had become very successful and was a great asset for the entire community. He felt the county was farther along in their discussion than the city, adding he was totally surprised that the county was looking at dissolving the interlocal agreement. Councilor Dawes noted he definitely wanted to hear more information and have staff do what was necessary to see where it would go, but added he would hate to see it change unless there was some real great reason for it to do so.

Councilor Fuller asked if there should be any reflection on the fact that the city was about to spend \$4 million to fix the traffic congestion on Chamber Way, because of the development at the airport. Councilor Dawes felt growth would allow for the off-set, and added there was only so much the airport could do with development. Councilor Fuller didn't believe it was a benefit to the citizens if they were the ones who were going to be taxed to fix the road. Councilor Dawes stated if they were to compare the value of the airport property between now and fifteen year ago, they would see quite a large return on the investment. Councilor Fuller suggested the whole piece of property be developed if it held that kind of value. Mr. Roe indicated the property was locked up for the next twenty-five years and would continue to be as they apply annually for grants, and the two sponsors sign the grant assurances. He argued that the value of the property specific to the airport was much more decreased with the grant assurances, adding they couldn't do anything with the property until those expired. Councilor Fuller indicated it could be stopped if they paid them off and cut out the grant funding. Mr. Roe stated that was correct.

Mr. Roe reported the airport was listed at 40,000 operations annually and were running five business flights on average per day.

City Manager MacReynold stated the county was clearly interested in withdrawing from the agreement and if the council was interested, they should give him direction to proceed to negotiate the withdrawal.

Councilor Harris moved that city and county staff discuss options suggested by the county, as to the county's future participation.



April 21, 2008

The motion was seconded by Councilor Dawes. The motion passed 4 to 1, with Councilor Fuller voting against the motion.

There being no further business to come before the council, the meeting adjourned a 5:42 p.m.

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Mayor

Attest:

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City Clerk

April 28, 2008

The Chehalis city council met in regular session on Monday, April 28, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:24 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately one-half hour and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:55 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Rick Sahlin, Street Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Consent Calendar.** Mayor Ketchum noted item No. 6 on the consent calendar, award bid for the combined raw and treated water booster pump station, would be removed from the agenda for re-evaluation. Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the special work session of March 31, 2008, and the regular meeting of April 14, 2008; and
- b. Claim Vouchers No. 89596-89767 in the amount of \$473,781.87 dated April 21, 2008; Claim Vouchers No. 89768-89773 in the amount of \$32,711.21 dated April 22, 2008.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Fire District #6 Appreciation.** District #6 Fire Chief Bud Goodwillie presented Interim Fire Chief Rob Gebhart and Firefighters Adam Meyer, Chad Snyder, and Jay Birley with certificates of appreciation for their efforts and a job well done when the high angle rescue team responded to an emergency situation on April 4, 2008. Those who were not present to receive their certificates were Assistant Fire Chief Larry Allen and Firefighters Steve Emrich and Mike Cooley.

4. **Staff Reports.**

a. **City Manager Annual Evaluation Review.** City Manager MacReynold reported the city clerk would be distributing evaluation forms to the council to assess his performance over the past year. He suggested the council work with the city clerk and city attorney if they had any questions or comments.

b. **March Financial Reports.** Eva Lindgren reported the 2008 budget figures were now included in the financial report, giving the council a basis of comparison against the budgetary numbers. Councilor Dawes inquired about the reserve funds. Ms. Lindgren reported those funds were not listed on the spreadsheet because they tend to distort what was budgeted for actual true revenues. City Manager MacReynold strongly supported Ms. Lindgren's approach, noting they needed to know the reality of where they were, which was not how it was done by prior administration. Ms. Lindgren reported she hoped to start providing the council with balance sheets in the very near future. Council continued discussion on what they would like to see on future reports.

Councilor Fuller noted the natural gas tax seemed to be above what the others were running and asked if there was any significant reason. Ms. Lindgren noted the prior year was very similar, but felt they were still on track. She indicated they may not have budgeted enough to reflect what was actually happening in 2007. Mayor Ketchum felt it might be due to the continued cold weather they were experiencing, and residents were still using their natural gas as heating source.

c. **Sales and Use Tax Revenue.** Ms. Lindgren reported in spite of the flooding event, sales tax revenues

April 28, 2008

continued to increase. Councilor Harris asked if it was possible for the report to reflect the revenue in the actual month it was received rather than by the two month lag, as reported by the state. Ms. Lindgren noted the problem with that was the states report reflected the revenues remitted for the first quarter, even though a portion was reflective of the prior year.

Councilor Dawes felt given what the area went through, the tax revenue received was not bad. Councilor Harris noted the real recovery appeared to come in January.

5. **Council Reports.**

a. **Law and Justice Committee Meeting.** Councilor Dawes reported the law and justice committee had their first meeting of the year, and would be meeting again on June 26 to resurrect what they want the committee to do.

b. **Museum Opening Exhibit.** Councilor Dawes reported the Lewis County Historical Museum had it's "All about Chehalis" opening exhibit on August 17. He noted he was unable to attend, but stopped by to take a look prior to the opening. He thought they did a great job getting ready for the event.

c. **Veteran's Museum Official Grand Re-opening.** Councilor Dawes stated he attended a memorial service at the museum prior to the official grand re-opening and reported the facility was even more amazing than it was prior to the December flood event. He noted they made some contingency plans should another catastrophic event occur, not only in they way they remodeled the building, but in how to get things up and off the ground.

d. **Flood Authority Group Meeting.** Councilor Taylor reported the authority would be meeting on Tuesday, April 29, to go over the options the state presented at their last meeting.

e. **Chehalis River Basin Partnership Meeting.** Councilor Harris reported the Chehalis River Basin Partnership met on Friday, April 25 to discuss how to get past the flood, and received run downs on other meetings that were going on. He stated there were a lot of thank you's going around the room from other county commissions regarding the meeting of April 14, noting it was very positive, with the exception of John Penberth of Pe Ell, who had a different take on the meeting. Councilor Harris noted the Partnership was very encouraged by the positive relationship between the counties and the cities, and thought they were heading in the right direction as far as a flood control district.

f. **Meetings attended by Mayor Ketchum.** Mayor Ketchum reported he attended the following events and meetings:

- April 15 – the Chehalis Renaissance work session
- April 17 – the Lewis County Historical Museum Opening Exhibit event
- April 17 - the Chamber Business After Hours event at *The Chronicle*
- The Annual Knowledge Bowl (participated on the audience participation team)
- April 21 – the Lewis County Transportation Strategy Council meeting
- April 22 – the Visiting Nurses Foundation reception to say goodbye to the old director and to welcome Lynn Ford the new director
- April 26 – the Veteran's Memorial Museum Grand Re-opening
- April 27 – a controlled house burn on 9<sup>th</sup> Street

Mayor Ketchum personally thanked Councilor Taylor for attending the numerous flood and transportation meetings on behalf of the city.

6. **Ordinance No. 832-B, Second Reading – Amending the Revolving Cash Funds.** Councilor Dawes moved to pass Ordinance No. 832-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

April 28, 2008

7. **Amendments to the Interlocal Agreement for Study, Analysis, and Implementation of a Flood Control Project to Protect the Chehalis River Basin.** City Manager MacReynold reported since the council last approved the interlocal agreement on April 14, there were some additional changes to the agreement. He stated most of the changes came from Thurston County at the last authority meeting. City Manager MacReynold noted in addition, they also added the town of Bucoda.

Commissioner Ron Averill stated he appreciated the city's patience with regard to the interlocal agreement. He noted the changes made by Thurston County incorporated all of House Bill 3375. Commissioner Averill stated the authority agreed if

any changes were made to the interlocal agreement they would be done by unanimous vote, and any changes to the by-laws would need to be approved through the normal procedure, which was to attempt to get a consent first, and only if need be would they go to a 60 percent majority. He noted, at the request of Thurston County Commissioner Diane Oberquell, the town of Bucoda was also added to the interlocal since they were considered part of the drainage basin. Commissioner Averill reported the county commissioners approved the interlocal agreement earlier that day and expected it would be approved by all partners within the next week or so.

Councilor Taylor moved to authorize City Manager MacReynold to execute the current interlocal agreement dated April 18, 2008, to replace the prior agreement approved on April 14, 2008.

The motion was seconded by Councilor Harris and carried unanimously.

8. **Chehalis Tribe.** City Manager MacReynold reported he recently had the opportunity to meet with David Burnett of the Chehalis Tribe. He noted the question came up as to how the Tribe should be addressed. Mr. Burnett stated from his perspective, their preference was to be called The Chehalis Tribe.

9. **Overview/Update on Corps Project.** Councilor Taylor asked City Manager MacReynold to give a brief overview of the meeting that he and staff attended with Keith Phillips from the Governor's office, with regard to the Corps project.

City Manager MacReynold reported the state was fast-tracking a system to get things moving with reference to funding, support for the district, projects within the district, and the Corps project. He stated they needed information from the authority as to what role the authority would play with reference to the project; a study for the district to include other projects that need to be done; and who would be responsible for it.

City Manager MacReynold noted there was also discussion about fast-tracking an RFQ process to get someone with the expertise to speak for and help the authority proceed down the path with the state. He added it all fit very well with the resolution the council passed on February 8, which was to support the formation of a district and to not support the Corps project as currently stated.

Councilor Pope thanked Councilor's Harris and Taylor for keeping the council informed about what was happening.

There being no further business to come before the council, the meeting adjourned at 6:41 p.m.

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Mayor

Attest:

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City Clerk

May 12, 2008

The Chehalis city council met in regular session on Monday, May 12, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Chad Taylor, Daryl Lund, and Dennis Dawes. Councilor Fuller arrived at 6:23 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director, Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Works Session.**

a. **Interview Applicant for Chehalis Planning Commission Vacancy.** The council interviewed Walter Cuestas, who applied for one of the three vacant positions on the Chehalis Planning Commission.

Mayor Ketchum closed the work session at 5:52 p.m. and announced the council would take an eight-minute recess and reopen the regular meeting at 6:00 p.m.

Mayor Ketchum reopened the regular meeting and announced the council would be adding a proclamation for "Police Week" and a revised copy of Ordinance No. 833-B to the agenda.

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

- a. Minutes of the special work session of April 21, 2008, and the regular meeting of April 28, 2008;
- b. Payroll Vouchers No. 30609-30782 in the amount of \$659,964.04 dated April 30, 2008;
- c. Award bid for combined raw and treated water booster pump station to Balmelli Trucking, Inc. in the amount of \$686,821.80;
- d. Appoint Walter Cuestas to a four-year term on the Chehalis Planning Commission expiring on December 31, 2011; and
- e. Set date and time of May 27, 2008, at 6:05 p.m. for a public hearing on the 2009-2014 six-year transportation improvement program.

Councilor Lund seconded the motion.

Councilor Dawes asked if there would be any financial assistance from the Chehalis Power Plant on the combined raw and treated water booster pump station project. Tim Grochowski noted because the project came in very favorable and there was sufficient funding in the budget they choose not to use any funding from Chehalis Power. He reported the water bill paid by the Chehalis Power was roughly \$50,000 per year and rather than lose the revenue, it was better to forego the proposal made by Chehalis Power. Mr. Grochowski noted Chehalis Power wanted to use their water and sewer bill as credit towards the project, however the city would only be able to use the water portion.

The motion carried unanimously.

3. **Proclamation.** Mayor Ketchum presented Chief Glenn Schaffer with a proclamation declaring the week of May 11-17, 2008, as Police Week in the city of Chehalis.

4. **Staff Reports.**

May 12, 2008

a. **Status Report on Hazard Mitigation Grant Application Process.** Bob Nacht reported the city had the opportunity to apply for a grant of up to \$1.5 million for local hazard mitigation. He noted one past project included a buy-out program, where the city purchased approximately 27 properties along Shoreline Drive, after the 1996 flood event.

Mr. Nacht reported a letter and questionnaire had been sent out to about 362 individual property owners, who were identified as owning property within the flood hazard zone. He stated the city planned on applying for either a buy-out or elevation program, which required at least two public meetings to receive public input. Mr. Nacht added he wanted to make sure it was something the public really wanted because any application process would be extremely labor intensive, and staff would have to spend hundreds of hours putting the project together. He noted staff expected to go for an elevation program this year, noting he didn't believe there would be much support for a buy-out program.

Mr. Nacht reported the first public meeting was set for Tuesday, May 20, at 3:00 p.m. and 7:00 p.m., and second public meeting would be held at the regular city council meeting on Tuesday, May 27, 2008 at 6:00 p.m.

Councilor Dawes asked when the city would know if we were successful on the application. Mr. Nacht stated applications had to be to FEMA by June 30, 2008, adding it was a competitive program and the first cut would be in September and October. He reported FEMA did indicate because of the disaster on the Chehalis River, Lewis County, Centralia, and Chehalis would be as critically reviewed in the competitive arena as we might have been under some other scenario. Mr. Nacht stated FEMA expected to have grant funding available and make awards the first part of next year. He felt it was unlikely we would see any money for a buy-out or elevation program before spring of 2009. Councilor Dawes asked who would be eligible to receive grant funding. Mr. Nacht reported the public process would be to identify who was interested in participating. He added, in order to apply, the city had to identify the cost benefit ratio of every property and/or project the city intended to apply for. He indicated Bobbi Boone had been to a training program on the FEMA cost benefit analysis programming.

Councilor Dawes inquired as to whether those who may have been eligible in the past for a buy-out program or grant funding, even though they either choose not to participate or didn't feel the amount offered was a reasonable offer, if they could be involved this time. Mr. Nacht stated if a buy-out program was offered they could participate, but staff would first need to identify each property and what the cost benefit ratio would be. Councilor Lund asked if Yard Birds would be eligible to apply for a buy-out. Mr. Nacht indicated they could if the city offers a buy-out program, but again they would first have to identify whether the cost benefit was there.

b. **Lewis County Planned Growth Committee.** Mr. Nacht reported the Lewis County Planned Growth Committee was entertaining two issues that included: changes to the County Wide Planning Policies (CWPP), and four requests for expansion of Urban Growth Areas (UGA). He reported a meeting was scheduled for Thursday for staff and elected officials to make decisions on the proposals.

Mr. Nacht reported the city had one proposal, which was presented to the city by the Port of Chehalis, for inclusion of a 20 acre parcel into the Chehalis urban growth area. He noted there were also expansion requests from Centralia, Toledo, and Napavine. Mr. Nacht indicated the expansion request by the city of Napavine did not include any Chehalis UGA. Mayor Ketchum inquired as to what Toledo was requesting. Mr. Nacht stated he believed they were trying to get their well-head into their UGA, noting it wasn't a very large expansion request.

Councilor Pope moved that the council endorse the proposed changes to the County Wide Planning Policies and the expansion of the Urban Growth Areas requested by Centralia, Chehalis, Napavine and Toledo.

The motion was seconded by Councilor Lund and carried unanimously.

c. **Tree Removal.** City Manager MacReynold reported the city was moving forward on the landscaping process around the new library. He stated, based on the presentation of the landscape architect, there were two trees that would need to be removed in order to open it up for a better view of the property and the new library. City Manager MacReynold provided a drawing to show which two trees would be removed from the property.

May 12, 2008

Councilor Dawes felt it would take care of the look they wanted. Mayor Ketchum thought at one point there was concern about moving the Meeker Marker Monument and asked if that was still an issue. It was noted there was talk about relocating the marker, however the new location had not yet been decided on. City Manager MacReynold stated Councilor Fuller raised a concern that the city, over a long period of time, had removed a number of trees in the downtown community and felt they needed to be careful and frugal in how they approach the future removal of trees. Mayor Ketchum duly noted Councilor Fuller's concerns. Councilor Lund thought it might make good firewood for the Lintott-Alexander Park.

Councilor Dawes stated his concern with trees on city property was the lack of maintenance, adding those resources had not been made available to staff. He felt they would be money ahead if they maintained the trees by trimming as needed, so they don't become so large that limbs start breaking off destroying public and personal property. Councilor Dawes suggested they look at budgeting for a maintenance program in the future.

d. **City Manager on Vacation.** City Manager MacReynold reported he would be out of the office for a couple of weeks in June, and would be selecting an acting city manager to fill in during his absence.

#### 5. **Council Reports.**

a. **Condolences Sent.** Councilor Harris sent his condolences to the victims of China and those recently affected by the tornado's back east, as well as those affected by all the other disaster's that were happening around the world.

b. **Chehalis Foundation Update.** Councilor Pope reported the Foundation was looking at building a new kitchen at Lintott-Alexander Park. He indicated they would be receiving money to do the project and were currently looking at putting together a bid for the project, noting he would report back once they had more information. Councilor Pope reported they were planning on having a 'Family Day' at the park on Saturday, July 26.

c. **Scout Lodge Open-House.** Councilor Dawes reported he received a notice for the open-house at the Scout Lodge, noting he was very impressed with the picture showing the improvements done so far. He stated he would be unable to attend the open-house, but would be asking Andy Sennes for a tour of the facility at a later date.

Andy Sennes reported the first phase of the Scout Lodge project was complete, with the help of the Rotary Club. He indicated Rotary wanted to continue its partnership on the project, noting financially they had stretched a tremendous amount out of what they had to work with.

Mr. Sennes reported they were also working with the Foundation on other projects such as leveling and re-seeding of the turf out at Lintott-Alexander Park.

d. **Stolen Property.** Councilor Lund asked who was responsible for stolen property for the city of Chehalis. Bill Hillier noted if there was a report of stolen property it would be referred to the police department. Councilor Lund reported there was a frying pan down at Long Beach that belonged to someone in Chehalis, and was supposed to go to Lintott-Alexander Park. Mr. Hillier jokingly noted there was a statute of limitations. Councilor Pope indicated not only was there a statute of limitation, but the saltwater had already ruined the pan. He added they looked at that a few years ago and called a factory back in Tennessee to see if they could donate another one, but they had changed the mechanics and their molds and indicated they could not build one that large anymore.

e. **Meetings attended by the Mayor and Council.** Mayor Ketchum reported on April 29 he attended a reception for all the volunteers who helped during the flood. He also attended the following:

- May 2, Mayor's meeting with the Lewis County Commissioners
- May 9, Chehalis River Basin Flood Authority meeting – approved RFP to hire a facilitator; approved letter to the office of Financial Management to request the \$2.5 million set aside to help fund the facilitator; approved a letter to state Representative Brain Baird, requesting \$1 million in funding to help the flood authority design a basin plan

May 12, 2008

Mayor Ketchum reported on the flood authority, noting there was an entity that may try to undermine the plan of the authority because their mission didn't necessarily agree with the mission of the flood authority. He hoped the group would stay focused and not be influenced one way or the other.

Councilor Fuller reported he attended his first EDC meeting, but couldn't talk about anything yet.

**6. Ordinance No. 833-B, First and Final Reading – Calculation of Residential Sewer Charges for Summer Months Water Usage.** City Manager MacReynold reported the city recently had an evaluation done on its utility billing system.

He stated they were still putting recommendations together, however one of the time sensitive key elements was the summer/ winter rate calculation.

Eva Lindgren reviewed the changes to the original ordinance, noting both winter and summer months covered a six-month period each. She reported when they applied the winter averages to the summer months, they were usually touching a month where there was still heavy watering going on, which distorted what the actual usage was. Ms. Lindgren reported the new ordinance proposed to reduce the winter billing months down to four, which was based on the recommendations by Herta Fairbanks of HDR, Inc. who performed the analysis.

Councilor Dawes thought the council's intent was to have the water rates for the sewer portion of the bill charged during summer months, be based on a time period of either November to February, or October to January.

City Attorney Hillier reported the language in the old ordinance used the term 'billing period.' Under the new Ordinance, he noted the language would read 'usage period,' which would hopefully take care of the problem. He indicated they would be back with other changes and would re-address the issue if it was not cleared up.

Councilor Dawes moved to suspend its rules requiring two readings of an ordinance.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Dawes moved to pass Ordinance No. 833-B on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:35 p.m.

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Mayor

Attest:

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City Clerk



May 27, 2008

The Chehalis city council met in regular session on Tuesday, May 27, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(g) - public employee performance review and RCW 42.30.110.(1)(i) – potential litigation, and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:59 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:05 p.m. Additional staff included: Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director, Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief, Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Ron Hall of KITI.

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

- a. Minutes of the regular meeting of May 12, 2008; and
- b. Claim Vouchers No. 89774-89911 in the amount of \$238,955.58 dated May 5, 2008; Claim Vouchers No. 89912-90079 in the amount of \$580,991.95 dated May 19, 2008.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizen Business.** Caryn Knight (150 SW Alfred Street) came before the council to ask their advice on a matter involving a home in her neighborhood, which she believed was a “gang” house, who also had two Pit-bull dogs that were allowed to run freely around the neighborhood. She noted there were already three police reports of the animals running at large and she had had some contact with Sergeant Nikander, who informed her they were watching the house.

Mayor Ketchum suggested Ms. Knight call City Manager MacReynold to start discussions with him regarding the matter. Councilor Dawes stated he received a letter from Ms. Knight that day, adding he had already started doing some background on the situation and indicated he would forward that information onto the city manager.

4. **Public Hearing 2009-2014 Six-year Transportation Improvement Plan.** City Manager MacReynold reported the public hearing for the six-year transportation improvement plan (STIP) was an annual requirement in order to receive state and federal funding.

Rick Sahlin reported they already had one change to the attachment in the agenda packet, noting they would be adding the Chamber Way project back to the list of projects until it is complete. He stated there were currently seven projects on the plan which included:

- Chamber of Commerce Way - from Louisiana Avenue to State Street
- Airport Road Extension - from city limits (Airport Dike) to Home Depot
- Chehalis Community Pathway - from Port of Chehalis to Hillburger Road
- Downtown Market Boulevard improvements
- Kresky Avenue flood mitigation feasibility study - from Hampe to Scott Johnson
- Snively Avenue Improvements - from SW 16<sup>th</sup> Street to SW 20<sup>th</sup> Street
- National Avenue Overlay - from Kresky Avenue to city limits

May 27, 2008

Mr. Sahlin reported they had met with Gray & Osborne and would be seeking grant funding for Snively and National Avenue again this year. He stated they also asked for \$2 million in federal appropriated funds from Congressman Baird's office, but did not know the status of those funds.

Councilor Dawes noted there were a lot of roads listed on the STIP that had cracks in them. He noted in the past the policy of the city was to crack-seal roads to help extend their life and asked if there were any plans to revisit that option in the

event they are not successful with the grant process. Mr. Sahlin reported they had the capability to do a crack-seal program, however they didn't plan on doing any in 2008. He added sometimes the roads just get to the point that it's not worthwhile.

Councilor Fuller inquired about the future Chamber Way bridge replacement listed on the CIP. Mr. Sahlin reported at such time the Chamber Way overpass is replaced across I-5, the city will need to replace the overpass over the railroad tracks, noting they would not be able to funnel the traffic from five lanes into two lanes to get across to National Avenue.

Mayor Ketchum closed the regular meeting and opened the public hearing at 6:13 p.m., to receive public comment on the STIP. There being no public comment Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:13 p.m.

5. **Public Meeting on the Hazard Mitigation Grant Program Application Process.** Bob Nacht reported the city was eligible to apply for up to \$1.5 million in a competitive grant program for hazard mitigation. He noted one of the two required public meetings was held last Tuesday at the V.R. Lee Community Building, where he spoke to approximately 40 residents. Mr. Nacht thought it was appropriate to conduct the second public meeting before the city council. He stated the public was invited to let the city know what they should apply for and whether they would be interested in participating.

Councilor Taylor inquired as to how many responses the city received back to the questionnaire that was mailed out. Mr. Nacht guessed there were between 40-45 responses, noting all but one requested an elevation program.

Mayor Ketchum closed the regular meeting at 6:17 p.m. and opened the public meeting for public comment.

Steve Emrich (1358 NW River) reported he had a few properties that received flood damage and asked if they needed to have an amount of what it would cost to do the elevation before the grant process goes through. Mr. Nacht reported yes, adding the city had to generate a cost benefit analysis for each property they propose to make eligible for elevation. He noted the city already had extensive data on all the flooded properties, including how much water got into each property. Mr. Nacht reported the city would not necessarily be requiring the property owner to conduct any surveys or any elevation analysis prior to applying. He added any costs associated with the flood elevation certificate, after the project, could be an eligible grant expense if in fact the city was successful in obtaining grant funding.

There being no further public comment, Mayor Ketchum closed the public meeting and reopened the regular meeting at 6:19 p.m.

Councilor Taylor asked if there was any change to the level in which they would need to elevate the homes. Mr. Nacht reported the local ordinance required that anything triggering an elevation requirement be at, or at the flood of record level. He added the 100-year flood level in most areas of Chehalis was much lower than the flood of record level due to the December 2007 flood event.

Councilor Dawes moved that the council direct the administration to apply for up to \$1.5 million from the Hazard Mitigation Grant Program for elevation and flood-proofing of eligible flood-prone properties within the city.

May 27, 2008

The motion was seconded by Councilor Lund and carried unanimously.

6. **Update on Liberty Plaza Project.** Neil Amundson of AKA Developers presented the council with various drawings of the site plan for the Liberty Plaza Project. He reported last week he had the opportunity to take Mayor Ketchum, Councilor Taylor, and City Manager MacReynold on a tour of the site to see first hand the issues they were facing. Mr. Amundson talked briefly about the commercial development located at Exit 77, noting over the years the property had become somewhat of a dumping ground and they recently removed about 9,000 yards of petroleum contaminated soils. He reported as part of the site development, they would be building a storm water storage and treatment area that would provide additional flood storage capacity for the area. Mr. Amundson indicated with the construction of the flood storage ponds a small-low quality fish stream, approximately 964 feet long that currently had untreated stormwater flowing directly into it from the surrounding area, would be impacted. Mr. Amundson reported the impacts to the small stream were being mitigated by AKA Developers, who would be funding a \$60,000 fish barrier replacement project in Grays Harbor County.

Mr. Amundson was pleased to report the neighbors who were once against the project in the beginning were now writing letters of support, which he provided copies of to the council.

Mr. Amundson talked briefly about stormwater management on the property, stating the pond portion of the project would be beneficial to the city because it would provide stormwater treatment to nearly 21 acres. He reported his goal was to build the park and eventually donate it to the city. Mr. Amundson added the park would require some on-going maintenance, but felt it would provide a park amenity that would be beneficial to the city.

Mr. Amundson reported two weeks ago they received a letter from the United States Army Corps of Engineers (Corp), stating they would like to have a year to study the project. He indicated they didn't have a year due to the regulatory window allowed for disturbing stream habitat, which was June 15 to September 30. Mr. Amundson stated if they had to wait another year, one, if not two would pull out of the project because they couldn't wait that long. He felt he was stuck in a regulatory gridlock and enlisted the support of the city, asking that they help him be the lead proponent of the project, to take it forward and get it in front of the committee. Mr. Amundson indicated he felt the city had more weight with the Corp, than he did.

City Manager MacReynold stated Mr. Amundson was seeking the council's support of a letter to put pressure on the Corp that this was a high priority and important project for the city.

Mayor Ketchum reported they had a good tour of the project and felt the article in *The Chronicle* was very effective.

Councilor Dawes had no doubt there was a lot of work done to address the needs in that area. He indicated he was very supportive of the project, however didn't know if having the city get involved would get the Corp to move any faster. Mr. Amundson stated Councilor Dawes made an excellent point, noting the Corp seemed to move at its own will.

Councilor Pope asked Mr. Nacht if there was anything from his perspective that could be done. Mr. Nacht stated both public works and community development had been working with the developer on the project, but unfortunately there were some federal and state guidelines that had to be met. He added the developer had met all the local requirements and the city had no specific issues.

Councilor Lund stated he had known Mr. Amundson for a very long time and he was very supportive of the community. He felt Mr. Amundson had always done things the right way and hoped the council would agree to send a letter to Congressman Baird to help get the situation moving forward. City Manager MacReynold reported Mr. Amundson had been in contact with Shawn Murphy from Congressman Baird's office, and he would be down for a site visit the following day. He felt there was a real feeling of cooperation from Congressman Baird's office.

May 27, 2008

Councilor Harris asked what other alternatives there were if they don't move forward this year. Mr. Amundson stated he wouldn't be surprised if the Corp asked for additional mitigation, adding he thought opening up eight miles of stream in Grays Harbor would be more than sufficient. He felt they might be able to negotiate with the Corp, but didn't know if there was anything they could do more to improve the situation, other than doing something more offsite.

Jim Hill (1963 SW Snively Ave) asked if what they were proposing meant they were removing the Dillenbaugh as a fish-bearing stream and replacing it with the Gray's Harbor mitigation project. It was noted the actual main part of the Dillenbaugh did not flow through the site, therefore it would remain a fish-bearing stream. Mr. Hill wondered if the city got involved if it might bring up environment issues that would require clean-up by the city. Mr. Amundson stated he would be willing to take on that responsibility. Councilor Pope inquired as to who created the problem. Mr. Amundson felt there was probably a multitude of contributors.

The consensus of the council was to send the letter to the three different agencies listed on the draft letter including: the United States Army Corp of Engineers, the area habitat biologist Scott Brummer, and the Washington State Department of Ecology.

## **7. Staff Reports.**

a. **Update of Public Works Projects for 2008.** Tim Grochowski briefed the council on the following public works projects:

- Chamber Way channelization project
- Utility rate and capital facilities study
- Wastewater outfall replacement project
- Purchase of combination catch basin/sewer truck
- Decommissioning of the old wastewater treatment plant
- Prospect hill odor issue
- Louisiana Avenue/Arkansas Way and Airport Road project
- Flood repairs on National Avenue and Airport Road
- Safeway storm main replacement
- SW Pacific and SW John Street storm main replacement
- Oiling/chip seal versus asphalt pre-level work
- General street repairs
- Storm ditch cleaning
- Jackson Highway water main upgrade
- Chehalis River intake repairs
- Interstate Avenue water main extension
- S Market Boulevard and SW 18<sup>th</sup> Street pump station
- Bishop Road water main extension
- Phase IV of the water plant upgrade
- Water consumer confidence report
- Water conservation/efficiency rule
- Water storage response plan
- Other important water issues

b. **Public Reception for Fire Chief Candidates.** Peggy Hammer reported a nationwide recruitment was done for the fire chief position, and to date the city received twenty applicants from all over the country including eight from the western Washington area. She stated she and City Manager MacReynold narrowed it down to seven candidates and had already started a series of interviews. Ms. Hammer announced a reception would be held on the evening of Thursday, June 26 at the Hotel Washington for the top three or four candidates.

c. **Council Goal Work Session.** City Manager McReynolds reported he and Mayor Ketchum had been discussing the annual goals work session. He noted they both felt that because there were already so many things in

May 27, 2008

the works that it might be better to have a work session in July, rather than a goal setting session, to have the administration and staff update them on where they were with the current goals. A goal work session was scheduled for Monday, July 21 starting at 5:00 p.m.

8. **Council Reports.**

a. **Scout Lodge Dedication Ceremony.** Councilor Pope reported he attended the dedication ceremony for the Scout Lodge, adding they did an excellent job with all the repairs. He noted the Rotary Club indicated they would be doing more work to the facility in the future. Councilor Pope stated he and the city greatly appreciated their time and efforts.

b. **Meetings attended by the Mayor and Council.** Mayor Ketchum reported he attended the ribbon cutting ceremony for the new train depot at the train station, adding it turned out really nice. He also attended the Chehalis block party at the Adna High School.

c. **Lewis County Historical Museum Board Meeting.** Councilor Dawes reported he attended the Lewis County Historical Museum board meeting, adding they were currently gearing up for their summer activities, including "The All About Chehalis" display. He reported he and others had already been recruited to help out with the annual breakfast and lunch event. Councilor Fuller asked what the progress was on the McKinley Stump. Councilor Dawes reported they were coordinating with city staff, and hoped to have the project done this summer.

d. **Relay For Life Event.** Councilor Dawes commended Mayor Ketchum for having whatever it took to dress up in a red dress and walk around in public, to raise money for the event.

9. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 7:25 p.m. following a short recess beginning at 7:16 p.m. pursuant to RCW 42.03.110(1)(i) - potential litigation for approximately fifteen minutes, and there would be no decision following the conclusion of the executive session.

Mayor Ketchum closed the executive session at 7:51 p.m. and reopened the regular meeting.

There being no further business to come before the council, the meeting adjourned at 7:51p.m.

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Mayor

Attest:

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City Clerk

June 9, 2008

The Chehalis city council met in regular session on Monday, June 9, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Tim Grochowski, Acting City Manager/Public Works Director; Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director Glenn Schaffer, Police Chief; Randy Kaut, Deputy Police Chief; Sharon Douglas, Police Department Office Manager; Joanne Schwartz, Economic Development Administrator; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Consent Calendar.** Councilor Dawes noted one correction to the minutes, which was to change the acronym STIP to CIP at the end of the first sentence of page 2. Councilor Dawes moved to approve the consent calendar, as amended, comprised of the following:

- a. Minutes of the regular meeting of May 27, 2008;
- b. Payroll Vouchers No. 30783-30975 in the amount of \$667466.19 dated May 30, 2008; and
- c. Set date and time of June 23, 2008, at 6:05 p.m. for a public hearing on six proposed changes to the city's development regulations.

The motion was seconded by Councilor Pope and carried unanimously.

2. **Employee Service Award.** Mayor Ketchum presented Deputy Police Chief Randy Kaut with a 20-year service award.

3. **Staff Reports.** Acting City Manager Grochowski reminded council of the following meeting dates and times:

- June 10 - Fire District #6 meeting at 6:30 p.m.
- June 10 - Ribbon cutting ceremony at the Farmers Market at noon
- June 16 – Centralia/Chehalis Transportation meeting – 7:00 a.m. at Centralia city hall
- June 19 – Housing Issues briefing at noon sponsored by the LC Association of Realtors, at the Veterans Memorial Museum
- June 23 - New library walk-through for council members at 5:30 p.m.
- June 26 – Special executive session to meet with the fire chief candidates from 5:00 to 6:00 p.m., followed by a public reception starting at 6:30 p.m. at the Historic Hotel Washington

4. **Council Reports.**

a. **Father's Day.** Councilor Harris wished everyone an early 'Happy Fathers Day,' coming up on Sunday, June 15.

b. **Flood Meeting.** Councilor Taylor reported on the flood meeting he attended on Thursday, June 5. He stated each jurisdiction submitted issues they would like to see addressed and they also received a copy of the group's bylaws. Bob Nacht indicated the next meeting would be on July 1, at 1:00 or 1:30 p.m. Mayor Ketchum noted one other good thing that came out of the meeting was Keith Phillips from the Governor's office stated they would be willing to sit down and look everything over before making any decisions. He added they had come a long way regarding looking at what our needs were.

c. **Flood Control Authority.** Mayor Ketchum reported Oakville was asking to be put on as a member of the flood control authority and he personally felt there shouldn't be any holdup or disagreement that they should be allowed. He stated they were located in the basin and believed the more entities they had involved, the more there would be to help fight the battle if they decide to move forward.

June 9, 2008

d. **Sister City Delegation Coming to Chehalis.** Mayor Ketchum reported a sister city delegation would be arriving in Chehalis on August 15. He noted their drum group and would be performing at the SW Washington Fair on Saturday, August 16, and a potluck was scheduled for Sunday, August 17. Mayor Ketchum indicated he was disappointed that he was unable to get 10 people to commit to a trip to Inasa, Japan in November. He stated if anyone was interested they should contact Joanne

Schwartz or Caryn Foley before Friday, June 13.

e. **Meetings and Events attended by the Mayor.** Mayor Ketchum also attended the red carpet event at K-Mart on May 29, and the Red Cross Grand Opening on June 5.

f. **Congratulations to Graduating Seniors.** Mayor Ketchum recognized all the graduating seniors and gave special congratulations to the W.F. West High School sports teams who had a tremendous year. They included:

- Boy's Baseball Team - who just missed going to State
- Girl's Fastpitch Team - 3<sup>rd</sup> at State
- Girl's Tennis Team - 3<sup>rd</sup> at State
- Boy's Tennis Team - 'State Champions' in doubles team, first time in the history of the school
- Girl's Golf Team - who went to State
- Girl's and Boy's Track Teams – who were both very successful this year

5. **Resolution No. 6-2008, First Reading – Adopting the 2009-2014 Six-Year Transportation Improvement Plan.** Councilor Taylor moved to adopt Resolution No. 6-2008 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Establishing WiFi in Chehalis.** Joanne Schwartz reported on February 25, 2008 the WiFi committee came before the council, at which time the council had a number of questions concerning the project. She noted the committee met several times to respond to their questions and concerns. Ms. Schwartz noted one question that came up was whether or not the local motels offered WiFi. She reported they did, and the new proposed motels at Liberty Plaza would also be offering it as well.

Ms. Schwartz reported there was also some discussion about partnering, noting Lewis County was not interested in anything except providing WiFi within the Courthouse, and the Chamber of Commerce already had their own WiFi. She contacted Starbucks who reported they recently changed their policy to allow those with registered active Starbucks cards to use their WiFi for up to two hours at no charge, and AT&T broadband or fiber subscribers had unlimited access, also at no charge.

Ms. Schwartz briefly discussed the expense of one additional node on a city-owned light pole located on the corner of Wal-Mart's parking lot, which would provide WiFi in that general area. She reported the total startup cost, including the additional node, would not exceed \$53,000 and the on-going costs were estimated to be about \$15,000 per year. Ms. Schwartz stated the committee recommended the funding come from the hotel-motel fund and the community development block grant fund.

Ms. Schwartz introduced two of the committee members in the audience, Ed Schonack and Allyn Roe. She then reviewed a map showing the designated areas of the downtown and the Twin City Town Center, where people would be able to access WiFi.

Mr. Roe added they would be providing more of a network foundation rather than just wireless internet to users. He noted the system would have the ability to have a separate wireless network for the city to utilize for services such as emergency management and traffic intersection cameras.

Councilor Dawes stated he wanted to get the widest area they could cover, adding he would still like to see something down at Stan Hedwall Park in the RV area. He noted the map indicated a lot of the nodes seemed to

June 9, 2008

overlap each other in the downtown area and wondered if there was any possibility that one of those nodes could be located at Stan Hedwall Park without increasing the cost. Mr. Schonack stated not without setting up a similar situation like they were looking at for the Twin City Town Center. He indicated there was no high speed connection on the other side of the freeway so they would have to shoot it from the roof of the county building, which the county graciously approved, to a poll mounted antenna on the other side of the freeway. Councilor Dawes felt the proposal was a good start to the project. He added depending on if the other hotels get built at Liberty Plaza, it could increase the amount of money coming into the hotel/motel fund and they could look at extending it over to Hedwall Park at a later date.

Councilor Dawes asked if there was any money built into the budget to advertise the availability of WiFi in certain areas. Ms. Schwartz noted there was not, however she would use 2008 hotel-motel tax and would also work with the downtown businesses on advertising. She added they could also post it on the city's website, as well as on the Tour Lewis County site ([tourlewiscounty.com](http://tourlewiscounty.com)). Mr. Roe noted the committee also discussed putting up hotspot signage near the freeway to try and pull traffic off. Acting City Manager Grochowski didn't believe they could put signs along the freeway, but noted they could post signs once they get into the city limits. He suggested they also put signage up at area rest stops. Ms. Schwartz noted if the concept was approved there would be a campaign for the advertising, however that evening they were just reporting on the cost of the actual WiFi.

Mayor Ketchum thanked the committee for all their work and for responding to all the council's questions.

Councilor Dawes moved that the council approve the recommendation of the WiFi committee and direct the city manager to negotiate a contract with GoNetworks to provide WiFi in the designated areas of downtown and the Twin City Town Center with project funding not to exceed \$53,000.00, to be paid out of community development block grant and hotel-motel funds

The motion was seconded by Councilor Pope.

Councilor Dawes expressed his thanks to the committee as well, since he was one of the ones who had concerns and requested a lot of the information. He added it was very helpful and he appreciated it.

Councilor Fuller stated for the record that he was still opposed to the idea. He inquired as to whether there would be better penetration in some of the buildings. Mr. Schonack stated the committee felt confident that it would definitely get to the doorstep and in several of the buildings there would be better penetration. He added there was also a small unit that store owners could purchase to boost the signal in their area. Councilor Fuller asked if the hotel-motel tax would pay for the annual maintenance of the project. Ms. Schwartz indicated it would.

Councilor Fuller felt it was a business expense for the downtown and he didn't see any businesses there to help support it. He thought once the new library opened the public would have access to WiFi there as well. Councilor Fuller asked if city hall currently had WiFi. Mr. Schonack reported it had wireless for employees, but it was not a public WiFi. He believed the new library would more than likely also have a secure connection. Councilor Fuller felt there was no way to measure the benefit, adding if they couldn't measure it they couldn't manage it. Councilor Taylor stated he agreed with Councilor Fuller's statement.

The motion passed 5-2. Councilor's Fuller and Taylor voted against the motion.

There being no further business to come before the council, the meeting adjourned at 6:27 p.m.

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Mayor



June 9, 2008

Attest:

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City Clerk

June 23, 2008

The Chehalis city council met in regular session on Monday, June 23, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was excused. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW.42.30. 110(1)(b) – purchase or acquisition of land for approximately one-half hour and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:34 p.m. and announced the council would take a twenty-five minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Bob Nacht, Community Development Director; Randy Kaut, Deputy Police Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator/Risk Manager; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Public Hearing on Proposed Changes to City's Development Regulations.** Bob Nacht walked the council through a summary of the proposed changes to the city's development regulations, which included:

- A proposal to rezone a single parcel of property from commercial to residential
- A proposal to rezone two parcels from general commercial to UGA residential
- A proposal to rezone multiple parcels from light industrial to light industrial with permitted commercial development
- A change to Section 17.81.010 relating to permanent habitation of recreation vehicles
- A change to Chapter 17.24 relating to wetland development
- A change to Appendix "A" revising selected fees

Mr. Nacht noted they were not proposing to increase any permitting, user fees or anything of that nature, adding it would just be for the sale of products that were costing the city more to sell.

Councilor Dawes asked, in regards to the habitation of recreational vehicles, what would happen in the event there was a situation where a person's property flooded and they bring an RV on-site to live in while they rebuild their home. Mr. Nacht reported under the city's definition, that situation would not be categorized as permanent habitation and was provided for in Chapter 17.

Councilor Dawes noted there were a couple of places around town where people were living in backyards in campers for periods of time and wondered if there was a way to address the number of days (14) allowed for people to come from out of town to visit relatives, who were parking campers in their relative's yards. Mr. Nacht noted the issue had to do with permanent habitation, adding there was the variance or conditional use process to address certain issues if necessary.

Mayor Ketchum closed the regular meeting at 6:10 p.m. and opened the public hearing on the proposed changes to the city's development regulations. There being no comments, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:11 p.m.

Mr. Nacht reported the issues had been before the planning commission, who also conducted a public hearing to discuss the issues and the recommended approvals.

Councilor Taylor moved that the council direct the administration to prepare an ordinance to implement the six proposed changes to the city's development regulations as described in the attachments for the council's consideration.

The motion was seconded by Councilor Lund and carried unanimously.

June 23, 2008

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

- a. Minutes of the regular meeting of June 9, 2008;
- b. Claim Vouchers No. 90080-90206 in the amount of \$1,545,533.34 dated June 2, 2008;
- c. Claim Vouchers No. 90207-90387 in the amount of \$446,211.40 dated June 16, 2008;
- d. Award bid for removal of residual solids from the old wastewater treatment plant to Fire Mountain Farms, Inc. in the amount of \$192,114.90;
- e. Award bid for combination catch basin/sewer cleaning truck to Enviro-Clean Equipment in the amount of \$204,324.19; and
- f. Accept National Avenue and Airport Road Flood Repair Project as complete and release retainage in the amount of \$12,902 to Martin Sand and Gravel, Inc.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Fuller inquired as to what the new catch basin/sewer truck would do and how often. Patrick Wiltzius reported, currently the city had a truck used for cleaning sewers. He noted the truck had a high pressure hose, which went five to six-hundred feet into the sewer lines to pull out debris. Mr. Wiltzius stated it also had a vacuum to suck debris out of manholes and catch basins, as well as storm drains. He reported it was used on a regular basis, noting in 2007 they cleaned 12,000 feet of sewer line, and 20,000 feet in 2006. Councilor Fuller asked if it was used on an as needed basis. Mr. Wiltzius indicated they used the truck for preventative maintenance on a regular basis at least three days a week. Councilor Fuller asked if there were any private companies who provided the same service. Mr. Wiltzius indicated there were, however the cost would be around \$300 to \$400 per hour. Councilor Fuller asked if Mr. Wiltzius knew how much the city spent per year to provide that service, including the cost of the truck, man-hours, and benefits. Mr. Wiltzius noted he had not calculated that out. Councilor Fuller requested the information be provided and asked to change his vote with regard to the consent calendar. Mayor Ketchum noted the consent calendar passed 5-1, with Councilor Fuller voting against the motion.

#### 4. **Staff Reports.**

a. **Monthly Financial Reports.** Eva Lindgren reported on the April and May 2008 financial statements. She noted she reverted back to the form she introduced in 2007, which included more comparative data.

b. **Water Use Efficiency Rule (WUE) Update.** Dave Vasilauskas reported it was the third public meeting regarding the WUE plan for 2008. He introduced Andrew Graham from HDR Engineering, Inc. to provide information that outlined the various options available for council consideration.

Mr. Graham outlined the background as to why the council would be considering a WUE goal. He noted it was rooted in a State Department of Health (DOH) requirement, new in 2008. Mr. Graham stated in 2003 the legislature adopted the municipal water law, which gave municipal water systems some additional flexibility with respect to water rights. He noted there was also included, a requirement that water systems pay more attention to water use efficiency, including adopting WUE goals.

Mr. Graham reported on the elements of the rule, which included:

- Customers be metered
- Collection of certain types of data on water use and production
- Control leakage in distribution system
- Adopt conservation goals

June 23, 2008

- Deliver the first of what would now be a regular annual report to DOE

Mr. Graham briefly talked about the goal setting procedural requirements, which included:

- Goals must include consideration of forecasted demand and water supply characteristics
- Goals must include measurable outcomes in terms of reduced or maintained water production or usage
- Goals must include a schedule for archiving the outcomes; and for implementing each WUE measure selected
- Once established, goals must be re-established every six years at a minimum
- Goals must be established using a public process
- The city must report annually to customers, and the State, on progress towards achieving the goals

Mr. Graham reported they analyzed seven separate actions specifically for the Chehalis service area, to determine potential savings as well as costs for implementation. The analysis included current customers and new residential customers from growth. He stated by using the customer participation assumptions, they would get savings of about 30,000 gallons per day by the end of the implementation period. Mr. Graham indicated if the city gradually implemented the program over a seven year period from 2009 to 2015 the city would need to spend about \$23,000 per year, in current dollars, to receive those savings.

Mr. Graham identified the goals for the council's consideration, which included:

- City would reduce single-family residential water use by 25,000 gallons per day by the end of 2015
- Indoor conservation kits – including showerheads, faucet aerators, information on checking for leaks
- Outdoor conservation kits – including timers for faucets, gaskets to repair hose leaks, rain gauges
- Rebate programs for low-flow toilets, and washing machines
- Customer information and education

Mr. Graham noted some of the costs would be off-set by saving water, including reduced operational costs for pumping and treating water. He added, by conserving water, the city could extend the capacity of the treatment plant and pump station.

Councilor Fuller noted he recently spent the week in an 'all-green' hotel down in California, adding it was a unique experience; however the water pressure was extremely low.

Councilor Dawes hoped there might be a program to mitigate the high costs of more efficient appliances. He noted they needed to find a way to make the "green" concept less expensive, so it's more attractive.

Councilor Harris felt some of the solutions were really not workable in Chehalis, such as lawn watering monitors, but thought it would be wise to start taking care of some of the conservation issues now, rather than later. He believed the biggest issues were going to be development and drought.

c. **Special Meeting Reminder.** City Manager MacReynold reminded the council about the special meeting on Thursday, June 26, at 5:00 p.m., to interview the finalist for the fire chief position.

#### 5. **Council Reports.**

a. **Update on McKinley Stump.** Councilor Dawes reported the pagoda had arrived and was being set up around the McKinley Stump at the Lewis County Historical Museum. Their hope was to get it ready for some kind of formal event the first week in August during Crazy Dayz.

b. **Meetings Attended.** Mayor Ketchum reported he and other council members attended the following:

- June 10 – Fire District #6 meeting
- June 12 – Ribbon cutting at Chehalis Inn

June 23, 2008

- June 13 – Ribbon cutting at Dr. Burghart's office on Kresky
- June 18 – Attended AWC conference in Yakima, Washington

Mayor Ketchum reported the city, along with the city of Centralia, received an AWC Courage Award for the work done during the flood and the television commercial put together after the event.

**6. Acceptance of Grant Agreement for Funding Under the "Distressed Counties Fund."** Joanne Schwartz indicated it was basically a pass-through grant through the city from Lewis County to the Chehalis-Centralia Railroad and Museum (CCR & M). She reported there was a county-wide committee that distributed the money via applications from municipalities and non-profit organizations. Ms. Schwartz stated CCR & M applied for funding and received a \$7,000 grant to connect the property they lease from the city, to the city's sewer system with the intent of constructing permanent restroom facilities to replace the portable sani-cans. She added, as part of the project, the hookup fees would be waived by the city. Ms. Schwartz noted CCR & M had also applied for funding to build the facility; however they were not successful in that process. She indicated they would be looking for other funding sources for the facility project, but they first needed to have the sewer hookup.

Councilor Fuller asked if they were doing the project because the city was going to re-pave the street. Mr. Grochowski stated they were not doing it just for that reason, adding CCR & M needed a restroom facility. He noted the city requested they hurry and get the project done because the street department intended of overlaying Newaukum Avenue sometime in 2008. Mr. Grochowski indicated once they overlay a street, the city usually puts a moratorium on it saying it can't be dug up.

Councilor Fuller inquired as to whom the city waives hookup fees for. Mr. Grochowski indicated they waived fees on city owned properties and/or city owned properties being used or leased by non-profit organizations.

Councilor Dawes moved that the council approve the grant agreement between the city and Lewis County to accept funding in the amount of \$7,000 from the county under the "Distressed Counties Fund" to connect the property at 1101 SW Sylvenus Street to the city's sanitary sewer line.

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Harris thanked the county and the committee for the funding.

**7. ARTrails Advertising and Promotional Plan.** Ms. Schwartz reported the Lodging Tax Advisory Committee (LTAC) met last November to review requests for 2008 tourism funds. She stated ARTrails, an organization that had not previously applied for funding, requested \$15,000.

Ms. Schwartz reported LTAC and the council both requested an advertising promotional plan before any kind of funding decision was made. She indicated ARTrails had provided to LTAC, and the council, a marketing/advertising plan for consideration. Ms. Schwartz stated members of the LTAC reviewed the plan on June 13, and recommended to the council that the organization be awarded \$5,000 for 2008. She noted they would be required to demonstrate how they use that money if they choose to come back in 2009 to request continued funding.

Councilor Fuller asked if LTAC didn't recommend \$10,000 last year for ARTrails. Ms. Schwartz stated they originally recommended \$10,000 upon review of the plan, however on second review they wanted to see them demonstrate how they would have an affect on Chehalis. Councilor Fuller asked if ARTrails took in Chehalis and if the other two entities were giving funding. Ms. Schwartz reported it took in all of Lewis County and Jan Nontell from ARTrails reported the City of Centralia gave them \$18,000.

Ms. Schwartz stated there were issues with the advertising brochure, noting it only listed one hotel in Chehalis. Ms. Nontell explained that they had contacted each of the motels to let them know what they were doing. They were told it was completely free advertising and asked them if they would like to be included in the brochure. Ms. Nontell noted they followed up several times, however the other two motels never responded, and at that point they went ahead and printed up the brochure with the one motel they received the response from.

June 23, 2008

Ms. Nontell stated the brochure was just one small part of their advertising plan. She added the brochures would go out to their entire mailing list and would be the first of two mailings. Ms. Nontell noted they also planned on a series of radio and newspaper advertisements outside of this region. She reported their tag for 2008 was 'Drive Buy Art' - 'Spend the Weekend Spend the Week.' Ms. Nontell indicated they were also putting packages together with information on motels, restaurants and coffee shops for those visiting from out of town.

Ms. Nontell reported they had almost 70 artists this year, adding one of the things they were looking at doing with the funding from Chehalis was to increase the number of Chehalis artists, however they already did that by doing a targeted artist call. She added there would be many more places to stop on the tour in Chehalis.

Ms. Nontell introduced Richard Roth, Chair of the publicity committee, who talked briefly about their advertising and promotion of the event.

Councilor Taylor abstained from voting, since his company did work for ARTrails.

Councilor Dawes moved that the council approve \$5,000 for ARTrails from 2008 tourism funds.

The motion was seconded by Councilor Harris and carried unanimously.

**8. Resolution No. 07-2008, First Reading - Designating Local Agency Contact for Application Process for Hazard Mitigation Grant Funding.** Mr. Nacht noted, as indicated in the resolution, the city was continuing to apply for hazardous mitigation grant funding. He reported that process required the city designate, by resolution, an agency contact. Mr. Nacht noted there were a couple of loose ends that still needed to be determined, and the application was due by the following Monday, June 30. He noted because it was a reimbursement program, they would need to determine the city's growth management/comprehensive planning compliance and qualify all the projects the city intended to apply for grant funding.

Mr. Nacht reported one issue they would need to determine was whether the amount of money spent on a buyout, or elevation program, was less than future flood damage that might occur. He noted there were several dozen properties the city was targeting that would need to go through the analysis process to come up with a cost/benefit, adding not all properties were going to comply with the requirements.

Councilor Fuller asked why they chose to designate the city manager as the agency contact. Mr. Nacht noted because he himself was the project manager they needed to designate a separate agency contact. He noted he would be working closely with the city manager throughout the process. Mr. Nacht indicated the secondary agency contact listed on document would be the city clerk.

Councilor Fuller inquired about the suggested 'first and final reading' in the motion, and asked why it wouldn't have two readings. He noted he was questioned by a constituent about the process, who thought everything should require two readings. City Manager MacReynold reminded Councilor Fuller that the issue of first and final readings on resolutions was brought before the council several months back. It was the consensus back then that since resolutions were policy direction by the council, they would only require one reading. He added ordinances require two readings since they created law or budgetary issues, and had more serious implications.

Councilor Taylor moved that the council adopt Resolution No. 07-2008 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

**9. Street Repairs.** Councilor Taylor noted he received a letter from a citizen who lived in a retirement center on 3<sup>rd</sup> Street, who had questions concerning the road in that area. He noted council and staff discussed repairing the road last year and thought it was going to be done. Councilor Taylor also received an inquiry about the repairs needed on Louisiana Avenue and wondered when that repair work would be done. Mr. Grochowski reported they did discuss 3<sup>rd</sup> Street last year during budget time, however he and Rick Sahlin had talked about it and they were not exactly sure how to tackle the project, since it was a concrete street. He noted it would be expensive to repair the

June 23, 2008

whole roadway, so they were considering repairs here and there. Mr. Grochowski stated they didn't budget money in 2008 for 3<sup>rd</sup> Street between Market Boulevard and Washington, however they could do some minor asphalt overlay to the street, but felt it would just peel off.

Mr. Grochowski reported the repairs for Louisiana Avenue were part of the FEMA work and should go out to bid in July. He noted because it was FEMA related, the city would not be reimbursed if we just went in and repaired it. Mr. Grochowski added the street crew was out daily filling the hole with gravel as it gets beaten out.

10. **Interesting News Articles.** Mayor Ketchum noted, while in Yakima, he read an article in the newspaper about how Holly Springs, Georgia was trying to find a way to supplement their budget, with the price of fuel being so high. He reported their Police Department was now charging a \$12.00 surcharge on all tickets issued. Mayor Ketchum also reported the city of Centralia made the *USA Today* paper with an article about growing corn and using the bio-solids on their property.

There being no further business to come before the council, the meeting adjourned at 6:59 p.m.

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Mayor

Attest:

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City Clerk

June 26, 2008

The Chehalis city council met in special session on Monday, June 26, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, and Dennis Dawes. Councilor's Pope, Taylor and Fuller were excused. Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW.42.30. 110(1)(g) – evaluate qualifications of applicants for public employment for approximately thirty to ninety minutes and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the execution session at 6:36 p.m. and there being no further business to come before the council the meeting immediately adjourned.

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Mayor

Attest:

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City Clerk



July 14, 2008

The Chehalis city council met in regular session on Monday, July 14, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Joanne Schwartz, Economic Development Director. Members of the news media in attendance included Paul Walker of KITI.

1. **Council Work Session on Chehalis Renaissance.** Tom Beckwith of Beckwith Consulting Group briefed the council and staff on the results of the Chehalis Renaissance phone survey, noting the survey was mailed out and also posted on the city's website. Mr. Beckwith stated they recruited 400 registered voters in order to get 200 completed surveys. He felt the results were accurate, plus or minus eight percent. Councilor Fuller inquired as to why they only used registered voters. Mr. Beckwith indicated a lot of the questions in the survey dealt with either financial or policy issues, adding if they end up going to the polls, those were the people they would want to get feedback from. He noted to date they had roughly 51 people participate in the internet survey, which was a self-selected survey versus the random statistical survey mailed out to the registered voters.

Mr. Beckwith continued review of the survey and brain storming session results, which included:

- Use of facilities; where people shop; and what their average expenditures were
- Where they lived; how many years they lived in Chehalis; what age group they were in; and household income
- How they rated the conditions in Chehalis
- Gateways and way-finding signage options
- Boulevard and parkway corridor options
- Downtown transportation and parking options
- Downtown streetscape, park and plaza, development and redevelopment options
- St Helens Inn options
- Economic Development options
- Support for implementation policies

Councilor Dawes noted the survey included the area at Rush Road. In his opinion, it should have only been to LaBree Road because the city of Napavine was using Rush Road as one of their destinations.

City Manager MacReynold stated he was bothered by the fact that they were not picking up the people with children who use the parks, and in many cases would use a lot of the facilities. He felt they would be the ones who would be most active in the community for the next 20-years. City Manager MacReynold wondered if there was any way to pull some of those in. Mayor Ketchum agreed, adding he believed the study missed the market. He indicated that was the age group they were trying to retain and felt they needed to get some kind of information from them.

Councilor Pope noted, when doing studies, the first question that comes up was who was going to pay for it. In his opinion, it usually ended up being the 50 to 65+ age group, and that was the group they were going to hear from.

Councilor Fuller felt the eight percent error factor was totally unacceptable. He noted the city paid Mr. Beckwith to do the study and come back with a solid statistical analysis, and wondered who would be paying the additional cost if they had to go out and do more of a sampling. Councilor Fuller reported he once read an article that suggested young people don't register to vote because that was where court systems pulled their lists for jury selection. He noted the courts had since changed their selection process to include both registered voters and people with driver's licenses.

Councilor Fuller commented on the fact that 58 percent of those surveyed shopped weekly at various stores including: Wal-Mart; Twin City Town Center; Home Depot; and K-mart. In his opinion, that was a failure because they were to trying to rejuvenate the downtown area. Councilor Fuller also felt the study failed because of the fact that over 50 percent of those who responded were over the age of 50, and believed most of the older residents do not want to see a lot of change. Mr. Beckwith responded by saying the scope of work was brought to the council, at which time they were briefed on the process and what their options were. He indicted the council validated the scope and the

July 14, 2008

price, and anything above and beyond would need to be paid for by the city. Mr. Beckwith indicated it was always difficult to get a response from the age group the council was seeking because they typically don't participate in surveys, or elections. He stated the number was lower than usual and attributed it to the time of year. Mr. Beckwith felt the age group that did respond was a significant group, and in most respects, would be the

group to make or break some of the policies, especially when then get into strategic, political, and financial issues.

Councilor Pope noted when they surveyed people regarding the kiddy spray pool, they tried to get the opinion of the young people, however it was the older people who turned out to be the most significant because they were the ones who came up with the money to pay for it. He felt the only way to get a response back from any survey had to do with the interest of the population, adding he didn't see the significance of having a higher number of adolescence respond. Mayor Ketchum felt that particular age group were the ones who were going out and spending their money elsewhere on recreation, movies, and shopping, while the older people tend to donate money for kids and were probably the ones who come out and vote.

Councilor Fuller noted he missed the first work shop and would have been more vocal if he had known they were only going after the registered voters. He agreed with the Mayor in that they needed to hear from the 25 to 50 age group. Councilor Fuller also agreed that those who responded would also be the ones to step up. He added they've had to watch the St Helen's Hotel deteriorate and all the trees being cut down in the downtown area and would probably love to see all of that restored.

Councilor Fuller noted from the results of the survey, it appeared that most of the money was going to the other side of I-5. Mr. Beckwith stated the survey was not their only outreach method. He reported he would also be doing the city's park and recreation plan, which would include responses from 500 Chehalis High School students. Mr. Beckwith stated he didn't know what else to do to reach the 25 to 35 year old age group. Councilor Fuller reported he heard from a few citizens who said they ended up hanging up on the person giving the survey because they didn't have the time or energy to answer 99 questions. He felt it might have been better if they would have narrowed the scope down to 25 or 30 key questions and contacted up to 300 or 400 people. Mr. Beckwith stated they had not found that particular scenario to be true, adding either people are interested and willing to do it, or not. He added the fall-off rate of the number of people who said they would complete the survey was overwhelming low.

Councilor Harris felt they received exactly what they asked for, based on what they directed Mr. Beckwith to do. He didn't believe they received a good cross-section of what they wanted to hear from all the different age groups. Councilor Harris noted there were other groups that were interviewed, including high school students, and various groups and individuals. Mr. Beckwith indicated they interviewed 34 additional people and combined their responses and the brainstorming session feedback to fashion the questions on the survey for the various proposals. Mr. Beckwith reported they designed the park plan survey towards the High School students and received over 400 responses back. He indicated he would bring those results to the council the next time they got together. Councilor Harris felt their input was very important in order to find out what it would take to keep them in the area, even though it might not get them the votes to get things done.

Councilor Dawes felt the young people were an important segment, and if the community didn't have anything for them to come back for, they were not going to come back. He stated as part of the process, they should be looking at family wage jobs.

Councilor Fuller stated he was told that if they could find what it takes to keep the younger people here, they wouldn't need to worry about the older people, because they will stay in order to be close to their children and grandchildren. Councilor Dawes stated he had noticed the older group of people who were moving back after retirement, but he was seeing more and more parents leaving the community in order to be closer to where their kids are at.

Mayor Ketchum closed the work session at 5:51 p.m. and announced the council would take a ten-minute recess before reopening the regular meeting at 6:01 p.m.

July 14, 2008

Additional staff included: Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator, Bob Nacht, Community Development Director; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Rick Sahlin, Street Superintendent; Andy Sennes, Property Manager, Kelvin Johnson, Fire Chief; Barb Lovelady, Fire Department Administrative Assistant; and Steve Buzzard, Municipal Court Judge. Additional members of the news media included Erick Schwartz of *The Chronicle*.

2. **Employee Service Award.** Mayor Ketchum reported Police Officer/Detective Gwen Carrell would be presented with a service award, at a later date, for 10-years of service with the city.

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

- a. Minutes of the regular meeting of June 23, 2008, and the special meeting of June 26, 2008;
- b. Payroll Vouchers No. 30976-31192 in the amount of \$765,977.98 dated June 30, 2008; and
- c. Confirm re-appoint of Mr. Daniel Foster to the Chehalis Centralia Airport Board for a term expiring December 31, 2013.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Staff Reports.**

a. **Work Session Reminder.** City Manager MacReynold reminded the council about the council work session scheduled for Monday, July 21, 2008 at 5:00 p.m. in the council chamber. He reported the work session would consist of status reports on the 2008 goals and their implementation, and a briefing on the Lewis County Comprehensive Flood Hazard Management Plan.

b. **Chamber Way Improvement Project Update.** City Manager MacReynold reminded the council about the importance of the regional project. He noted the city started down the road about five years ago and after making some significant adjustments, they were finally ready to start the project. City Manager MacReynold stated, thanks to Councilor Taylor and the regional partners, the city received the final needed funding for the project. He added other key players in moving the project forward included Tim Grochowski and Tim Osborne of Gray & Osborne, Inc.

Mr. Osborne talked briefly about the regional significance, adding he had been affiliated with the project since June of 2006. He reviewed a map, which outlined the existing and future improvements to Chamber Way, Louisiana Avenue and the Airport Road extension. Mr. Osborne reported the city had teamed up with Lewis County to secure a Transportation Improvement Board (TIB) grant for the Airport Road extension.

Mr. Osborne continued discussion on the project, reviewing the capacity improvements and signalization. He reported the 'construction only' costs on the recently opened bids included WSDOT's portion of about 51 percent, or \$2.4 million, and the city's portion of \$2.3 million. Mr. Osborne reviewed the projects original budget, estimated to be \$4.6 million, which included:

- Original design - \$600,000
- Right-of-way \$110,000
- Construction Engineering \$275,000
- Construction Cost \$3.6 million

Mr. Osborne reported the current and final estimated costs of \$7 million included:

- Engineering - \$1.4 million
- Right-of-way - \$250,000
- Construction Engineering - \$500,000

July 14, 2008

- Construction Cost - \$4.8 million

He added the \$7 million included \$100,000 of construction contingency, should the city decide to move forward with the project. Mr. Osborne continued discussion on the increased costs in all phases of the project.

Mr. Osborne discussed the funding of the project, which included:

- \$3 million – Federal earmark
- \$2 million – TIB grant
- \$665,000 – Federal TEA-21 carryover, distributed by Lewis County
- \$1.4 million – local share

Mr. Osborne reported he and staff met with the Lewis County Transportation Strategy Council (TSC,) to discuss funding options. He recognized Councilor Taylor, Centralia Councilor Ted Shannon, City Manager MacReynold, and Tim Grochowski, adding they were strong advocates for the city, regarding regional significance of the project. Mr. Osborne reported the net result of the meeting was an additional federal grant in the amount of \$1.3 million, to be allocated to the city of Chehalis out of the Federal SAFETEA-LU funds. He noted the city would be left with approximately \$100,000 local share, which was equivalent to what was built in as the contingency. Mr. Osborne was pleased to report if the project came in on budget, there would be a zero expenditure on the city's part.

In conclusion, Mr. Osborne reported if construction started the third week in August, they would expect substantial completion by May 2009. He noted they anticipate a winter shut-down, because they had to use WSDOT's specifications, which specified the time of year they could pave, and was also weather dependent.

Councilor Dawes inquired about the shut-down period, and asked if there was a chance that they would be in the middle of a real mess during that time. Mr. Osborne indicated they would not, adding they would make plans with the contractor as to how to transition from the old, to the new. He reported they would first build out the platforms, making the intersections wider, and installing temporary channelization using the existing signals.

Councilor Fuller asked if Mr. Osborne could briefly explain in more detail, the final \$1.4 million SAFETEA-LU grant. Mr. Osborne reported Lewis County started the TSE, which would allocate through the cooperation of the various agencies within the board, the distribution of federal funds. Councilor Fuller asked if the city was borrowing against the future of the SAFETEA-LU. Mr. Osborne reported the money could only be used for regionally significant projects. He added the city had to demonstrate that the project was significant, and if another significant project comes up for the city, they city would need to wait for the next cycle of funds to come through. He added most significant projects take years to develop. Councilor Taylor noted after the presentation to all the partners, there was a unanimous vote to allow the city of Chehalis to use the money. He added it was a good partnership for everyone involved. Mayor Ketchum explained that if the city had another significant project come up, we would not be able to receive SAFETEA-LU funding for at least five to six years, unless there were no other significant projects. Mr. Osborne added, while the SAFETEA-LU funding cycle only came around every five years, there were other grant programs the city would qualify for such as TIB grant funds, which were available every year.

## 5. Council Reports.

a. **McKinley Stump.** Councilor Dawes reported on the McKinley stump, noting the project was almost complete and was a nice addition to the Lewis County Historical Museum. He believed they would be having a more formal presentation during Krazy Daze. Councilor Dawes thanked Andy Sennes and his crew, adding they did a great job, and a majority of the work in resurrecting the stump in its new location. Councilor Pope also thanked Mr. Sennes and his crew for the work done at the Lintott/Alexander Park, to get it cleaned up and re-opened after the flood.

b. **Fire District #6 Meeting.** Councilor Fuller reported he and Councilor Taylor and City Manager MacReynold attended the Fire District #6 Commissioners meeting. He noted the commissioners were extremely pleased with City Manager MacReynold's choice in our new working fire chief. Councilor Fuller indicated they were getting close to having their study done and felt things should start moving forward soon.

July 14, 2008

c. **Meetings Attended by Mayor Ketchum**. Mayor Ketchum reported he attended the following:

- June 26 – Fire Chief social gathering at the Hotel Washington
- June 27 – Retirement party for Pete McChord at the Riverside Golf Course
- July 2 – Site visit at WorkSource with Congressman Baird and also attended the Economic Development Council Board Meeting with Congressman Baird
- July 4 – July 4<sup>th</sup> celebration at Fort Borst Park
- July 5 – Opening ceremony for the 10-year old girls state fast-pitch team
- July 7 – Ribbon cutting ceremony at Valley View's new medical facility
- July 8 – City of Centralia Council meeting - thanked and congratulated Councilor Shannon for his leadership at the Lewis County transportation strategy council meeting
- July 10 – I-5 Toyota grand opening
- July 10 – Chehalis Renaissance open house at the VR Lee building
- July 13 – Attended the Claquato 150<sup>th</sup> Anniversary

d. Councilor Harris thanked Mayor Ketchum and Councilor Taylor, for their hard work and for getting things done and moving forward.

6. **Swearing-in of New Fire Chief**. Chehalis Municipal Court Judge Steve Buzzard swore in Kelvin Johnson as Fire Chief. Chief Johnson introduced his wife Marsha and their son Christopher, as well as other family members who were seated in the audience.

7. **Ordinance No. 834-B, First Reading – Amendments to the City's Development Regulations and Zoning Map**. Bob Nacht noted the ordinance in the agenda packet was currently in a strike-through/underline format for the councils review. He reported a public hearing was held and the ordinance was being presented to the council for consideration on first reading.

Councilor Taylor moved that the council pass Ordinance No. 834-B on first reading.

Councilor Lund seconded the motion.

Councilor Pope inquired about the property behind Yard Birds, which was gifted to the city, asking if it was true that they could fill within 100-yards from the roadway. Mr. Nacht stated not exactly, noting there was a project currently underway under the auspices of the city's contracted environmental consultant, to identify a wetland mitigation project/bank for that property. He noted it would likely involve some grading of the property to create the hydrology needed to fix a lot of what was in the area of Coal Creek and Salzer Creek, as well as some of the drainage systems in that area.

The motion carried unanimously.

8. **Storage Building for Chehalis Regional Water Reclamation Facility (CRWRF)**. City Manager MacReynold stated the administration received direction from the council to surplus a portion of the Hamilton farm property on SR 6. He noted the city currently stored a lot of significant city equipment, as well as the Christmas decorations in the various barns and out-buildings on that property. City Manager MacReynold reported with the eventual sale of the property, the city would need to start thinking about where they would store those items in the near future. He noted the city did not have a lot of large buildings to use as storage facilities, so staff started working together to figure out a solution.

Patrick Wiltzius, lead on the project, reported staff was proposing to build very large pole barn approximately 80 feet wide x 144 feet long at the new CRWRF, west of the SBR tanks and inside the security fencing. He noted the cost was estimated to be approximately \$225,000. Mr. Wiltzius stated if the proposal was approved by the council, staff would write up a bid spec and go out to bid. He indicated items to be stored in the building would include: police department evidence; the SWAT team vehicle; and Christmas decorations. Mr. Wiltzius also noted they could build a lean-to off the back of the building to store picnic tables and the fire departments large army truck, used for emergency

July 14, 2008

services. Mr. Wiltzius stated there was no plan or need at this time for electricity in the building, however there was electrical on-site that staff could possibly install in the future.

Councilor Lund noted he didn't see a rent schedule attached to the report. He felt because there were other departments besides the utility department using the building, they should pay an annual fee for the use of it. Mr. Wiltzius noted if the city manager or other departments would like to come up with contributions toward the projects they would certainly take it.

Councilor Dawes noted he had the same concern and inquired as to what would happen if the property did not bring in the desired amount of money. Mr. Wiltzius stated he checked with the finance manager and was advised that the wastewater utility fund had more than enough to fund the project, whether or not the property sold. Councilor Dawes stated he understood the need and concept; however the timing was a real concern. He indicated he would hate to look at the idea of spending the money, when they were looking at costs and trying to keep them down. He stated he would rather see the project come through as part of the budget process and plan for it. Mr. Wiltzius stated their initial thought was to bring it before the council in case the Hamilton farm property sold relatively quickly, which they expected it would.

Councilor Fuller asked when Mr. Wiltzius expected to start building and how long it would take, should the proposal be approved. Mr. Wiltzius noted he would first need to put a bid spec together, and go out to bid. He thought he could possibly bring it back to the council the last meeting in August and have it built by the end of October or early November, noting it shouldn't take more than 60 days. Councilor Fuller stated he agreed with Councilor Dawes and asked if they could hold off until the Hamilton farm property sold. Mr. Wiltzius indicated the council could do it however the council wanted, adding if the consensus was to go forward with the project at a later date he could at least start working on the bid spec.

Councilor Harris felt it was as much a parks project as anything, since it would pretty much encompass the space the parks department currently uses for storage on the Hamilton farm property. He asked were the stuff might be stored if they don't build it until next spring and they lose occupancy. Mr. Sennes stated if the property sold, the items would just sit outside until something else is built. He added they kept the same square footage setup so they could continue to store what they had.

Councilor Pope asked if the city would be committed to any money if they had Mr. Wiltzius write up the bid specs. Mr. Wiltzius stated not until he brought a bid back to council for approval. Councilor Fuller asked if they couldn't just put the Christmas decorations up early if the property sold quickly. Mayor Ketchum agreed with the concerns, but felt they created the problem and now they had to find a solution. Mr. Wiltzius noted they could also negotiate in the sales agreement that the city be able to rent the buildings on the property for a few months.

City Manager MacReynold felt the council supported the concept, but had some timing concerns. He stated he agreed with their concerns, but felt they could do a lot to meet the requests of Councilor's Dawes and Fuller in how they time it, adding they were at least 60-days out from the time the property would be put on the market. City Manager MacReynold stated the administration was only asking for the councils support conceptually.

Councilor Lund expressed his concerns again regarding which departments should be paying for the new building. Mr. Wiltzius stated it was just a proposal, and it would be up to the council and administration to determine whether other departments share the costs. City Manager MacReynold agreed with Councilor Lund, noting if other departments were using it they should be paying their share. Councilor Dawes stated Councilor Lund's point was well taken.

Councilor Pope moved to approve the concept of planning for the construction of a storage building at the CRWRF.

The motion was seconded by Councilor Fuller and carried unanimously.

July 14, 2008

9. **Award Bid for Chamber Way Improvement Project.** Tim Grochowski thanked Tim Osborne and City Manager MacReynold for getting them to where there were. He reported they received two bids; however one was thrown out by WSDOT because it didn't meet the minimum requirements imposed by the bid documents. Mr. Grochowski stated the administration was recommending the council approve the bid and award it to Rognlin's, Inc.

Councilor Fuller asked if there was any recourse, such as cost sharing, against the developers on the other side of I-5, whom he felt caused most of the traffic congestion. Mr. Grochowski reported the Airport paid \$20,000; Tires Inc. paid \$5,000; Twin City Town Center paid \$2,000; and Wal-Mart paid for the intersection and traffic signal before the project came to fruition. He believed Home Depot participated in part of the project, and also paid for part of the extension of Airport Road, through Mr. Peterson. Councilor Dawes stated the initial funding was instrumental in getting the grants that had been received to date. Councilor Fuller asked what would happen if they decide not to do the project. Mayor Ketchum thought part of the condition to develop was the promise to do something. City Manager MacReynold reported WSDOT and the Federal Highway Department agreed to the temporary changes and if the city didn't proceed, they will come in and put it back to the way it was prior to the interim improvements. He felt the interim changes made a significant difference, but those interim changes didn't even come close to meeting the federal and state highway requirements.

Councilor Dawes moved that the council award the Chamber Way Project to Rognlin's, Inc. in the amount of \$4,694,224.78, conditional on WSDOT Local Programs and Transportation Improvement Board approval of the award of this project.

Councilor Pope seconded the motion. Mayor Ketchum stated he supported everything Mr. Osborne, the staff and local businesses did to get to where they were, however he felt the bridge over I-5 would continue to be a choke point and WSDOT should be fixing it. He announced he was not in favor of the motion.

The motion carried 5-2, Mayor Ketchum and Councilor Fuller voted against the motion.

10. **PacifiCorp/Chehalis Power Generating, LLC Merger and Acquisition.** City Attorney Hillier reported the deal had been consummated and they were moving forward with the sale. He indicated he heard from the counsel for PacifiCorp, and the only thing that might hold it up would be something from the Federal Energy Regulatory Commission (FERC), which was not expected. City Attorney Hillier stated it was simply ministerial, adding the city entered into an agreement with Chehalis Power in 2001, which ended up being a long and drawn out negotiation, in return for some significant improvements to our infrastructure. He reported the agreement was to provide them with utility service at a greater level than any other customer in the city. City Attorney Hillier noted the city still had the capability of providing that service, and they would continue to pay for the service, as well as having paid for all the original installation of lines, and a reservoir for the city.

City Attorney Hillier reported through the sale, the agreement provided that the city, upon request, would consent to an assignment of the agreement, unless there was some reason which might have a fundamental basis in law or fact to not consent to it. He pointed out that staff felt it was a good opportunity to re-address the issue of how many ERU's were committed to them. City Attorney Hillier indicated they originally paid for 540 ERU's and 320 ERU's of sewer service. He reported historically they had not used anywhere near the 540 ERU's, and Chehalis Power agreed that they could probably give some of that capacity back to the city, however PacifiCorp wanted to make sure what the full potential of the plant was and what they may need, before giving any of that back. City Attorney Hillier stated they wanted to leave that door open and he would come back to the council after their engineers look at that issue. He indicated they would talk about how to negotiate the possibility of an exchange of those ERU's in a more closed door session.

Councilor Pope stated he recalled a property tax issue that turned into a legal action standoff, and asked if that would be resolved with the sale of the property, or at a different time. City Attorney Hillier reported they dismissed their suit in their appeal, and the assessed value now stated would be the on-going assessed value. He added PacifiCorp had acknowledged they did not intend to contest it.

City Attorney Hillier requested council approval for City Manager MacReynold to sign the consent.

July 14, 2008

Councilor Pope moved that the council authorize the assignment of the 2001 Municipal Services Agreement between the city of Chehalis and Chehalis Power Generating, LLC to PacifiCorp.

The motion was seconded by Councilor Taylor and carried unanimously.

11. **Authorize Airport Board to Enter into Cooperation Agreement with Army Corps of Engineers.** Airport Manager Allyn Roe stated he was requesting authorization for the Airport Board Chairman to sign on behalf of city council. He noted he would be getting permission from the Lewis County Commissioners as well, to enter into an agreement to repair the damages of the Airport Road Dike, which was damaged during the December 2007 flood.

Mayor Ketchum asked if the damage to the Dike was from breaching it, or if it was due to other damage. Mr. Roe indicated they had a lot of backwash and erosion from the waters overtopping the Dike, which caused multiple-damage. He reported they would be stressing up the areas that were washed out and those areas that were breached intentionally.

Councilor Dawes moved that the council authorize the city attorney to sign the required documents for a cooperation agreement between the U.S. Army Corps of Engineers and the Chehalis-Centralia Airport Board.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **West Street Track Repairs.** Mr. Grochowski thanked Burlington Northern for the job they did on West Street, adding it was the best job they ever did.

13. **Executive Session.** Mayor Ketchum announced at 7:01 p.m. that the council would take a five-minute recess before going into executive session pursuant to RCW.42.30.110(1)(c) – sale or lease of real estate, for approximately fifteen minutes and there would be decisions following conclusion of the executive session.

Councilor Taylor moved that the council grant the proposed easement to Bonneville Power Administration and authorize the city manager to execute the necessary legal documents.

The motion was seconded by Councilor Taylor and carried 6-1. Councilor Lund voted against the motion.

14. **Review Solid Waste and Recyclables Collection Bid Documents.** City Manager MacReynold reported the council gave direction to go the bid on the solid waste and recyclables collection. He reported a list was provided of the significant items council wanted to see in the bid document.

City Clerk Judy Schave reported, at the council's request, she contacted the city of Centralia and Lewis County about their bid process to see if there was any interest in combining services. She noted Lewis County operated under the UTC, which included an on-going agreement with LeMay Enterprises. Ms. Schave reported the city of Centralia currently had a franchise agreement with LeMay Enterprises that would expire in two years. She noted the city of Centralia gave an indication that they might be interested in looking at going out to bid together to contract with one provider for both cities. Councilor Fuller asked if their expiration date would coincide with our contract. City Attorney Hillier stated we could do a re-opener of our contract, adding a lot would depend on the successful bidder on our contract. He reported the documents provided for a three-year contract rather than a two-year, because staff felt they wouldn't receive a quality group of bidders due to start up costs.

Councilor Dawes felt if Centralia was interested, they could coincide and do an annual renewal. City Attorney indicated once they get a provider that everyone is happy with and the quality of service was good, we wouldn't have to go out to bid, unless the fees needed to be updated.

Councilor Harris indicated there would be some differences between Centralia and Chehalis, in whoever we use, because Centralia houses the transfer station and they receive a host fee for having it there.



July 14, 2008

City Attorney Hillier noted one of the two major concerns of the council was to divest ourselves of the billing process. He indicated as soon as we receive a bid that's acceptable, we would put them on notice that the billing would transfer to them on 30-days notice, and the city would need to amend its ordinance. City Attorney stated timing was difficult because the city could be working on the 2009 budget process during that time and would need to make certain the finance department was able to do the transition. City Attorney Hillier noted the second issue was recycling containers. He reported on 30-days notice the provider would need to provide a single container for recycling.

City Attorney Hillier stated the gallon size of the cans was already established administratively. He added a pre-bid meeting was scheduled for July 21, at which time staff would reiterate the gallon size of the containers.

Councilor Pope stated he would like to have City Manager MacReynold write a letter to The Foundation stating what was in place regarding the charitable contribution on the recycling.

City Attorney Hillier reported all city staff requests were addressed, and a list of required city services was provided as part of they bid documents. He pointed out some line items were removed from the rate schedule, since no one really used those services. City Attorney Hillier felt this would resolve the issue of hiding costs within the bid, which should result in a better price for the overall usage, which was the regular can, or mini-can once a week.

Councilor Fuller asked if staff knew the dollar amount generated for the year on the recycling. City Attorney Hillier stated the service provider was required to provide the city with their gross revenue each quarter. City Manager MacReynold indicated staff could get those numbers for the council. Councilor Pope inquired as to what the money was used for in the past. City Attorney Hillier stated the money goes to the provider with the exception of the contract portion, which kicks back into the city's general fund. Councilor Fuller felt if the city let the provider keep the profits, it might drive down fees to the public, and might also encourage them to do a better job.

Councilor Harris stated the one-bin recycling program was exactly what the Solid Waste Advisory Committee had been working on for the last three years. He noted one question continued to loom, which was, when was the state going to require a certain percentage of the waste-stream to be recycled. Councilor Harris indicated the small bins the city currently used were not conducive to recycling. He thought the recycling bin issue would be a critical part for him, as to whom they accept the bid from.

Councilor Harris noted the city was also going to need to look at changing the Chehalis Municipal Code, because it currently required pickup once a week. He felt one way to save money was to go to a larger can and have it picked up twice a month, which was already happening in both Centralia and the county. The council continued discussion on can size and fees and felt the larger bin would be a good incentive for residents to recycle more.

City Attorney Hillier suggested they see how the bidders react at the pre-bid meeting, and he would get back to the council if there was any question about it. He added once they have a contract they could negotiate it at any time.

It was the consensus of the council that the bid documents were satisfactory and staff should proceed to go out to bid.

There being no further business to come before the council, the meeting adjourned at 7:31 p.m.

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Mayor

Attest:

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City Clerk

July 21, 2008

The Chehalis city council met in special session on Monday, July 21, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:04 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor and Dennis Dawes. Councilor Lund was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; and Tim Grochowski, Public Works Director. Members of the news media in attendance included Paul Walker of KITI.

1. **2008 Goal Status Reports**. City Manager MacReynold briefly talked about some of the major items, which impacted the city over the past six to eight months. They included the following:

- December 3, 2007 flood
- City financial records
- Chamber Way improvement project
- Vernetta Smith Timberland Regional Library and Commons
- Hiring of city personnel
- Building relationship with Fire District #6
- Annexation
- Building and maintaining regional partnerships with surrounding jurisdictions

City Manager MacReynold introduced each department to briefly review the high points from the past six months, and to talk about what they would be working on over the next six months. The various departments included:

- Economic Development
- Finance
- City Clerk
- Community Development
- Municipal Court
- Police
- Human Resources
- Fire
- Water/Wastewater/Stormwater

2. **Lewis County Comprehensive Flood Hazard Management Plan**. Bob Nacht introduced Lewis County Building Official Fred Chapman, who was tasked to revise the Lewis County Comprehensive Management Plan (LCCMP). Mr. Nacht stated the city had a workshop about a year ago on a proposed LCCMP, noting there were several issues in the plan that were not agreeable to either Centralia, or Chehalis.

Mr. Chapman, the council, and city staff discussed at length, the Flood Authority; compensatory storage; and the issue of filling within the floodplain and the Chehalis basin.

Mr. Chapman spoke of some of the significant revisions he was proposing to the LCCMP, including the compensatory storage issue. He stated his recommendation was to take that section out of the plan, and replace it with a section that would discuss the formation of the Flood Authority, and how that group would guide and review any future flood damage reduction projects within the basin

Mr. Nacht stated over the years the city had issued many floodplain fill permits. He noted two and a half years ago the city established an administrative provision, giving the city the option of putting requirements on any fill permits. Mr. Nacht indicated, within the requirement, was a provision stating at such time as a statutory requirement was adopted by the various agencies, it would supersede any city administrative requirement, making it null and void.

Mr. Nacht stated if the council adopted the proposed standard, of the one-foot rise, within the city's development regulations, by design it would automatically supersede all of the administrative requirements over the last two and a half years.

July 21, 2008

Councilor Taylor asked Mr. Chapman when the issue would come before the city council. Mr. Chapman noted it would be up to the city council, adding the county's community rating system (CRS) audit review required it be adopted by the county by October 1, 2008.

Mr. Nacht indicated the city didn't necessarily have to have it adopted by October 1. He noted Chehalis had some CRS credit point issues outside of what everyone else was doing, which caused the city to be compliant with the CRS program. Mr. Nacht stated he had a specific interest in getting it adopted, and proposed that the city go along with the county, noting it would eliminate all the issues of compensatory excavation.

City Manager MacReynold encouraged Mr. Nacht to bring it before the city council for consideration, prior to the county making final adoption. He felt if the local jurisdictions could approve it prior to the county adopting it; it would look better for the county and would give the impression that we were all doing the same thing.

Mr. Chapman reported there were no negative comments about the proposal in its current draft form from any of the other agencies. He believed as they move forward with the flood authority, all of Lewis County needed to be unified as a community.

Mr. Nacht stated he would work with Mr. Chapman on the timeline of the county. He noted he first wanted to make sure the county process was far enough along and there were no more revisions, before he brought it to the council.

There being no further business to come before the council, the meeting adjourned at 8:04 p.m.

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Mayor

Attest:

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City Clerk

July 28, 2008

The Chehalis city council met in regular session on Monday, July 28, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Peggy Hammer, Human Resources Administrator; and Glenn Schaffer, Police Chief.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW.42.30.140(4)(a) – collective bargaining for approximately one-half hour and there would no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:51 p.m. and announced the council would take a ten-minute recess and reopen the regular meeting at 6:01 p.m. Additional staff included: Amanda Vey, Assistant City Attorney; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Citizens Business.** Caryn Knight (150 SW Alfred, Chehalis) came before the council to publicly thank them for their concern and advice regarding the issue she had with her neighbors back in May. She noted she had been reassured their eviction was eminent at the end of the month. Ms. Knight reported the police department was very timely in responding to any of the neighbor's concerns. She thanked Councilor's Harris and Dawes for being available to her, and also thanked Councilor Lund for coming to their rescue.

3. **Cascade County Cook-off & Classic Car Show 2008 Proclamation.** Mayor Ketchum presented Tracey Lowrey and Meretta Berg with a proclamation declaring August 9 and 10, 2008, as Cascade Country Cook-off & Classic Car Show 2008 in the city of Chehalis.

4. **Harmony Jazz and Wine Festival – Mossyrock Washington.** Paul Stewart, Executive Director of the East Lewis County Chamber of Commerce, came before the council to promote the first ever Harmony Jazz and Wine Festival, which would take place at Harmony Lakeside RV Park in Mossyrock, Washington, on September 5-6, 2008. Mr. Stewart also talked briefly about economic development and how it enhanced the whole area.

5. **Updates from Lodging Tax Recipients.** Joanne Schwartz reported three of the four recipients of the hotel/motel funds, would be giving mid-year updates on the advertising and promotions for their attractions. Ms. Schwartz noted because ARTrails was before the council just one month ago, they would not be making a presentation. She indicated two of the major attractions were severely impacted by the December 2007 flood and both would be speaking on their recovery efforts as well.

a. **Veterans Memorial Museum.** Director Lee Grimes reported the museum received 11-inches of water during the December 2007 flood, noting all the cabinets in the building retained water, even after the water level dropped. He organized a crew of volunteers who put in over 10,000 hours, adding it took five months to put it all back together. Mr. Grimes reported he had four gunsmiths show up and in two months they disassembled and put back together all the weapons, adding they looked better than ever. He noted overall they saved approximately 98 percent of everything in the building; however several pictures and documents received water damage, but because of their historical value they had to be retained.

Mr. Grimes reported they installed ceramic tile instead of replacing the carpet, which the volunteers laid themselves, and also replaced the fronts and bottoms of all the cabinets. He stated the recovery costs were approximately \$75,000. Mr. Grimes noted they sent letters out to everyone on their membership list to request donations, and received \$50,000 back within a month. He reported they used some tourism funds; and the Local Rotary donated \$12,603, which helped them to meet all the recovery expenses. Mr. Grimes stated they had approximately 500 attendees at their grand re-opening.

Mr. Grimes stated he was eternally grateful to everyone who had something to do with the recovery, including the city of Chehalis. He added it looked good before, but it was even better now.

July 28, 2008

Mr. Grimes reported on the lodging tax funding and how it was used for some of their major advertising. Use of funds for advertising and services included:

- The Great Wolfe Lodge in-room directory
- 25,000 certified rack cards put at various location, including out of town
- Partnered with the Chehalis-Centralia Railroad and the Lewis County Historical Museum for an ad in the 'Travelers Companion'
- Ads in the Washington Travel Directory; Chehalis KOA, Trails-Inn and Rochester RV Park Guide; Washington State Bed and Breakfast Guild; and local school newspapers
- Maintenance of internet website
- Newsletter

Mr. Grimes reported their best advertising actually came from the building itself and its location, adding over 50 percent of those who come in say they saw them from the freeway. He noted they would still like to get some large billboards along I-5, to list all the local attractions. Mr. Grimes suggested the city invest some of the hotel/motel tax on an electronic billboard.

Councilor Dawes noted they were still working on getting a billboard on 13<sup>th</sup> Street. Mr. Grimes stated he would be willing to give a good share of their annual appropriation for a billboard.

Mr. Grimes reported on their upcoming events, noting they were trying to become more of an in-house partner with the city. He stated they recently purchased a large tent for all their stuff to go under, adding if there were any events the city would like them to attend to just give them a call and they would be there.

b. **Chehalis-Centralia Railroad and Museum.** President of the Steam Train Association, Rick Burchett, reported the flood was devastating to the property which their tracks ran on, noting they received about \$1.25 million in damage from the December flood. He was pleased to report that none of the equipment was damaged. Mr. Burchett stated the Port of Chehalis was working with them diligently to get the track back together, adding FEMA and the state had approved money for its restoration. He reported the contract was out to bid, with the bid opening scheduled for August 6. They planned to award the bid at the August 14 Port Commissioners meeting, and expected construction to take 90 to 120 days.

Mr. Burchett stated the train was making several 20-minute trips, at \$3.00 per person, on the 1.5 miles of track that was still up and running. He noted they received feedback that people were enjoying a lower price, especially for families. Mr. Burchett hoped to be able to start running some dinner trains in October, adding they were currently able to keep running because of donations, and the donation of most of their fuel.

Mr. Burchett reported the frame work for the door on the storage shed was complete and they would eventually be placing a sign on top of the shed. He noted they were working on some special projects, including a WWI gun-mount car. Mr. Burchett added they were working with the Lewis County Historical Museum, who maintained the museum section for the railroad, and they also had a 5-minute segment on a train video, which aired on PBS.

Councilor Lund asked if they planned to do a Santa Clause train ride. Mr. Burchett stated they were working hard to try and have that this year. He noted they still had some work to do, but the plan was to have one in 2008. Councilor Lund stated Mr. Burchett should be commended for holding the group together, adding it's always difficult to keep volunteers when they sometimes have disagreements and different ideas.

Mayor Ketchum stated the ride may be shorter, but it was still enjoyable. Mr. Burchett felt the biggest complement from the community was, "thank you for keeping it going."

Marketing Director Mary Kay Nelson commended the association for sticking it out. She reported on their marketing plan noting the following:

- Sent information out that the train was still running, adding it would be a shorter ride at a reduced cost

July 28, 2008

- Kids day (was highly successful) had Mix 96 come down and do a live broadcast, adding they typically did some marketing with Mix 96, but never had them on location before
- Weekly advertising in *The Olympian*, *Longview Daily News*, and *The Chronicle*
- Monthly ads in *The DeVaul Publication*, *The Guide and Classified*, *East County Journal*, *East End Extra*, *Rochester Sun*, and *The Tenino Independent*
- Ad in *Castle Rocks Valley Bugler*
- In-room guide through *The Olympian*, which was distributed in Olympia Hotels
- SW Washington Family and Senior Dynamics, which *The Chronicle* produces
- Annually – The Lewis County Visitor Guide, The Flannery Publication, and *The Chronicle's* Tourism Guide
- Trade magazines include: *Rails Fan* and *Trains*
- In-room guide at the Great Wolfe Lodge, as well as all the local motels in Centralia and Chehalis
- Chehalis reader boards

Ms. Nelson stated it was truly a pleasure to market the attraction for the city of Chehalis, adding it was an icon that people recognized.

c. **Lewis County Historical Museum.** Executive Director Debbie Knapp stated she was thankful they were not flooded, and commended the other two attractions for all their hard work. She reported over the last two quarters, the museum provided 21 guided school tours to both Lewis County and other county schools in the state of Washington; Hosted three car club tours and four senior tours; had several book signings, the most recent being from the Adna School District for their new book 'This Flood Happened'; 'It's All About Chehalis' currently on display at the museum; the annual pie social at Claquato Church, which raised over \$2,500; celebrated Claquato's 150<sup>th</sup> Birthday with the Chehalis United Methodist Church; working on the visitor Information site, including brochures, coffee and WiFi; and taking bids for the work on the street side of the museum, with the use of a Heritage Grant. Ms. Knapp thanked the city and staff for their time and hard work on the new gazebo for the McKinley Stump.

Ms. Knapp reported on the museum's marketing plan, and noted the following:

- New brochures being distributed up and down the I-5 corridor
- Ad's in various publications, including: *Trails Inn*, *The Bed and Breakfast Guild*, the Great Wolfe Lodge, Flannery publications, DeVaul publications, and *The Chronicle* visitor guide
- Radio ads
- Website – linking site with other museum sites

Upcoming events included:

- Krazy Dayz. – August 2
- Garlic Festival – August 23
- Model train show and swap-meet at the Fairgrounds in October
- Lucky # Auction – November 15, at the Southwest Washington Events Center in the Yardbirds Mall

6. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of July 14, 2008;
- b. Claim Vouchers No. 90388-90537 in the amount of \$441,547.92 dated July 7, 2008; and
- c. Authorize city manager to execute addendum to the Chehalis River Basin Flood Control Authority interlocal agreement to include the city of Oakville.

The motion was seconded by Councilor Pope and carried unanimously.

July 28, 2008

## 7. Staff Reports.

a. **Finance Report.** Eve Lindgren reported there were some unexpected variances in the report. Councilor Harris stated he noticed some of the percentages were either way over, or way below. Ms. Lindgren responded to several questions concerning the percentages of revenues and expenditures, and explained what the numbers were driven by. She noted she questioned the actual budgeting more so, than the revenue received year-to-date.

b. **Washington Auto Theft Protection Authority Grant (WATPA).** Police Chief Glenn Schaffer briefed the council on the grant, which the city was recently awarded. Chief Schaffer reported they submitted the grant earlier in the year, seeking funding for an auto license plate recognition camera system. He indicated the camera would mount to a patrol car and would be able to read license plates and compare license numbers to a database, and instantly be able to tell whether the vehicle was wanted, stolen, or if it was attached to an Amber alert or warrant. Chief Schaffer noted the system could read more than 1,000 license plates per minute and would be used while driving around town, and in parking lots. He added it was an incredible tool for locating stolen vehicles.

Chief Schaffer reported the cost of the equipment was approximately \$30,000, but was pleased to report they received notification last week that the city was awarded a grant by the Prevention Authority, which would pay 100 percent of the costs. He anticipated they would acquire and use the funds sometime in November, 2008.

Chief Schaffer reported the application was submitted with the agreement that Chehalis would include the city of Centralia and the Lewis County Sheriffs Office, using the combined efforts of the anti-crime teams.

Councilor Fuller asked how the equipment would be shared. Chief Schaffer reported they were working on a plan and hoped that one of the other agencies might donate a vehicle, or some of the other equipment to be shared between the agencies, to work different areas and different times.

## 8. Council Reports.

a. **Fun Day at the Park.** Councilor Pope reported Recreation Manager Lilly Wall put together, with the sponsorship of the Chehalis Foundation, a 'Fun Day in the Park' event, which took place at the Lintott/Alexander Park. He reported they had between 100 and 125 kids show up for the event. Councilor Pope indicated they received a lot of support and offers of help for next year's event. He stated Ms. Wall did a wonderful job putting the event together.

b. **Chehalis Basin Partnership Meeting.** Councilor Harris reported they met last Friday, adding there was a lot of work and research happening with regard to landslides, especially those associated with rain and flooding. He noted they were up and running and trying to get back on their implementation plan.

c. **Meetings Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the following:

- July 17 and 20 Krazy Dayz Committee meetings
- July 17 attended the re-grand opening of The Farm Store
- July 18 official ribbon cutting at The Farm Store
- July 18 attended a 'Thank You' party for the Department of Agriculture, Department of Natural Resources, and Department of Fish and Wildlife, put on by Weyerhaeuser
- City of Centralia – Music in the park event
- July 21 attended the monthly transportation cooperative meeting with the city of Centralia
- July 22 attended the Assured Home Health and Hospice 30<sup>th</sup> Anniversary party
- July 22 attended the Jazz in July event, sponsored by Pope's Kids Place
- July 23 Sister City Committee meeting
- July 25 re-grand opening of 'Picture This'
- July 26 attended the 2<sup>nd</sup> Annual Hispanic Festival at Centralia College
- July 26 attended the Chehalis Safeway grand opening/ribbon cutting ceremony

July 28, 2008

d. **Judges Needed for Mint Dessert Contest.** Councilor Harris reported he received a call from Cindy Tall, of Smith's Mercantile, who informed him the mint dessert contest would be at 2:30, on Saturday August 2. He noted she was looking for judges to participate in the contest.

9. **Ordinance No. 834-B, Second Reading – Amendments to the City's Development Regulations and Zoning Map.** City Manager MacReynold reported the ordinance was before the council for second and final reading. He noted Community Development Director Bob Nacht was not present, but encouraged the council's approval of the ordinance.

Councilor Dawes moved that the council pass Ordinance No. 834-B on second and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

10. **Resolution No. 8-2008, First and Final Reading, Amending the 2009-2014 Six-year Transportation Improvement Plan (STIP).** City Manager MacReynold reported because of the funding alternative they worked on with the Transportation Strategy Council for Chamber Way, the city was required to amend its STIP.

Councilor Fuller asked what was being amended. City Manager noted they had to add the Chamber Way Project to the STIP, because they accessed the SAFETEA-LU funding, which was state funding passed through the county.

Councilor Harris moved that the city council amend the 2009-2014 STIP and Resolution No. 6-2008 by adopting Resolution No. 8-2008 on first and final reading.

The motion was seconded by Councilor Dawes and carried 5 to 1, with Mayor Ketchum voting against the motion. Mayor Ketchum noted he wanted to be consistent with his vote from the previous meeting concerning the Chamber Way Improvement Project.

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

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Mayor

Attest:

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City Clerk



August 11, 2008

The Chehalis city council met in regular session on Monday, August 11, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Administrator; and Tim Grochowski, Public Works Director. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Citizen Business**. Keith Blackwell, from the Chehalis Events Committee, extended his thanks to the city for its cooperation and participation during Krazy Dayz. He noted city staff helped make the event a great success.

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

- a. Minutes of the special meeting of July 21, 2008, and the regular meeting of July 28, 2008;
- b. Claim Vouchers No. 90538-90726 in the amount of \$491,904.04 dated July 21, 2008; and
- c. Award bid for FEMA Funded Damaged Infrastructure Repairs to Martin Sand & Gravel, Inc. in the amount of \$420,766.23.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Staff Reports**.

a. **Chehalis Renaissance Public Forum Postponed**. City Manager MacReynold reported the Beckwith Consulting Group was still working on accessing information from the age group of 18 to 34, because of the concerns stated by the council. He announced the meeting of August 14 would be postponed until further notice, adding it would probably take an additional two months to gather all the information needed.

b. **Budget Committee Appointments**. Councilor's Harris, Taylor and Dawes were appointed to the 2009 budget committee.

c. **2008 Transportation Forum**. City Manager MacReynold reported Congressman Brian Baird hosted a transportation forum on Friday, August 8, 2008, in Olympia, Washington. He stated the topics included: Chokepoints on major corridors and freight mobility; Rail and transit needs in SW Washington; Local budget issues and project costs; Aging infrastructure needs; and Transportation projects impact on economy and jobs.

City Manager MacReynold reported the group gave an overview of what the issues were in the region, with a focus on what the state and federal government could do to get projects done more quickly. He added they wanted to focus on safety, preservation, and corridors of the future with reference to transportation, especially around freight mobility from Canada to Mexico.

City Manager MacReynold stated Congressman Baird also talked about how, at the federal level based on budget issues, they were looking at reducing the number of departments involved in transportation issues. He noted it didn't appear they would change any regulatory issues, which meant everything would just be done a little slower. City Manager MacReynold reported Congressman Baird was very interested in streamlining where possible, but felt the city would continue to face challenges with reference to the regulatory environment.

Mayor Ketchum stated he wanted to make sure that Congressman Baird understood what was put on the table wasn't the actuality of what was really happening. He added he was working with the city manager to put together a harsh letter to Congressman Baird to explain the reality of the situation.

August 11, 2008

Councilor Dawes reported it would be nice if they could reduce the number of regulatory agencies involved. He added if they looked at the stretch of I-5 between the Canadian and Mexico borders, especially as it ran through the state of Washington, there were probably only two counties that had two-lanes in each direction. Councilor Dawes felt they were

only doing something because they had to, not because they wanted to. City Manager MacReynold believed the December 2007 flood really highlighted the situation.

d. **Flood Executive Committee Meeting.** City Manager MacReynold reported Congressman Baird met with the flood authority group, the U.S. Corps of Engineers (Corps), and the Washington State Department of Reclamation, to discuss what they could do with reference to a more permanent fix and the time-frame in which that could happen. He added the meeting was poorly attended because of last-minute scheduling; however there was representation from all the jurisdictions, with the exception of the city of Centralia. City Manager MacReynold reported the Corp basically said they could do a basin-wide plan, but it would take five to ten years. He noted Keith Phillips from the Governor's office was present and was clearly not happy about it. City Manager MacReynold stated he asked the Corps, if the Governor exercised its executive authority, if would it prompt the Corps to do it more quickly. He thought it was interesting that they said yes, adding they indicated they could probably do the plan within three to five years, with executive authority, by identifying it as an emergency situation.

City Manager MacReynold reported he hoped the authority would take a more private sector approach when looking at a basin-wide plan and start looking at what they could do within the basin sooner, rather than later. He indicated the Corps would continue to be a major player as far as planning, noting they would just have to wait and see what happens. Councilor Harris stated it was more about philosophy rather than facts. He felt their biggest obstacle was a handful of people in key positions, who believed they knew what would and would not work. Councilor Harris noted Corps Engineer Laura Orr stated repeatedly that there was no cost benefit ratio, or cost effective way of developing water storage. He indicated if that was the information she gives to the Governor's office, everything would stop right there and they would have a long uphill climb ahead of them. He noted everyone seemed to be finding ways to shoot it down, but no one was looking at ways to fix it.

Councilor Taylor reported he had a chance to tour the flood damaged area in the west county, noting they were able to go down some of the old logging roads to view some of the various slide areas and creeks, which seemed to have been redirected by all the debris. He felt there had to be some kind of mechanisms or element to restore the river to what it used to be, noting the river-bottoms were between 12 to 15-feet higher than they were prior to the flood. Councilor Taylor indicated he was excited to be a part of the flood committee, but feared the end result was still far away.

e. **Free Movie Night Rescheduled.** Bob Nacht reported the first annual "Movie in the Park" night was rained out on Saturday, August 9, but was rescheduled to Friday, August 29, at 8:30 p.m. He reported they had a lot of people show up and was grateful the public received the concept well. Mr. Nacht thanked Lilly Wall and staff for their hard work on the event.

f. **Fire District #6 Meeting Cancelled.** Mayor Ketchum and Taylor reported they would not be available to attend the meeting at Fire District #6 on Tuesday, August 12, and suggested it be cancelled. City Manager MacReynold noted the District would be notified of the cancellation.

#### 4. **Council Reports.**

a. **Sister City Delegation Arrival.** Mayor Ketchum reported the Sister City Delegation from Inasa, Japan, would arrive on Friday, August 15. He stated there would be a welcoming ceremony at the VR Lee Building between 11:00 a.m. and 12:00 p.m., and a potluck was scheduled for Sunday, August 17, starting at 4:00 p.m.

b. **Lewis County Museum/Krazy Dayz Update.** Councilor Dawes reported the museum had a great turnout for the breakfast, and that he was very impressed with the car show. He congratulated the committee for putting the event together, adding it was nice to see them bring the fire truck back downtown and do a drop of prizes

August 11, 2008

like they did years ago, which used to be the highlight of Krazy Dayz.

c. **U.S. Corp of Engineers Levee Repair in the City of Chehalis.** City Manager MacReynold reported he would be providing the council with a packet of information regarding a meeting he attended on levee repairs.

d. **Events and Meetings Attended.** Mayor Ketchum reported he attended the following:

- July 31 – Attended a Chehalis Events Committee meeting
- August 1 – Presented Garbe's with a Chehalis Business Association award, for the revamp of their building
- August 1 – Attended "Music in the Park" in Centralia
- August 2 – Helped cook lunch at the Lewis County Historical Museum, and participated in the mint dessert contest during Krazy Dayz
- August 9 & 10 – Attended the Cascade County Cook-off and Classic Car Show 2008, at Stan Hedwall Park

e. **2008 State Champions Congratulated.** Councilor Harris congratulated the 'Chehalis Lizards' baseball team, who were named State Champions. He also noted, for the record, that his youngest son and wife were expecting a baby boy in December; and he and his wife would be celebrating their 30<sup>th</sup> Anniversary on August 19.

f. **Krazy Dayz Event.** Mayor Ketchum thanked Keith Blackwell for the great job he did on chairing the Chehalis Events Committee, adding it turned out to be a wonderful event.

There being no further business to come before the council, the meeting adjourned at 6:30 p.m.

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Mayor

Attest:

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City Clerk

August 25, 2008

The Chehalis city council met in regular session on Monday, August 25, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; Bob Nacht, Community Development Director; and Eva Lindgren, Finance Manager. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Certificates of Appreciation.** Randy Endicott, President of the Chariots Car Club, presented certificates of appreciation to the city council, and Police Chief Glenn Schaffer for their assistance at the car show during Krazy Dayz. Mr. Endicott apologized for not having Fire Chief Kelvin Johnson's certificate with him, but thanked him and his department for their assistance as well, noting he would see that the certificate was delivered to Chief Johnson at a later date. Additional certificates were presented recognizing Andy Sennes from the parks department and Rick Sahlin from public works for their part in helping to make the event successful.

Mayor Ketchum noted the city had a lot of great ambassadors; and thanked Mr. Endicott for his participation in the event.

2. **Appropriations Help Repair Lewis County Senior Center.** Helen Holloway (PO Box 234, Centralia, Washington) thanked the city of Chehalis for the \$16,000 appropriation for the Lewis County Senior Center. She reported their building received substantial damage as a result of the December 2007 flood, and the money helped with some of the much needed repairs.

3. **Employee Service Award.** Mayor Ketchum presented Adam Myer – Firefighter, with a 5-year service award.

4. **Chehalis Community Spirit Award and Proclamation.** Mayor Ketchum, along with Chamber President/CEO Vernadel Peterson and United Way Director Debbie Campbell, presented a special award from the Chehalis Business Association to Representative Gary Alexander for his support and efforts in creating and funding a long-term, basin-wide solution to protect the community from future flooding. Representative Alexander was presented a key to the 'Rose City' and a vase with flowers from the city rose garden.

City Manager MacReynold stated he had many opportunities to work with Representative Alexander during the flood recovery and the legislative session. He reported Representative Alexander put in many hours, and believed it was his recommendations and guidance that allowed the \$50 million to happen. City Manager MacReynold felt Representative Alexander listened and cared, and the city was very lucky to have him as our representative.

Representative Alexander stated there was nothing that meant more to him than the flooding issue. He noted the difficulty when something comes together because of a tragic event, but stated he never saw a community pull together like this one did. Representative Alexander stated he was very confident they would find a solution, not only to solve the flood relief efforts in the basin, but one that would set an example and permeate throughout the entire state to help other communities as well.

5. **Permit Review Taskforce Update.** Chamber President/CEO Vernadel Peterson reported principle consultant Kelly Johnston was hired a few years ago to work on the project, which was now into phase two. She indicated Ms. Johnston would give the council an update of what would be happening during the second phase.

Ms. Johnston reported the purpose of the project was to improve permitting in the cities of Chehalis, Centralia, and Lewis County. She noted the scope was primarily focused on the permitting process, as it related to single-family residences.

Ms. Johnston noted the project started several years ago and took some time to gain momentum. She indicated the project was sponsored by The Chamber of Commerce, Port of Centralia, Lewis County Master Builders, and the Lewis County Realtors Association.

August 25, 2008

Ms. Johnston briefly reviewed the major phase two deliverables, which included:

- Customer Survey (in progress)
- Customer Focus Groups (completed)
- Employee Survey (in progress)
- Benchmarking Process (upcoming)
- Flow Chart Review (upcoming)
- Summary Report (estimated delivery date of October 15)

Recent accomplishments included:

- Formed a Technical Advisory Committee comprised of representatives from each jurisdiction, including Chehalis representatives Bob Nacht and City Manager MacReynold
- Agreement on use of Denison Organizational Culture Survey for internal employees (to be completed in September)
- Agreement on Customer Survey

Councilor Pope asked if the results would help him as a citizen, to expedite the permitting process. Ms. Johnston noted they were using three criteria; consistency of process; efficiency; and clarity. She noted some processes could not be expedited because of the review involved; however some could be by fixing the system, but not to fast track any one individual permit.

6. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of August 11, 2008; and
- b. Claim Vouchers No. 90727-90900 in the amount of \$463,126.75 dated August 4, 2008; Claim Vouchers No. 90901-91083 in the amount of \$575,617.07 dated August 18, 2008; and Payroll Vouchers No. 31193-31397 in the amount of \$710,570.58 dated July 31, 2008.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Staff Reports.**

a. **July Financial Report and Quarterly Sales Tax Report.** Eva Lindgren reported she was able to analyze the data and provide some commentary in the report. She noted the utility revenues would be changing because there were some recording issues earlier in the year. Councilor Dawes stated he appreciated the footnotes.

Ms. Lindgren reported the quarterly sales tax report included the month of July, to give the council more current information. She noted September's payment would be the first payment to reflect the new streamline sales tax. Ms. Lindgren indicated there would be some mitigation, which would not be considered a tax and would show up on the report as a different revenue stream. She added there would be a delay of about one quarter before it arrives. Ms. Lindgren reported, as the city received more revenue from voluntary compliance and internet sales the mitigation would be cut down, eventually to the point where we wouldn't need it.

Councilor Dawes reported a lot of the big ticket items such as vehicles were not eligible, adding the sales tax would stay here. Ms. Lindgren noted the main exemptions for the destination based sales tax were things such as motor vehicles, watercraft, and mobile homes.

Councilor Harris stated it would be interesting to see what the state actually does, versus what they promised to do. He noted their first guess was the city would lose about \$8,000 a year; their second guess was \$125,000 per year; and the last guess was about \$400,000 per year. Ms. Lindgren stated the most recent numbers she saw indicated \$600,000 per year.

August 25, 2008

Councilor Harris felt the tax that internet providers were collecting would be money in their pocket because the government was not collecting sales tax for internet sales.

b. **2007 Audit Exit Conference.** City Manager MacReynold reported the 2007 exit conference with the state auditor's office would be held on September 10, at 11:00 a.m., and invited three council members to attend. Mayor Ketchum and Councilors Harris and Dawes stated they would be in attendance.

#### 8. **Council Reports.**

a. **Chehalis Renaissance.** Councilor Pope reported he attended the Economic Development Steering Committee meeting on Friday, August 22, adding the committee reviewed some of the data provided, including the additional information requested by the council. He indicated the committee felt Tom Beckwith, of Beckwith and Associates, was at a point where he needed to identify the main focus of the Chehalis Renaissance and begin work on implementation as soon as possible. Councilor Pope noted Mr. Beckwith would be bringing the updated information and the summary data to review with the council at a meeting in September.

b. **Lewis County Historical Museum Update.** Councilor Dawes reported he assisted the Lewis County Historical Museum with their fair booth and their Garlic Festival breakfast. He noted the museum had a lot of good volunteers with a lot of good ideas.

Councilor Dawes reported the museum was trying to line up a debate at the site of the McKinley Stump, sometime in September or October.

c. **Events and Meetings Attended.** Mayor Ketchum reported he attended the following:

- August 12 – Attended the opening ceremony for the SW Washington Fair
- August 15 – Picked up the sister city delegation from the airport
- August 16 – Attended the performance of the sister city delegation drum group at the SW Washington Fair
- August 18 – Took sister city delegation to Mt. St. Helens
- August 19 – Attended sister city drum group performance at the farmer's market
- August 20 – Took sister city delegation to Northwest Trek
- August 21 – Took sister city delegation back to the airport
- August 22 – Attended Garlic Festival at the fairgrounds, and the city's safety picnic at the VR Lee building

d. **Gifts from Sister City Delegation.** Mayor Ketchum presented the gifts from the city's sister city, which included: a jacket from the uniform the delegation wore 11 years ago; and a jacket from the uniform they wore this year.

Mayor Ketchum reported he was planning a trip at the end of March or the first of April 2009, for a group to go back to Inasa, Japan. He noted he already had six people interested in going.

9. **Burlington Northern Santa Fe (BNSF) Parking Lot Lease.** Chief Glenn Schaffer reported the city currently leased parking spaces in seven parking lots around town, noting the city owned all but one of those lots. He stated the city leased the one lot adjacent to the Lewis County Historical Museum, on Front Street, from BNSF for about \$16,000 annually.

Chief Schaffer reported the cost of the lease would soon be more than they could recoup from leasing the parking spaces, noting they leased anywhere from 47 to 50 spaces per month in that particular lot. He indicated in 2008 they city would break even, and in 2009 the city would start losing money. Chief Schaffer reported the cost of parking spaces in that particular lot was already double what the city charged for all the other lots in town. He requested the council authorize the administration to not renew the lease when it expired in November 2008.

Councilor Pope agreed, noting over the years that particular lot had been a problem. He stated he was in favor of not renewing the lease.

August 25, 2008

Councilor Harris stated he didn't have a problem with not renewing the lease, but had concerns about: what the lot might look like if was not maintained; and how many parking spots they would be losing control of, when parking was at such a premium in the downtown area anyway. Councilor Harris inquired as to what fund the parking revenues and expenditures traveled through. It was noted the general fund.

Chief Schaffer reported there were two companies who primarily leased that lot, which were Security State Bank and Petra Insurance. He indicated both companies were negotiating with BNSF to handle the lot themselves; however he did not know what the status was on those negotiations. Councilor Harris had concerns about where the current renters from that lot would park if they were unable to work something out with BNSF. Chief Schaffer stated they would not be able to absorb all 50 spaces, adding they had about 20 available spaces in the other lots around town.

Councilor Pope asked how they explained to the one group that they were charging them double the fees for the one lot, compared to the other lots around town. Councilor Dawes stated when the lease first came about years ago, the city charged \$20 per month, per parking space. He noted because of the increase in the lease the renters were given a choice: that the city either discontinue the lease, or charge them \$30 a month per space; and they agreed to pay the \$30. Councilor Dawes stated he supported the decision to get rid of the lease.

Councilor Harris requested the administration find out what was happening with the negotiations between BNSF and the two businesses, to see if they are going to be able to work out a contract with BNSF.

Councilor Dawes noted there were actually 68 spaces involved, which included 18 used by the police and fire departments, who paid for the spaces out of their budgets. He noted, now that city was no longer using those additional spaces, they would need to raise the fees even more to try and break even. Councilor Pope felt the only way to get rid of the problem was to not renew the lease.

Councilor Fuller moved that the council authorize the city manager to terminate the lease agreement between the city of Chehalis and BNSF for the parking lot located adjacent to the Lewis County Historical Museum when the lease ends in November, and no longer have the city regulate parking for that lot.

The motion was seconded by Councilor Pope and passed 5 to 1. Councilor Harris voted against the motion.

10. **Recognition of Caryn Foley.** Mayor Ketchum thanked Caryn Foley for all the hard work she did for him and the sister city delegation.

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

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Mayor

Attest:

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City Clerk

September 8, 2008

The Chehalis city council met in regular session on Monday, September 8, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:18 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation, and RCW 42.30.140(4)(a) – collective bargaining for approximately one-half hour and there would no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:46 p.m. and announced the council would go directly into a work session to interview applicant Arnold Haberstroch for consideration of appointment to the Chehalis Planning Commission. It was noted D.J. Hartman, applicant for the Historic Preservation Commission, was unavailable to meet with the council and would be rescheduled to the September 22 council meeting.

Mayor Ketchum announced the council would take a ten-minute recess at 5:52 p.m. and reopen the regular meeting at 6:02 p.m. Additional staff included: Bill Hillier, City Attorney; Kelvin Johnson, Fire Chief; Barb Lovelady, Fire Department Office Assistant; Bob Nacht, Community Development Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Swearing-in of Kevin Reynolds.** Fire Chief Kelvin Johnson stated he was privileged to give the oath of office to Firefighter Kevin Reynolds, who was recently hired by the Chehalis Fire Department.

3. **Chehalis Watershed Awareness Week.** Mayor Ketchum presented Janet Spaulding with a proclamation declaring the week of September 20–27, 2008, as Chehalis Watershed Awareness Week in the city of Chehalis.

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

- a. Minutes of the regular meeting of August 25, 2008;
- b. Payroll Vouchers No. 31398-31534 in the amount of \$714,295.60 dated August 29, 2008;
- c. Appointment of Arnold Haberstroch to a 4-year term on the Chehalis Planning Commission with term expiring December 31, 2012;
- d. Award contract for aluminum chlorohydrate to Kemira Water Solutions, Inc.; and
- e. Award contract for chlorine in 150-pound cylinders to Jones Chemicals, Inc; and award contract for chlorine in short filled one-ton cylinders to OLIN Corporation.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Staff Reports.**

a. **Status Report on Proposed Lewis County Comprehensive Flood Hazard Management Plan.** City Manager MacReynold reported Lewis County had been working on their comprehensive flood hazard management plan for some time and felt it was timely that the council received an update as to where the county was with that plan.

Bob Nacht reported the proposed plan was currently being revisited by the county and the city of Centralia for adoption. He noted the plan was required by FEMA for continued participation in the national flood insurance program (NFIP). Mr. Nacht stated some years ago the city of Chehalis elected to create what was called a repetitive



September 8, 2008

loss plan, instead of a comprehensive flood hazard management plan. He noted the city of Chehalis was compliant with the NFIP without adopting the Lewis County comprehensive flood management plan at that time; however the administration would ultimately be bringing the plan to the city council to request it be adopted once it goes through the planning commission public hearing process.

Mr. Nacht felt there were a couple of provisions within the plan the city should support even if they didn't adopt it that evening, which included:

- 1) The goals and policies of the three jurisdictions: Chehalis, Centralia, and Lewis County would be the same once the plan was adopted by all three entities.
- 2) The ability to provide a basin-wide approach to flood plain management would rest with the newly formed flood authority.

Mr. Nacht stated the administration would be requesting support from the council in October, and wanted to support the city of Centralia and Lewis County, who would be adopting the plan in September.

Mr. Nacht noted a public hearing would be scheduled before the Chehalis planning commission on the 23<sup>rd</sup> of September for review of the plan. He reported hard copies of the revised plan would be given to the council and city management for their review as well.

Councilor Dawes asked if the plan affected Lewis County only. Mr. Nacht reported the plan was a document that Lewis county, and the cities within the county, ultimately had to adopt in order to remain eligible for the NFIP. He noted the plan was unique to Lewis County; however the plan specified the newly created flood authority would be the venue by which programs and policies in the basin-wide floodplain would be adopted and reviewed. Mr. Nacht stated, in that regard, it would go beyond Lewis County because of their participation in the flood authority.

Mr. Nacht highlighted the difference between the current and the prior approach of the plan. He noted the prior approach included compensatory requirements and specified what they could and could not do within the flood plain, which went beyond adopted state and federal regulations. Mr. Nacht indicated the new plan would adopt the state and federal requirements that are currently in place; and any new or more conservative basin-wide projects would be submitted through the flood authority venue. He noted the critical part was, the flood authority was made up of basin-wide entities including three counties, cities within the three counties, and the Chehalis Tribe.

City Manager MacReynold stated they needed to ensure the authority was an effective organization, noting if it became too cumbersome it could be problematic getting anything through. He added they continued to increase the number of organizations involved making it a lot more complex, which was worrisome to him.

Councilor Pope stated the flood authority was a group of individuals running the operations with our staff, and felt it was going to be deaf to whatever the city was trying to do. Councilor Taylor stated he agreed.

Mr. Nacht reported the proposal took into account that the flood authority was an organized assemblage of counties, cities, and tribes under an operating agreement, which he believed was already in place.

Mayor Ketchum asked if it would kill all future growth if the authority didn't agree on matters. Mr. Nacht reported it would not, adding the flood authority could only create programs, policies, and regulations proposed to be adopted by local jurisdictions for flood plain management, and flood damage reductions.

b. **Update on FEMA/NFIP Rules.** Mr. Nacht reported the regulations by which Chehalis had to operate by in order to maintain eligibility in the NFIP, were stipulated by FEMA. He noted over the years the city had been very careful about how it implemented, administered, and adopted floodplain regulations in order to maintain eligibility in the NFIP program.

September 8, 2008

Mr. Nacht stated subsequent to the December 2007 flood event, FEMA, with the use of their computer software, came in and identified what would be termed as 'substantially damaged' property. He noted they identified properties which received flood damage of more than 50 percent of their 'prior damage' value. Mr. Nacht reported the city was obligated under the NFIP regulations, and our own regulations, to identify whether or not a property was substantially damaged subsequent to a flood, or other catastrophic event. He indicated the city did an assessment of 250 properties within the flood plain that may or may not have been flood damaged, noting they were required to do all the properties within the identified flood plain. Mr. Nacht reported the field inspectors identified 72 properties, under the FEMA criteria, which appeared to result in substantially damaged property.

Mr. Nacht reported 72 letters were sent out to the various damaged properties. He noted over half of the properties who received the letter appealed, and over half of those were successful in their appeal of the substantial damage letter. Mr. Nacht reported of the remaining 32 properties, fifteen had obtained, or were in the process of obtaining, a building permit to repair and/or elevate their buildings. He noted one of the requirements of FEMA, NFIP and the local regulations was, if you had a substantially damaged property you would need to bring it up to current standards in the repair of the property, or it would need to be demolished. Mr. Nacht stated FEMA and NFIP would not provide an opportunity for repetitive flood loss if the property had substantial damage. He indicated there were nine substantially damaged properties that had not yet identified what they wanted to do their property.

Councilor Dawes asked if would be permissible for a property owner, with a house in the flood plain, to choose not to participate and continue to make the necessary repairs at their own expense to meet the standard. Mr. Nacht stated that would not be permitted, adding the issue would be the repetitive loss. He noted the city had to implement compliance with the current regulations, which was to elevate or remove.

c. **Solid Waste and Recyclables Collection Services Contract.** City Clerk Judy Schave reminded the council that the city's contract for solid waste collections expired in April of 2008; however Waste Connections had agreed to continue the current level of service until the end of the year, or until we had a new service agreement signed. Ms. Schave reported a workshop was held on July 14, at which time the council directed the administration to go out to bid for of a 3-year contract, with the possibility of negotiating a joint contract with the city of Centralia for solid waste and recyclables collection.

Ms. Schave noted the original bid was pulled prior to the bid opening date of August 18, based on the feedback she received from the potential bidders, who were having issues with the length of the contract noted in the bid documents. She stated they indicated it would be difficult for them to give reasonable bids based on the time-frame of the contract, due to the start-up costs, and suggested the city reconsider the length and look at a seven to ten year contract.

Ms. Schave reported after discussing the matter with City Manager MacReynold and Mark Scheibmeir, they felt it would be in the best interest of the city to pull the bids and rebid the contract as soon as possible. She noted one other issue that recently surfaced was the notification that LeMay, Inc. was in the process of being bought out or sold to Waste Connections. Ms. Schave indicated that information prompted the administration to reconsider the situation since the council had expressed concerns with the service the city was currently receiving from Waste Connections.

Ms. Schave believed the city would potentially receive more reasonable bids if the council extended the contract to 7-years, with a re-opener clause after two years, which would keep the door open should the council decide to pursue a joint contract with the city of Centralia.

Ms. Schave reported she and City Attorney Bill Hillier would be meeting with the potential bidders on Thursday, September 11, to receive input and to answer any questions they might have regarding the bid documents.

Ms. Schave recommended the council consider a 7-year contract for solid waste and recycling collection, and include that in the next set of bid documents.

Councilor Dawes questioned the re-opening of the contract. City Attorney Hillier noted the sole purpose of re-opening the contract would be to negotiate with Centralia for a joint contract.

September 8, 2008

The consensus of the council was to rebid for a 7-year contract.

6. **Council Reports.**

a. **Update on Dobson and McFadden Park.** Councilor Pope reported the project was looking really nice, noting the Eagle Scouts had completed the trail up to the circle; the gift stone had been sandblasted, which looked really nice; and there had been some leveling of the dirt on the hill. Councilor Pope indicated if there was anything the city would like to see done, they could make suggestions and he would take them back to the Foundation. He noted they were still working on removing the ivy and clearing the underbrush.

b. **Flood Authority.** Councilor Taylor reported the flood authority recently received a letter from the Quinalt Indian Nation, requesting membership in the authority. He believed the letter would go before the Flood Authority Board at their next meeting on September 18. The council discussed the issue and the consensus was the authority needed to have a drop dead date, by which time any other entities or agencies within the Chehalis River Basin could join. Councilor Harris noted their meetings were open to the public and anyone was welcome to attend. Councilor Fuller reported there was a 'One Voice' meeting coming up in mid-October and he could bring the issue up with them as well.

c. **Meetings Attended by Councilor Fuller.** Councilor Fuller noted he would be attending the Economic Development Steering Committee meeting on Friday, September 12. He also attended the United Way of Lewis County kick-off luncheon, where the city received a 'Beacon of Light, 2007 Flood Relief' award for the work done during the December 2007 flood.

d. **Fire District No.6 Meeting.** Mayor Ketchum reminded committee members about the meeting with Fire District No. 6 on Tuesday, September 9, at 6:30 p.m. Councilor Taylor noted he would be unable to attend.

e. **Meetings Attended by the Mayor.** Mayor Ketchum reported he attended the 'Movie in the Park' with his grand kids on August 29, sponsored by Washington Orthopedic; September 4 he attended the Chehalis Business Association Events Committee meeting to discuss the upcoming Christmas parade; and Saturday, September 6, he participated in the 17<sup>th</sup> Annual Aids Walk for Lewis County.

7. **Federal Aviation Administration (FAA) Grant Offer for the Chehalis-Centralia Airport.** Airport Manager Allyn Roe reported he appeared before the council last June to request the 1<sup>st</sup> half of the 2008 grant funding with regard to the grant agreement between the city, FAA and Lewis County. Mr. Roe noted congress was funding the FAA a little at a time, who in-turn was handing the funding out as they received it. He stated they were requesting the balance of the 2008 reimbursement for the property the airport purchased back in 2003. Mr. Roe indicated there would be one final grant offer on the property sometime in 2009.

Mayor Ketchum asked if Lewis County approved the matter at their meeting earlier that day. Mr. Roe stated they did.

Councilor Dawes wondered why it needed to be approved again, since the purchase was already authorized by the city and county back in 2003, which gave the Airport Board authority to submit application for reimbursement. Mr. Roe reported the grant offers were between the sponsors of the airport. Councilor Dawes stated he understood the process, and felt it was a moot point; however noted it wouldn't hurt to approve it again.

Councilor Fuller asked if there was any plan for the other 20 acres that were included in the purchase. Mr. Roe indicated the board was contemplating what to do with that property, noting they were trying to figure out what the best economical option would be for the airport. City Attorney Hillier reported, ultimately, that decision would come back to the council and county for their approval.

September 8, 2008

Councilor Dawes moved to authorize the Mayor to execute a grant agreement between the city, FAA, and Lewis County for the balance of the 2008 grant reimbursement funding for the Chehalis-Centralia Airport in the amount of \$63,201.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:53 p.m.

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Mayor

Attest:

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City Clerk

September 22, 2008

The Chehalis city council met in regular session on Monday, September 22, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Mark Scheibmeir, Asst. City Attorney; and Bob Nacht, Community Development Director.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate for approximately fifteen minutes and there would no decision following conclusion of the executive session.

2. **Interview Applicants for Committee Appointments.** Mayor Ketchum closed the executive session at 5:55 p.m. and announced the council would go directly into a work session to interview applicant DJ Hartman for consideration of appointment to the Historic Preservation Commission, and Robert L. Schroeter for consideration of appointment to the Chehalis-Centralia Airport Board.

Mayor Ketchum closed the work session and reopened the regular meeting at 6:08 p.m. Additional staff included: Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; Dave Vasilaskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Judy Smith, Public Works Administrative Assistant. Members of the news media in attendance included Eric Schwartz of *The Chronicle*.

3. **Work Source Lewis County Presentation.** City Manager MacReynold introduced WorkSource Lewis County Administrator Sandy Crews, who shared information on what WorkSource does for Lewis County. Ms. Crews stated she had some timely information that businesses needed to know, with the economy being as it was.

Ms. Crews stated she was proud to be helping people find jobs, and working with employers to get a solid workforce. She reported WorkSource was a partnership of different agencies with Employment Security being the lead agency. Other partners included: Centralia College - Division of Vocational Rehabilitation; Lewis County Economic Development Council; and Pacific Mountain Workforce out of Olympia.

Ms. Crews reported annually they serviced about 3,200 people looking for work. She noted they offer free classes on preparing resumes, preparing for interviews, computer skills, GED classes, and programs that target specific groups, such as: dislocated workers, low-income adults, veterans, and people who draw unemployment benefits. Ms. Crews noted they also did special projects, such as flood recovery work.

Ms. Crew's reported on the relationship they had with employers, noting from July 2007 to June of 2008 they helped 265 employers find workers. She stated they provided applicant screening, hiring events, competitive wage reports, and helped develop job descriptions.

Ms. Crew's talked briefly about the shared work program, which allowed employees to work four days a week and still be able to collect a partial unemployment check. She stated the benefit being, the employer would not lose their skilled workforce during times they are unable to afford to pay an employee five days worth of wages.

Ms. Crew's reported they wanted to start focusing on youth, noting kids today do not get many opportunities because of the different laws that had been enacted. They planned on kicking off a program in the spring called 'Just Hire One' and were trying to encourage employers to get involved.

Mayor Ketchum reported he had a chance to tour WorkSource with Representative Brian Baird a couple of weeks ago, adding he was very impressed with the system and the rapport they had with Centralia Community College.

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

- a. Minutes of the regular meeting of September 8, 2008;

September 22, 2008

- b. Claim Vouchers No. 91084-91210 in the amount of \$215,513.08 dated September 1, 2008;
- c. Appointment of DJ Hartman to a 3-year term on the Historic Preservation Commission with term expiring December 31, 2011; and
- d. Appointment of Robert L. Schroeter to the 2-year revolving position on the Chehalis-Centralia Airport Board with term expiring December 31, 2009

Councilor Taylor seconded the motion.

Councilor Fuller requested that the minutes of September 8, 2008, be corrected to reflect that he voted present regarding authorizing the Mayor to execute the grant agreement between the city, FAA, and Lewis County for the balance of the 2008 grant reimbursement funding for the Chehalis-Centralia Airport in the amount of \$63,201.

The motion, as amended, carried unanimously.

#### 5. Staff Reports.

a. **Parks and Recreation Master Plan Project Update.** Bob Nacht reported they were currently working on a revised comprehensive parks and recreation master plan, noting it was running a parallel path to the Chehalis Renaissance Plan. Mr. Nacht noted the council authorized the administration to contract with Beckwith and Associates to review and propose revisions to the city's plan. He stated through the surveys and brainstorming sessions for the Renaissance plan, they garnered a lot of information regarding the parks and recreation programs.

Mr. Nacht reported the plan would be starting down the path of a focus group, surveys, and a number of open-houses. He stated Mr. Beckwith would also be meeting with people and businesses that provide services rather than use existing services, to talk about things that were already in the community. Mr. Nacht stated on October 16 they would invite organizations, groups, and users of the facilities to participate in a brainstorming session at Chehalis Middle School. The focus of discussion would be the parks and recreation programs the city currently had, other opportunities, and what the public would like to see. Mr. Nacht stated an open-house was tentatively scheduled for November 6 to identify what came out of the brainstorming session and surveys.

Mr. Nacht reported last spring a survey was distributed to the Chehalis School District, which essentially focused on the Chehalis Middle School students. He indicated the language was designed to target that age group; noting most of those students had used, or were familiar with the parks and recreation system. Mr. Nacht reported the survey could be revised to be sent out to different age groups or levels, if the council so desired. He noted a survey had been posted on-line, which was designed for older students and local citizens.

Councilor Harris indicated he would like to hear from the high school students to find out what they think, noting they were the ones they were trying to keep in the community. Mr. Nacht stated they could try to identify a survey to target that age group; however those students were invited to participate in the on-line citizen survey. Mr. Nacht indicated if there was enough interest or direction by the council in doing a high school survey, they could certainly get that accomplished. Mayor Ketchum stated he agreed with Councilor Harris and was also interested in getting information from the high school students. Councilor Pope believed it was not a high school student's priority to fill out a form, and felt it would be inappropriate of the city to make them fill it out. Mr. Nacht added that was one of the reasons Mr. Beckwith identified the different age group. Councilor Harris figured since they were having trouble keeping their interest, they needed to get their interest. Mayor Ketchum noted the high school students had been an issue since they started the surveys for the Renaissance plan.

b. **Briefing on "Water Wise" Report.** Dave Vasiluskas reported the Water Wise Program targeted Chehalis 5<sup>th</sup> grader students, providing them information on how to conserve water and energy for future years. Mr. Vasiluskas stated he received a lot of positive feedback from teachers, who felt it was a good program and requested it be brought back every year.

September 22, 2008

Councilor Dawes noted they received a lot of nice comments from the staff and students, which were included in the booklet. He added it was never too early to learn about conservation and hoped that someday people could start receiving rebates for using water efficient toilets and appliances. He suggested the city look at teaming up with Lewis County PUD on some sort of rebate program sometime in the future.

6. **Council Reports.**

a. **Report on Lewis County Historical Museum.** Councilor Dawes reported the Lewis County Historical Museum would be holding a fundraising auction in November. He also reported the Museum would be redoing the bid for their paving project because of issues with landscape work they want done with the project.

b. **Flood Authority Update.** Councilor Taylor deferred his report on the flood authority meeting to City Manager MacReynold since he was unable to attend. City Manager MacReynold reported the meeting was primarily an informational meeting to receive an update on what the consultants had done to date. He noted they were recommending the formation of some additional committees, and working with staff to put information together on what the flood authority should be doing in the future. City Manager MacReynold reported he was encouraged by their need to focus the initial efforts on the emergency response system, which he felt was something everyone could do very quickly. Additional discussion included the application of the Quinalt Tribe; however it was not clear whether or not they should be invited into the authority. He indicated they would be asking the Governor's office to meet with both Tribes and to make a recommendation as to how the authority should proceed. City Manager MacReynold stated he brought up the issue the city council raised, which was the authority couldn't continue to leave the door open and let jurisdictions join, noting they should consider a date by which time entities need to make application. He reported there was serious interest in that, and he believed they would be making a decision regarding that matter at the next meeting.

c. **Chehalis Business Association.** Councilor Fuller reported he attended the Chehalis Business Association meeting, noting the topic of discussion was around the Christmas Parade. He indicated the event's planning committee meetings would be held every Thursday night at 6:30 p.m. at the Little Italy restaurant.

d. **Meetings Attended by the Mayor.** Mayor Ketchum reported he, and Councilor Fuller and City Manager MacReynold attended the Fire District # 6 meeting on September 9<sup>th</sup>. He noted they had a good discussion and City Manager MacReynold suggested the two fire chiefs get together to come up with a footprint about where they wanted to go. He added they still had to give a lot of credit to Fire Captain Rob Gebhart for changing the mentality of the fireside. City Manager MacReynold reported the chiefs were asked to lay out some steps they could actively take operationally, to begin to move in a positive direction, and seriously start considering consolidation. He believed they would get an update from the chiefs at their next meeting.

Councilor Dawes stated he would like to receive an update on the annexation. Mayor Ketchum noted that was what they discussed at their last meeting, adding they gave instruction to receive some clear direction from the chiefs. Councilor Fuller indicated when he brought that issue up at the meeting, one of the commissioners stated they were relatively new in the process; however Councilor Fuller let him know it had been going on for fifteen years.

Councilor Dawes also indicated he would like to receive an update on the utility rate study, adding the information was very important as they plan the 2009 budget.

Other meetings attended by Mayor Ketchum included:

- September 11 – Sister City Committee meeting
- September 15 – Centralia-Chehalis Transportation Cooperative meeting
- September 17 – Senate House Transportation Joint Committee meeting

September 22, 2008

Mayor Ketchum reported he also met with Senator Swecker, who wanted to talk about issues they were having with the bid process with regard to transportation projects. He indicated they were trying to get more interested/viable contractors to bid on projects, because bids were being thrown out over high costs. Mayor Ketchum indicated Senator Swecker wasn't very happy about the city's final outcome on the Chamber Way Project and how costs were continuing to be driven up.

Mayor Ketchum closed the regular meeting and opened the work session at 6:48 p.m.

7. **2008 Budget Amendments and Capital Projects Funding Options.** City Manager MacReynold stated for a long time the city struggled about what to do with its facilities. He noted the council gave clear direction to move in a positive active way. He reported, with reference to city hall, they believed they could draw down reserves and still keep the city at a safe level; however they unfortunately did not have good information for the council to make an important capital decision at the end of 2007, which was how to fund the remodel project at a cost of about \$1.3 to \$1.4 million.

City Manager MacReynold reported an amendment to the city's budget was needed, noting the agenda report laid out some options for the council to consider. He stated Jim Nelson of Martin Nelson & Company was also present to walk the council through one of the options, which involved general obligation bonds. City Manager MacReynold indicated Mr. Nelson had done some pre-work on what the city's bonding capacity was. He added if the administration knew what they know now, they would have recommended to the council to look at general obligation bonds for the city hall remodel project.

Councilor Dawes felt it was important for the citizens to know that by purchasing the building and remodeling it, the city was still ahead. He believed the money spent was still far less than what it would have been had the city had gone out and purchased something new. Councilor Dawes stated the building was still a significant benefit and they didn't soak the money into a hole with nothing to show for it. City Manager MacReynold noted it was also important to recognize what had been accomplished in less than a year, which included: the demolition of the two old buildings; the building of an incredible new library; and the remodel of the new city hall. From his perspective, the council was a can-do group that wanted to see things done and be able to show value for what they were doing. City Manager MacReynold felt they made a good business decision, adding it was just unfortunate the information they received at the time was inaccurate.

Mr. Nelson walked the council through the various types of financing, and what the internal revenue rules were. He stated bonds were considered a debt financing method similar to a loan, the only difference being you sold pieces of the bonds in denominations that were financed, typically, up to 30 years or less.

The various types of bond financing included:

- General Obligation Bonds – secured by tax revenues
- Revenue Bonds – secured by the net operating revenues of the utility system
- Local Improvement District Bonds – secured by the assessment income from the taxpayers in the improvement district that are receiving the benefit
- Refunding Bonds – refinancing outstanding bonds for interest cost savings, as a result of lower interest rates
- Short-term Notes – secured by future anticipated revenues, or pledge to do long-term financing

Mr. Nelson also reviewed the practices of the state investment pool and talked briefly about Washington cities underlying bond ratings and population. He noted it was an ideal time to go to the rating agencies, since they were currently under a lot pressure. Mr. Nelson indicated a bond rating would lower the city's interest cost, and the best time to rate would be just prior to a bond sale.

Mr. Nelson talked briefly about a reimbursement resolution, which would provide flexibility in the future to issue debt and pay back the city's general fund for the use of cash. He noted the Internal Revenue Service rules required that the resolution be adopted prior to the expenditure date, or within 60 days after money had been paid.



September 22, 2008

Mr. Nelson briefed the council on the historic interest rate market for general obligation bonds, noting it was always better to plan ahead to have some flexibility, rather than get forced into a market with higher interest rates.

City Manager MacReynold asked how long the process would take if council were interested in doing a councilmanic bond. Mr. Nelson indicated typically it could range from eight to twelve weeks, depending on meeting schedules. He noted the bond rating process would add an additional week or two to the process.

The council continued discussion on the impact and the city's capacity to bond. City Manager MacReynold stated, based on the information provided, he believed the additional sales tax revenue received by the city would make the payments on a \$1.5 million councilmanic bond. He added all the details would need to be worked out before they could go through the process. Councilor Taylor believed they should look three to four years out as to what they need for facilities and other capital expenditures. City Manager MacReynold felt the option the administration was recommending, which was to resolve the issue as soon as possible, was an optimistic conservative approach. He believed the city could afford to pay off \$1.5 million; however given a timeframe in which they could analyze the situation, they may have a capacity to borrow more.

Councilor Harris believed the steady increase in sales tax revenue was enough to take care of the payment without putting a burden on anyone. He noted they needed to keep in mind how the new streamlined sales tax could affect their revenue. Councilor Dawes noted while they had a steady increase in sales tax revenue, they also had to keep in mind what it costs to run the city. Councilor Harris stated Councilor Dawes was exactly right.

Eva Lindgren stated she expected to see some pretty significant inflation, and felt if they could lock into a relatively low interest now, the city could benefit from that in the future. She did note however; if the city decided to issue bonds for the remodel of city hall, the bonds would be taxable because the city did not have a reimbursement resolution adopted prior to the debt.

Councilor Taylor asked if the recommendation would have any effect on 2009 utility rates, or water and wastewater projects. City Manager MacReynold stated it would not.

City Manager MacReynold reported if the council was to give direction on what they would like to see in the future, the administration would work with bond counsel to figure out what the best timing would be for the city. Councilor Dawes noted the emergent situation was the city hall building, and he believed the administration was moving in the right direction to take care of that situation.

Councilor Dawes moved that the council direct the administration to prepare documents and a public hearing concerning the transfer of \$1.45 million from the wastewater and water utility funds to the general fund on October 13, 2008. Additionally, the city manager is directed to prepare a long term funding strategy for capitol projects that include the remodeling of city hall for council consideration no later than April 1, 2009.

Councilor Taylor seconded the motion.

Councilor Fuller asked why it was pressing to do it now, rather than study it. City Manager MacReynold stated they needed to correct the budget issue that was created in 2008. He reported the approach they were taking would make the budget whole and resolve the issue, as well as satisfy the state auditor's office. Councilor Fuller asked why there was so much money in the water and wastewater reserves. City Manager MacReynold believed the money in the two funds was adequate, adding the issue was being studied by Financial Consulting Solutions Group, Inc., and the results of the study would be brought back to the council in October. Councilor Fuller inquired about the interest rate, wanting to know if it would be fixed or variable. Ms. Lindgren reported they would be reimbursing the two funds based on local government investment pool rates, which were variable. Councilor Fuller stated he would like to see the process started before April 1, 2009, and wondered how short of a timeframe the administration could make it. City Manager MacReynold thought they could possibly bring it back to the council the first meeting in January. Councilor Fuller stated he liked that idea. City Manager MacReynold stated they could only do so much; however they would make it happen as quickly as they could because of the importance of getting it done.

September 22, 2008

The motion carried 5 to 1, with Mayor Ketchum voting against the motion. Councilor Pope excused himself from the meeting prior to the call for the question.

Councilor Harris inquired about the money donated by individuals for the library, which was being put into the Community Development Block Grant (CDBG) Fund. He knew CDBG Funds could only be used for specific things and wondered if the library fit the criteria. Ms. Lindgren reported it was her understanding the library project qualified as something that could be paid for out of CDBG funds; however in the upcoming reimbursement resolution, the administration would be requesting the ability to reimburse the city for a portion of the library project cost, so the funds do not get depleted.

There being no further business to come before the council, the meeting adjourned at 7:42 p.m.

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Mayor

Attest:

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City Clerk

October 13, 2008

The Chehalis city council met in regular session on Monday, October 13, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Judi Smith, Public Works Administrative Assistant. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Utility Rate Study.** Tim Grochowski introduced John Ghilarducci from Financial Consulting Solutions Group, Inc. to present the findings of the utility rate study, as well as some recommended changes. He reminded council that the document was in draft form, and they would take the council's input and return at a later date to present recommendations for the council's consideration. Mr. Grochowski noted the projections in the draft document were from approximately 30-45 days ago.

Mr. Ghilarducci talked briefly about the background, which included a comprehensive utility rate and capital facilities charges (CFC) study in 2003. He noted the current study aimed to update the previous study by incorporating the new information. Mr. Ghilarducci covered the following information in his presentation:

- Utility basics
- What rates and CFCs do
- A summary of rates and CFCs
- An overview of rate study process
- Revenue requirements - Key Assumptions: annual inflation, labor costs, construction costs, fund earnings, and projected revenue bond issues
- Water, Wastewater, and Stormwater Utility Revenue Requirements – Key Assumptions: customer base, operating fund minimum balance, planned equipment/vehicle purchases, provision for system replacement funding, and minimum capital fund balance
- Water, Wastewater and Stormwater capital improvement plan and funding summary, revenue requirements, and fund balances
- Comparison of rates and CFCs with other jurisdictions
- CFC analyses
- Methodology used for the city's existing CFC's
- Water, wastewater, and stormwater CFC calculation
- Next steps

Councilor Dawes stated he would like to have a concrete figure of what the city's reserves were. He was under the impression that the numbers used in the last study generated the amount of money that gave the council the appearance that they might be collecting a little more than they needed. Councilor Dawes stated he had concerns with them now coming back and proposing more increases. City Manager MacReynold stated the 2008 numbers used in the study were the actual numbers they were projecting and anything after 2008 was a projection based on FCS Groups assumptions. Mr. Ghilarducci stated that was correct, as far as he knew. He added they worked hard with Eva Lindgren to get those numbers nailed down.

Councilor Dawes felt they needed to look at prioritizing what needed to be done down the road, because it was obvious they couldn't do it all, and at some point they had to say enough was enough.

Councilor Harris noted everything had a life expectancy and enough would never be enough, in the sense that they would always have perpetual care issues. Councilor Dawes stated he understood that, but felt there were other things they could look at.

Mayor Ketchum closed the work session at 6:02 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:07 p.m.

October 13, 2008

2. **Centralia College Disability Awareness Day**. Penny Hinojosa and Barb Oswald, from Centralia Community College, came before the council to invite them to attend Centralia College Disability Awareness Day on Wednesday, October 29, from 11:00 -2:00 p.m.

3. **Lease of Hamilton Meadows Property**. Joyce Osborn (228 LaBree Rd, Chehalis) came before the council requesting to lease a portion of the Hamilton Meadows property. Mayor Ketchum suggested Ms. Osborn contact City Manager MacReynold to set up a meeting to discuss the issue.

4. **Swearing-in of Firefighter**. Fire Chief Kelvin Johnson swore-in recently hired firefighter Jamison Smith.

5. **Introduction of Comprehensive Planner**. Bob Nacht introduced Dorian Waller, the city's new comprehensive planner.

6. **Adult Literacy Week**. Mayor Ketchum presented Executive Director Keith Blackwell with a proclamation declaring October 19-26, as Adult Literacy Week in the city of Chehalis.

7. **Chehalis Community Spirit Award**. Events Committee Chair David Hartz, from the Chehalis Business Association, awarded the Chehalis Community Spirit Award to United Way of Lewis County. Executive Director Debbie Campbell was present to receive the award. A proclamation was read by Mayor Ketchum, who also presented Ms. Campbell with a key to the city.

8. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of September 22, 2008;
- b. Claim Vouchers No. 91211-91376 in the amount of \$922,405.88 dated September 15, 2008; Payroll Vouchers No. 31535-31667 and No 88-155 in the amount of \$768,696.97 dated September 30, 2008; and
- c. Set date and time of October 27, 2008 at 6:05 p.m. for a public hearing on emergency amendments to the city's development regulations regarding flood hazard zone.

Councilor Dawes noted they had received a corrected copy of the minutes from the regular meeting of September 22, that noted Councilor Fuller had voted 'present' on item no. 7 during the meeting of September 8, 2008.

The motion was seconded by Councilor Taylor and carried unanimously.

9. **Public Hearing – 2008 Mid-Year Budget Amendment**. Eva Lindgren walked the council through the proposed mid-year budget amendments and transfers, noting the 2007 flood disaster resulted in a number of unbudgeted expenditures in 2008. Ms. Lindgren felt there had been instances in the past where the council conceptually approved projects, but there was never any formal budgeting done to reflect those expenditures. She reported after looking at the individual department budgets, they were now ready to propose the necessary increases and reductions as needed. Ms. Lindgren stated her intent was to be pro-active in budget amendments in the future by implementing an encumbrance policy, which meant commitments would not be made until there was verification that the funds were actually budgeted. The key highlights of the 2008 mid-year budget included:

- General Fund – Proposed to change the beginning fund balance from \$1.7 million down to \$86,000. The general fund's appropriations would increase by \$3,747,477: \$3,612,477 in budgeted expenditures and \$135,000 in budgeted transfers out to the Garbage fund to bring that fund balance up. The funding would come from a combination of sources: \$1,450,000 interfund loan transfer from the water and wastewater funds; \$3,761,714 in intergovernmental revenues; and \$900 in fees. It was expected the city would expend \$2,654,742 on the grant-funded Chamber Way Project in 2008; and \$348,817 on expenditures for flood repairs to National Avenue and Airport Road, which was fully funded by the federal government. The

October 13, 2008

remaining flood costs funded by FEMA would total \$361,727 with 87.5 percent being covered by grant funds, and the remaining being picked up by the city out of fund balance.

- Tourism Fund – Proposed to increase fund by \$26,500 to fund one-half of the WiFi project. The other half was proposed to come out of CDBG Funds.
- Community Development Block Grant Fund – Proposed to increase estimated beginning fund balance from \$174,873 to \$648,000. Appropriations would increase by \$794,300: Council committed to provide \$100,000 for ADA accessibility to the new library construction; and prior to 2008, the city committed to fund the landscaping for the new library. The amendment would provide a \$610,000 appropriation for landscaping.
- Housing and Urban Development (HUD) Fund – Proposed to increase beginning fund balance from \$216,655 to \$402,000.
- Public Facilities Reserve Fund – Proposed to decrease estimated beginning fund balance from \$0 to (\$245,000). The appropriations would increase by \$117,835 for the approved purchase of the mobile building for Community Development, which would partially offset the annual building fee rental appropriation. The negative fund balance and increase in appropriation would be funded by a transfer from the Automotive/Equipment Reserve Fund.
- Automotive/Equipment Reserve Fund - Proposed to increase beginning fund balance from \$244,559 to \$524,000. The appropriation would increase by \$381,598: \$33,010 in budgeted expenditures and \$348,588 in transfers out to the Public Facilities Reserve Fund; and the \$30,000 grant funded purchase of a license plate reader, which was recently awarded to the police department.
- Garbage Fund – Proposed to reduce the beginning fund balance from \$30,129 to (\$94,000). The negative fund balance and increase in appropriations would be funded by a transfer from the General fund in the amount of \$135,000. In order to cover the costs of having a negative fund balance for the entire year, an appropriation of \$3,500 would cover interfund interest.
- Wastewater Fund – Proposed to reduce beginning fund balance from \$12,062,083 to \$3,431,000. The appropriations would increase by \$874,285: \$274,285 in budgeted expenditures and \$600,000 in transfers to the General Fund as temporary funding until a more permanent funding solution could be found for the acquisition and remodel of City Hall. It was estimated the remaining flood costs funded by FEMA would total \$257,385 and 87.5 percent of the costs would be covered by grant funds. The remaining balance would come out of fund balance.
- Water Fund – Proposed to reduce the beginning fund balance from \$5,308,227 to \$3,222,000. The appropriations would increase by \$959,662: \$109,662 in budgeted expenditures; and \$850,000 in transfers to the General Fund as a temporary funding until a more permanent funding solution could be found for the acquisition and remodel of City Hall.
- Storm and Surface Water Fund – Proposed to increase the beginning fund balance by \$9,900 to pay its portion of the utility rate study.
- Firemen's Pension Fund – Proposed to increase the beginning fund balance from \$0 to \$494,000.
- City Agency Fund - This new fund would be used to account for cash and investments not owned by the city. The appropriation would increase from \$0 to \$285,000.

Councilor Taylor stated he supported the library project; however he didn't remember having an open checkbook for the landscaping project. City Manager MacReynold reported they initially projected the project to be about \$250,000. He noted based on the architectural drawing presented by Kent Dickson of Macleod Reckord, they

October 13, 2008

made a projection that the project would run closer to \$500,000. City Manager MacReynold indicated there were some concerns about the expense, and over the course of time the project increased to over \$900,000. At that point, the city discontinued its relationship with Macleod Reckord and went back to the more original concept costing about \$667,000. City Manager MacReynold pointed out the real driver of that cost was the retaining wall in the back, and the sidewalks around the new library. He reminded the council the city received a commitment from the Smith family for an additional \$200,000; and \$100,000 from the Industrial Commission, making the city's portion between \$300,000 and \$400,000.

Mayor Ketchum closed the regular meeting at 6:43 p.m. and opened the public hearing on the 2008 mid-year budget amendment. City Attorney Hillier recommended Mayor Ketchum not close the public hearing, but to continue it until the next council meeting. There being no public comments, Mayor Ketchum announced he would continue the public hearing until the next city council meeting on October 27, 2008. Mayor Ketchum reopened the regular meeting at 6:43 p.m.

#### 10. Staff Reports.

a. **August Finance and Quarterly Sales Tax Reports.** City Manager MacReynold recognized Ms. Lindgren for her efforts in trying to stabilize our real financial situation, giving them real numbers to create systems that provide regular on-going information.

Ms. Lindgren reported on the August financial report, noting she had the supporting documentation if the council had any specific questions, or if there were any line items the council would like her to address. Councilor Dawes noted they still had one more hit of general property taxes to come in, and believed the situation may not be as severe as they thought it might be. He wondered why the natural gas tax was up and asked if there was any chance that the litigation issue with WestFam Foods might have been settled. City Attorney Hillier felt that information would have been reported and didn't believe it was a part of the figures being presented. Councilor Dawes stated it would be good to know why the natural gas tax revenue had increased so dramatically. Ms. Lindgren stated she concurred with Councilor Dawes on the general property tax issue, adding their predictability was very challenging.

Ms. Lindgren reported on the sales and use tax revenue, noting it was the first payment received that reflected the destination based sales tax. She indicated there was a minor decrease; however it was still too early to make any predictions or projections. Councilor Harris noted if they looked at the prior three previous years in August and September, there was a drop during the same time period as well.

b. **Update on Upcoming Budget Work Sessions.** City Manager MacReynold reported the proposed budget work sessions for the full council were scheduled for November 12, 17, and 19, at 5:00 p.m. at city hall.

c. **Briefing on the Vernetta Smith Timberland Regional Library Grand Opening.** Community Librarian Corine Aiken reported on the events to take place during the grand opening of the new library on Saturday, October 18. She noted they were just waiting for a temporary occupancy permit so they could start moving the rest of the books over to the new library. Ms. Aiken stated the activities would start at 12:45 p.m.

d. **Washington Coast Sustainable Salmon Partnership.** City Manager MacReynold noted the council should have received a copy of the correspondence pertaining to the Washington Coast Sustainable Salmon Partnership. He reported he had communicated with Nancy Allison about their request; however in talking with the council prior to the meeting, he felt Councilor Harris could provide a better alternative than what Ms. Allison was requesting.

Councilor Harris reported he would take the information to the next Chehalis River Basin Partnership meeting and solicit their direction. Councilor Dawes stated he believed the basin partnership was already dealing with the very same issue, adding it was a little concerning to him because it seemed to be just another layer. Councilor Harris noted if the group was working in association with the basin partnership that would be fine, but agreed they didn't need a second layer.

October 13, 2008

11. **Council Reports.**

a. **Meetings Attended by the Mayor.** Mayor Ketchum reported on the various meetings and events he attended, which included:

- The Corp of Engineer flood plan meeting at the Veterans Memorial Museum
- The 'Book Brigade' with Chehalis 3<sup>rd</sup> graders - from the old library to the new library
- A tour of the Liberty Plaza construction site
- The I-5 Mellen Street to Blakeslee Junction project meeting at the Centralia Middle School
- The annual Crop Walk
- The Centralia Cancer Center ground breaking ceremony
- A tour of the inside of the new library
- Lunch with the Seirei Christopher program from Japan
- The Opus meeting at Centralia College Corbet Theatre
- The Chehalis Business Association events committee meeting to talk about Christmas events
- Two ribbon cutting ceremonies: one at the Aeropostale Outlet in Centralia; and one at Head Games in Chehalis
- The 'Pumpkin' event and 'Train Show' at the SW Washington Fairgrounds, put on by the Chehalis-Centralia Railroad Association and Lewis County Historical Museum

12. **Resolution No. 12-2008, First Reading – LC Solid Waste Management Comprehensive Plan.** Lewis County Recycling Coordinators Melaine Case and Nichole Korpi came before the council to brief them on the 2008 Solid Waste & Hazardous Waste Management Plan. Ms. Case reported the council received a draft copy of the plan back in April of 2008. She indicated in 2006, the county renewed all of its interlocal agreements with the various cities, which gave them permission to do the planning, and provide all of the solid waste programs for the county.

Ms. Case reported she and staff worked with the Lewis County Solid Waste Advisory Committee to finalize the draft document, which had been reviewed by the various agencies. Ms. Case gave a brief overview of the highlights of the 2008 plan which included the following:

- Current statistics
- New commingled curbside recycling program, including glass collection at the transfer station
- Need and feasibility of a third transfer station
- Implementation of the plan

Ms. Case also reviewed the county programs, which included:

- Chipping and yard waste collection events
- The re-design of the recycling area, to include yard waste and plastics
- The 'Operation Detox' Program
- Tire and appliance recycling events
- ReUse Fair
- Master Recycler Composter Program - Christmas trees

City Manager MacReynold noted it seemed procedurally backwards to have the council adopt the plan prior to the Lewis County Commissioners. City Attorney Hillier indicated the council could pass a motion to adopt the plan in concept, and execute the resolution upon final approval by the county. Ms. Case reported the county was asking the council to adopt the plan as a 'draft,' adding the commissioners would be approving it as a draft plan as well on October 20. She noted the plan still had to go before the Department of Ecology for a 120-day review. Ms. Case reported the Lewis County Solid Waste Advisory Committee adopted a resolution last week to approve the current 'draft' plan. City Attorney stated the city would most likely insert the word 'draft' into the resolution.

Councilor Harris moved to adopt Resolution No. 11-2008, as a 'draft' plan, on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

October 13, 2008

13. **Resolution No. 9-2008, First Reading – Authorizing Acquisition of Avigation Easements.** Airport Manager Allyn Roe reported as part of the joint operation agreement between Lewis County and the city, the airport board needed authorization from both entities to purchase any property. He noted the proposed easements would protect the airspace north of the airport on the approach zone from trees or other obstruction penetrating into the airspace. Mr. Roe indicated they were negotiating with property owners for the purchase of an airspace easement only.

Councilor Dawes moved that the council adopt Resolution No. 9-2008 on first and final reading.

Councilor Harris seconded the motion.

Councilor Pope noted the city experienced some problems previously with property owners when trying to acquire other airspace, and wondered if that situation had been resolved. Mr. Roe stated they were still dealing with that particular situation; however they had very open communication with the property owners of the current easement, and did not anticipate any issues with them.

The motion carried unanimously.

14. **Resolution No. 10-2008, First Reading – Reimbursement Resolution.** City Manager MacReynold reported a reimbursement resolution was something the city should do on every capital project in order to keep the city's options open.

Ms. Lindgren indicated the resolution would not commit the city to issuing debt, but would ensure that should debt be issued for a project, it could be done as inexpensively as possible since non-taxable debt by nature would result in lower interest costs than taxable debt. She stated because the city did not adopt a reimbursement resolution on the city hall purchase and renovation project, she anticipated they would be paying higher interest rates on that debt.

Ms. Lindgren requested support for the resolution, which would allow the city to issue non-taxable bonds for the library landscaping project.

Councilor Taylor moved to adopt Resolution No. 10-2008 on first and final reading.

Councilor Lund seconded the motion.

Councilor Dawes stated he was under the impression that there was currently no plan to issue any debt, and wanted to be sure the resolution would not give authorization to issue debt without coming back to the council first. Ms. Lindgren indicated it would not give any other authorization, noting the ordinance would only lay the groundwork for the city to issue debt publicly, or through the state. She noted issuing debt would require an entirely different procedure.

City Manager MacReynold stated administratively the city could not issue debt without going through a public process, which would involve public hearings and a bond underwriter.

The motion carried unanimously.

15. **Resolution No. 12-2008, First Reading – Amending the 2008-2013 Six-Year Transportation Improvement Plan (STIP).** Tim Grochowski reported he was contacted by the Washington State Department of Transportation, notifying him that in order to spend any of the federal money allocated from the SAFETEA-LU funds for the Chamber Way Project in 2008, and because the dates for that project changed, the city needed to amend its 2008-2013 STIP.

Councilor Harris moved to adopt Resolution No. 12-2008 on first and final reading.



October 13, 2008

The motion was seconded by Councilor Lund and carried unanimously.

16. **Ordinance No. 835-B, First Reading – Mid-Year Budget Amendment.** City Manager MacReynold noted, as described earlier, the administration was requesting the council approve the mid-year budget amendment and transfers.

Councilor Dawes moved to pass Ordinance No. 835-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

17. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 7:42 p.m. after a short break beginning at 7:34 pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of land, and RCW 42.30.140(4)(a) – collective bargaining, for approximately 15 minutes and there would no decision following conclusion of the executive session.

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Mayor

Attest:

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City Clerk

October 27, 2008

The Chehalis city council met in regular session on Monday, October 27, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:20 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; and Joanne Schwartz, Economic Development Director.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate for approximately 30 minutes and there would no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a twelve-minute recess at 5:52 p.m. and reopen the regular meeting at 6:04 p.m. Additional staff included: Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; and Judi Smith, Public Works Administrative Assistant. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITL.

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

- a. Minutes of the regular meeting of October 13, 2008;
  - b. Claim Vouchers No. 91377-91518 in the amount of \$577,584.02 dated October 6, 2008;
  - c. Re-appointment of Sue Bellevue to Sister City Committee for four-year term expiring December 31, 2012;
- and
- d. Appointments of Susan Gonzales and Etsuko Holmes to Sister City Committee for four-year terms expiring December 31, 2012.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Continue Public Hearing on 2008 Mid-Year Budget Amendment.** City Manager MacReynold reported there was one change made to the budget amendment in the water fund, which was to include funding for the 18<sup>th</sup> and Market Pump Station Project for approximately \$575,000. He noted the appropriations in the water fund were increased to approximately \$1.4 million.

Mayor Ketchum closed the regular meeting at 6:06 p.m. and reopened the public hearing on the 2008 mid-year budget amendment. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:07 p.m.

4. **Public Hearing on Emergency Amendments to the City's Development Regulations Regarding Flood Hazard Zone.** Bob Nacht reported, as a result of a recent audit, the city was being required to update its floodplain regulations to insure full compliance with the National Flood Insurance Program (NFIP). He indicated any changes the city might propose as a result of the public hearing would need to be taken back to NFIP, FEMA, and the Department of Ecology for review.

Mr. Nacht recommended that unless there was a legitimate reason to change anything, the council should consider the language proposed in the agenda report. He noted the term 'emergency' could only be used in regards to affecting a change to the city's development regulations mid-year, or not within the city's normal annual review process. Mr. Nacht stated the 'emergency' identified in this case was the city's potential removal from the NFIP.

Mr. Nacht briefly reviewed the language changes, and the proposed ordinance. He noted three of the proposed changes related to definition, and the more significant issue had to do with crawl space construction.

October 27, 2008

Mayor Ketchum closed the regular meeting at 6:11 p.m. and opened the public hearing on the emergency amendments to the city's development regulations regarding flood hazard zone. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:11 p.m.

5. **Update on Chamber Way Project.** Tim Osborne, of Gray and Osborne, reported he toured the project site earlier in the day and the construction appeared to be going very well. He stated they had been in discussions with the contractor and city on a regular basis. Mr. Osborne introduced Construction Manager Tamara Nack, to discuss in more detail the progress of the project. Ms. Nack indicated she was very happy with the city's contractor, Rognlin's Inc., adding they were doing a really good job on the construction and workmanship. She noted they teamed well with the city, and the city's staff had been very responsive to inquiries made by the contractor.

Ms. Nack noted the major items finished on the project to date included:

- Site filling and paving of the north and southbound ramps
- Curbs and gutters on the Westside of I-5
- Storm drain pond
- Paving on State Street and Chamber Way - to take place on Tuesday, October 28

Ms. Nack reported the contractor had currently earned approximately 48 percent of the contract amount. She reviewed the projected schedule, noting the project had started in mid-August. Ms. Nack stated the project would close down during the holiday season from November through January, and during the suspension the contractor would be procuring the traffic signal equipment. She projected the project would be complete by the end of June 2009.

Mayor Ketchum asked if the contractor would be doing any new striping. Ms. Nack indicated the striping was not scheduled to be done until the paving was complete, but they would certainly take a look at it. Mr. Osborne stated they would provide the contractor with instruction to put down temporary striping to last until they come back in January.

Councilor Harris noted he had received a number of inquiries regarding the drainage ponds and asked if there would be water sitting in them year-round. Ms. Nack noted the ponds were actually settling basins, which were designed to hold water. She indicated it had to do with water quality, in which water would flow in, settle out into the next pond, and flow out again. Councilor Dawes stated it was becoming more common to see settling ponds near any kind of building or road projects. Mr. Osborne stated that was correct, noting the new ponds were requiring dual cells to allow for settling.

6. **Citizen Business.** Joyce Osborne (228 LaBree Rd) stated she wanted the council to know there had been a lot of controversy since September between the city and herself and husband, with regard to purchasing the "Hamilton Meadow's" property. She noted they had to get representation to understand where their rights were, and had been advised not to sign anything without first talking to them. Ms. Osborne stated her attorney also advised them that they were already contractual and they were under no obligation to sign any more papers.

Mayor Ketchum stated the council was out of the loop because the matter was being handled by City Manager MacReynold and Realtor Greg Lund. City Manager MacReynold reported the council gave policy direction with regard to the sale of the property, noting there was a legal process the city needed to go through in order to comply with the law. He stated, unfortunately, Ms. Osborne was not happy with what the city was requiring of her, and the transaction was not moving as fast as she would like. City Manager MacReynold stated the city had to insure they were doing the right thing by complying with the law.

Ms. Osborne stated she knew the council was out of the loop, and hoped they would come up to snuff and figure out what was going on, and help out with the situation.

October 27, 2008

7. **Council Reports.**

a. **Transportation Report.** Councilor Taylor reported the Centralia-Chehalis Transportation Cooperative met last week where they received a draft set of guidelines for the STP funding distribution and split, which use to be determined by road miles. He noted the draft rules would be reviewed by city staff. Councilor Taylor stated they reaffirmed some decisions that were made a while ago regarding the city borrowing a little extra from the STP funding to complete some projects. He indicated they would stand by those decisions, and Chehalis and Centralia would get their money prior to the new by-laws going into effect. Mayor Ketchum stated it was his understanding that the county wanted to take part of the money due Chehalis and Centralia out of the 55-45 split, to use on their urban grown area projects.

City Manager MacReynold felt there was a difference of opinion between the county staff and the policy makers, adding they were receiving some very mixed information. He reported it was the county staff that had concerns and believed they should be receiving a portion of the money regardless of the decision made by the Transportation Strategy Council. City Manager MacReynold indicated the policy makers continued to be very firm in that they would stand by the decision, and believed those differences had since been resolved.

b. **Flood Authority Update.** Councilor Taylor reported the request for membership in the flood authority by the Quinault Tribe was denied. Mayor Ketchum was hopeful that in December they would decide on a drop dead date to stop adding new members.

c. **Library Grand Opening.** Councilor Harris thanked Mayor Ketchum for serving as Master of Ceremonies at the grand opening of the new Vernetta Smith Chehalis Timberland Library, noting he did a great job.

d. **Chehalis Basin Partnership Meeting.** Councilor Harris reported he and other city representatives attended the partnership meeting on Friday, October 24, where Patrick Wiltzius made an extensive presentation on the city's poplar tree plantation. He noted at some point and time he would like Mr. Wiltzius to give the same presentation to the city council.

e. **Parks and Recreation Master Plan Project.** Councilor Harris reported he and the Mayor attended the parks open-space workshop at the Chehalis Middle School on October 16.

f. **Meetings Attended by the Mayor.** Mayor Ketchum reported on the various meetings and events he attended, which included:

- October 14 – Human Response Network 40<sup>th</sup> Year of Service event; and Fire District #6 meeting
- October 15 - City of Camas - sister city visit
- October 16 – Parks open-space workshop
- October 17 – Chehalis Economic Development Steering Committee meeting to discuss the downtown design
- October 18 – Grand opening of the new library
- October 20 – Centralia-Chehalis Transportation Cooperative meeting in Centralia
- October 23 – Adult Literacy event at Centralia Community College
- October 24 – Breakfast of Champions event at Thorbecke's Fitlife Center

8. **Ordinance No. 835-B, Second Reading – Mid-Year Budget Amendment.** Councilor Dawes moved to pass Ordinance No. 835-B, as amended, on second and final reading.

The motion was seconded by Councilor Pope and carried 6 to 1. Councilor Fuller voted against the motion, noting he had questions, but never received answers to them.

October 27, 2008

9. **Facade Improvement Program.** Joanne Schwartz reported Councilor Fuller had brought to their attention that there was no provision in the guidelines of the Façade Improvement Program for follow-up. She noted the guidelines were reviewed several times by several people; however it escaped them all. Ms. Schwartz proposed to add language to the guidelines to give opportunity for oversight as part of the program.

Councilor Fuller noted under the general conditions and agreement form, it specified 'the applicant agrees to maintain the property and improvements.' He wondered if that statement could be construed as applying to the prior recipients of the funds. City Attorney Hillier noted it could, and he and Ms. Schwartz had a long discussion about that language; however Ms. Schwartz wanted to have something a little more specific, so they proposed to add the additional language. Councilor Fuller stated at the time he brought it up, his thinking was more along the lines of what they could do to the awnings on an annual basis, as opposed to something general. City Attorney Hillier noted the intention of the guidelines and the funding was not only to give them an enhancement and create a pride of ownership, but also to have something stating they would maintain it.

Councilor Fuller asked if it would be enforceable and if so, who would enforce it. City Attorney Hillier noted it was enforceable, and would be a policy decision to be made by the council.

City Manager MacReynold hoped it would never go that far, and that staff would communicate with the recipients when they recognize something was not being cared for. He also believed they needed to have a sound process involving code enforcement, to ensure it was a long-term, good use of the public's money.

Councilor Dawes noted, unless it was specifically spelled out as someone's duties he didn't believe it would get done. He stated if they were going to use tax payer dollars for the program, for a period of time it should be kept in good shape and if not, a prorated amount should be paid back to the city.

City Attorney Hillier noted the program had been very successful and believed the one's who may not tow the line would be so miniscule compared to the ones that would take pride in their ownership and maintain them. He noted the language in the agreement would deal with it in the event it became an issue.

Ms. Schwartz reported there was one building in particular that was currently failing, and she intended to call the owner that week to have a discussion with him. She stated her intention would be to discuss what could be done, and suggest that he go back to the company or person who did the work.

Councilor Dawes stated he too hoped the pride of ownership would win out, because it would not look favorable upon the city, adding it was a no win situation. City Manager MacReynold felt the real importance was how it impacted the whole downtown area where it applies; adding if you looked at the bigger picture there was a lot of good done with that money.

Councilor Dawes moved that the council approve the following new language to be included in the Façade Improvement Program Participant Guidelines: "Owner covenants and agrees to maintain the improvements paid for with city funds for a period of time consistent with the useful life of said improvements. Maintenance shall be defined as preserving the original improvement in a good and workmanlike manner for its useful life. Failure to do so may result in the owner being required to reimburse the city for the cost of the improvement."

The motion was seconded by Councilor Fuller and carried unanimously.

10. **Lodging Tax Advisory Committee Recommendations.** Ms. Schwartz reported the lodging tax advisory committee met on October 17 to review requests submitted by various community groups for 2009 tourism funds.

Councilor Harris, Committee Chair, thanked the members of the committee, as well as Ms. Schwartz and Caryn Foley for all the background work they did. He reported the applicants put together a substantial amount of information for everyone to look through. Councilor Harris noted the task of the tourism fund was to put 'heads-in-beds.'

October 27, 2008

Councilor Harris reviewed the requests and the recommendations for 2009, which included:

- The Veterans Memorial Museum - requested \$15,000; Committee recommendation \$20,000
- The Chehalis-Centralia Railroad & Museum requested - \$25,000; Committee recommendation \$25,000
- The Lewis County Historical Museum - requested \$15,000; Committee recommendation \$15,000
- ARTrails - requested \$15,000; Committee recommendation \$10,000, plus an additional \$5,000 once they have an actual marketing program laid out for the committee to review
- The Cascade Country Cookoff and Classic Cruiser Car Show - requested \$5,000; Committee recommendation \$10,000 (based on the feedback the committee received from the motels)

Councilor Harris reported the final tally of requested funding was \$75,000, and the committee approved a total request of \$80,000; possibly \$85,000 depending on the additional \$5,000 for ARTrails.

Councilor Pope asked Meretta Berg if their group would be sponsoring another movie in the park event in 2009. She indicated they would.

Councilor Harris moved to approve the recommendations of the lodging tax advisory committee for use of lodging tax funds for 2009 for the following entities: Veterans Memorial Museum - \$20,000; Chehalis-Centralia Railroad & Museum - \$25,000; Lewis County Historical Museum - \$15,000; ARTrails - \$10,000; and the Cascade Country Cookoff & Classic Cruiser

October 27, 2008

Car Show - \$10,000.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Pope excused himself from the meeting at 6:50 p.m.

Councilor Harris reported he received a question about the collection of the four percent lodging tax and wondered what would happen if they reduced the amount to two percent as an incentive. Ms. Schwartz indicated the first two percent was automatic and the second was adopted by the council several years ago. She noted if the council decided to reduce the amount to two percent it would give the county the opportunity of collecting the additional two percent allowed.

Mayor Ketchum inquired about the additional \$5,000 for ARTrails. Councilor Harris indicated the Committee would come back to the council with a proposal at a later date. Ms. Schwartz noted ARTrails was talking about putting on an Art Fair in 2010. She added if they were serious about doing it they would need to start planning and advertising for it in 2009.

Councilor Fuller thanked Ms. Schwartz for providing detailed information on all the organizations that requested funding.

**11. Ordinance No. 836-B, First Reading – Amending the Cities Development Regulations 17.06 Acronyms and Definitions, and Section 17.21 Flood Hazard Zone.** Mr. Nacht reported, in reviewing the documents he noted a couple of spelling errors that needed to be corrected. He requested the council pass the ordinance on first reading, adding a clean copy would be provided to them at the next regular meeting, for second and final reading. He also noted the term 'emergency' only referred to the action that needed to be taken in order to do an amendment to the regulations mid-year.

Councilor Taylor moved that the council pass Ordinance No. 836-B on first reading.

The motion was seconded by Councilor Dawes and carried unanimously.

October 27, 2008

There being no further business to come before the council, the meeting adjourned at 6:55 p.m.

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Mayor

Attest:

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City Clerk

November 10, 2008

The Chehalis city council met in regular session on Monday, November 10, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:59 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; and Kelvin Johnson, Fire Chief.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, and RCW 42.30.110(1)(i) – potential litigation for approximately one hour and there would no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a five-minute recess at 5:57 p.m. and reopen the regular meeting at 6:02 p.m. Additional staff included: Glenn Schaffer, Police Chief; Joanne Schwartz, Economic Development Director; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Paul Walker of KITI.

2. **Employee Service Award.** Mayor Ketchum announced an employee service award would be given to Russ Cox - Engineering Technician III, for 25 years of service.

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

- a. Minutes of the regular meeting of October 27, 2008; and
- b. Claim Vouchers No. 91519-91740 in the amount of \$2,316,937.54 dated October 20, 2008; and Payroll Vouchers No. 31668-31772 in the amount of \$671,472.71 dated October 31, 2008.

The motion was seconded by Councilor Lund and carried unanimously.

#### 4. **Staff Reports.**

a. **Budget Workshops.** City Manager MacReynold reminded the council of the upcoming 2009 budget workshops. He reported the workshop scheduled for November 12 was rescheduled to November 24, at 4:30 p.m., at which time they would review the public works department budget. City Manager MacReynold noted the other two workshops on November 17<sup>th</sup> and 19<sup>th</sup> would start at 5:00 p.m. Mayor Ketchum indicated he would not be in attendance at the workshops scheduled for November 17<sup>th</sup> and 19<sup>th</sup>. Councilor Fuller announced he would not be here for the meeting on the 17<sup>th</sup>, or the 24<sup>th</sup> of November.

b. **City Hall Landscape Project.** City Manager MacReynold reported they were trying to incorporate the same landscape design throughout the city as part of the Renaissance Project. He noted Andy Sennes had been working with the landscape architect hired to do the library project, to see what they could do and still keep costs to a minimum.

Mr. Sennes reported the project would be done by park staff, as resources, time, and dollars allowed. He briefed the council on the various types of plants, shrubs, and trees they would be placing around the facility to blend in with the library landscape. Mr. Sennes indicated the plum trees located in front of city hall would be taken out due to their age, and replaced in time with new trees. He also identified the area where the flag pole would be placed, at the north end of the building.

Mr. Sennes reported there was some interest in bringing the 'old' police department sign back. He noted they would also be working to install better identification on the front of the building as well. Councilor Dawes stated it would be nice to identify the entrance on the north end of the building to include the Municipal Court and Police Department. He added, because of the nostalgic value, he too would like to see the 'old' police sign go back up.



November 10, 2008

Councilor Dawes inquired as to the cost of the project. Mr. Sennes apologized, noting he did not have a cost identified since they were not going to jump on the project immediately. He stated they first had to take care of the irrigation system, to make sure it was in good working shape. Mr. Sennes thought they might address the front entrance first and then start work on the side entrance. Councilor Dawes suggested Mr. Sennes check with the city manager, noting he had given him a potential possibility.

Mr. Sennes reported they would begin moving the roses back up to the Library commons area in January or February, and felt that would be a good time to start addressing the landscape project at city hall.

c. **Set Budget Committee Meeting.** A budget committee meeting was set for Thursday, November 13, at 8:30 a.m.

5. **Council Reports.**

a. **Lewis County Historical Museum.** Councilor Dawes reported he attended an event at the Lewis County Historical Museum on Tuesday, November 4, to help honor some of the long-time volunteers. He reminded the council about the Museum's (Chinese Auction) fundraiser, taking place on Saturday, November 15, at Yardbirds.

b. **Meetings Attended by the Mayor.** Mayor Ketchum reported on the various meetings and event he attended, which included:

- October 29 - Attended a dinner with the Timberland Regional Library Board of Trustees
- November 7 – Attended the Mayor's meeting where they discussed 911 costs, and the re-activated Law & Justice Committee

c. **AWC Regional Meeting.** Councilor Dawes reported he attended the AWC Regional meeting on October 2, in Woodland, Washington. The topics of discussion included: budgets and the shortfalls facing the state; sales tax mitigation; and AWC legislative priorities. Councilor Dawes reported they had about 40 representatives from our area attend the meeting.

6. **Ordinance No. 836-B, Second Reading – Amending the City's Development Regulations 17.06 Acronyms and Definitions, and Section 17.21 Flood Hazard Zone.** Councilor Taylor moved to pass Ordinance No. 836-B, as amended, on second and final reading.

The motion was seconded by Councilor Dawes and carried unanimously.

7. **Resolution No. 14-2008, First Reading – Appoint Agent to Receive Claims for Damages.** City Clerk Judy Schave reported a new statute was enacted requiring local governments to appoint an agent to receive claims for damages made under RCW 4.96. She recommended the council appoint the City Clerk as the city's agent for receipt of claims for damages. Ms. Schave noted the Human Resources/Risk Manager would continue to be the contact person and would process and track all claims against the city.

Councilor Harris moved to adopt Resolution No. 14-2008 on first and final reading.

Councilor Lund seconded the motion.

Mayor Ketchum asked why the protocol was being changed. Ms. Schave explained, historically and in most local governments, the responsibility of receiving claims was through the clerk/treasurer because of the nature of the position.

The motion carried unanimously.

November 10, 2008

8. **Ordinance No. 837-B, First Reading – Revising the Sewer Rates for Lewis County Sewer District #4 and Napavine.** Wastewater Superintendent Patrick Wiltzius reported the ordinance would set the annual sewer rates for both Lewis County Sewer District #4 and the City of Napavine. He stated they had been using the same process for approximately five or six years, and based on that formula/calculation, the 2009 proposed rates would actually be going down about 20 to 23 percent. Mr. Wiltzius indicated last years rates included some flood damage to the treatment plant in 2006, which inflated the budget for 2007. He reported the flows were also lower in 2007, which attributed to the decrease in rates. Mr. Wiltzius reported he reviewed the numbers with the finance manager, who approved the methodology.

Councilor Dawes noted his understanding was the rates were based on the flow of sewer coming in for treatment. Mr. Wiltzius stated it was, adding they monitor the flows for both agencies on a daily basis throughout the year. He indicated they also take into account budget expenditures from the previous year. Councilor Dawes found it odd that their rates were going

down, yet our utility rate study indicated the city needed to raise rates in Chehalis. Mr. Wiltzius noted the fees were only a portion of what Lewis County Sewer District #4 and Napavine would use to set their own rates, adding they also needed to consider their administration and collection costs. He added the two agencies were also paying a portion of the city's debt service for the new treatment plant as well. Councilor Dawes noted that was good information, adding education was the key.

Councilor Fuller asked if the lower costs might trigger the two agencies to reduce their rates. Mr. Wiltzius noted from what he was hearing it would not. City Manager MacReynold stated the decrease did not necessarily mean a reduction in their rates, adding they may have other expenses and projects in the works that would also affect their rates. Councilor Dawes felt most cities were facing the very same problems we were, whether it was paying for a new plant or having to consider building a new plant, adding either way they were going to have to pay.

Councilor Harris moved that the council pass Ordinance No. 837-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:30 p.m.

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Mayor

Attest:

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City Clerk

November 17, 2008

The Chehalis city council met in special session on Monday, November 17, 2008, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 4:49 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund and Chad Taylor. Mayor Ketchum and Councilor Fuller were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Randy Kaut, Deputy Police Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; and Tim Grochowski, Public Works Director. Members of the news media in attendance included Paul Walker of KITI.

1. **Review of the 2009 Recommended Budget.** City Manager MacReynold gave an overview of how the 2009 budget process was approached. He thanked Mayor Pro-tem Dawes and Councilor's Harris and Fuller for meeting with the administration throughout the process.

City Manager MacReynold stated he wished he could be the bearer of good news, but unfortunately that was not the case. He reported the city's revenue and budget situation was bad, and it was very likely the revenue situation would get worse. City Manager MacReynold noted 2009 was a year to get done what was already in the works; to focus on operations; and to wait and see what happens with the economy.

City Manager MacReynold reported the two largest revenue sources in the 2009 general fund were property tax and sales tax, which were both decreasing. He noted the projected overall increase in the general fund revenue was .21 percent.

City Manager MacReynold stated the highest priority in developing the 2009 budget was to keep our employee positions, noting every employee provided an important service. Other budget decisions included:

- No vehicles purchases in 2009, except one patrol car
- No new programs or projects funded in 2009, except for one required project in wastewater; and to finish the Chamber Way Project
- Deferred all capital projects in water and storm utilities
- No new positions or change of positions
- Cut or reduced temporary summer help
- Cut all training except what was necessary for certifications
- No cost of living adjustment in the budget, except for the Fire Department IAFF contract, which was already approved

City Manager MacReynold reported the proposed 2009 budget was 7.14 percent less than the 2008 budget. Additionally, he recommended the city not increase utility rates for 2009, in support of the residents and businesses.

Finance Manager Eva Lindgren briefly reviewed the real and personal property tax levy noting, at the direction of City Manager MacReynold, there would be no one percent levy increase in 2009. She stated she worked with the Lewis County treasurer's office to come up with the 2009 new construction numbers, in the amount of \$16,026,232. Ms. Lindgren reported the city would also be requesting a refund through the levy process for refunds the county made. She indicated in the previous year the city actually received less than what we were entitled to, due to the county's refund process. Ms. Lindgren reported the county assessor's office would be taking a more pro-active role, informing the city annually of refunds issued by the treasurer's office. Mayor Pro-tem Dawes inquired as to where the additional money would come from. Ms. Lindgren indicated the county would need to assess it against the tax base just like any other levy.

Ms. Lindgren continued discussion on the various tax revenues, and explained some of inconsistencies from the prior year. She reported the city had received a consistent amount of sales tax over several years; however with the new destination based sales tax and the current financial situation it appeared there would be a drop in sales tax revenue in 2009. Ms. Lindgren reported she budgeted \$100,000 for the streamline sales tax mitigation, noting it was in the state's budget for the current fiscal year. City Manager MacReynold added the state finance office was not saying anything as to the amount we would receive.

November 17, 2008

Councilor Harris inquired about the dollar amount reported under the 2008 natural gas tax. Ms. Lindgren indicated it was tax revenue distributed by the state, which included the Darigold litigation settlement. Councilor Pope inquired as to when the Darigold matter was settled. Ms. Lindgren believed it was recently because the city received the money in August. She noted she called the Department of Revenue and they confirmed the amount distributed would be all the city would receive with regard to that matter. Councilor Harris stated he would like to see the documentation as to when the money came in and the exact amount. Councilor Pope asked if the city would be receiving any revenue from National Frozen Foods or Chehalis Power for pending litigation. City Manager MacReynold stated he did not know, but would look into it.

Ms. Lindgren continued her review of the 2009 revenues, which included: building permit revenue; indirect federal grants; and other inter-departmental charges for services. She noted they were trying to move away from piece-meal charges to the utility funds, which she would cover during the finance budget presentation.

Peggy Hammer presented the Human Resources budget, followed by Chief Glenn Schaffer who presented the police department budget, Eva Lindgren who presented the finance and non-departmental budgets, and City Manager MacReynold who presented the city manager, council, and city attorney budgets.

There being no further business to come before the council, the meeting adjourned at 6:20 p.m.

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Mayor

Attest:

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City Clerk

November 19, 2008

The Chehalis city council met in special session on Monday, November 19, 2008, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 5:01 p.m. with the following council members present: Robin Fuller, Daryl Lund and Chad Taylor. Mayor Ketchum and Councilor Harris were absent (excused), and Councilor Pope arrived at 5:38 p.m. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Joanne Schwartz, Economic Development Administrator; Becky Fox, Court Administrator, Municipal Court Judge Steven Buzzard; Tim Grochowski, Public Works Director and Judi Smith, Public Works Office Manager. Members of the news media in attendance included Paul Walker of KITI.

1. **Continued Review of the 2009 Recommended Budget.** Mayor Pro-tem Dawes announced they would continue their review from Monday night of the 2009 recommended budget.

Several departments presented their budgets to the council along with their 2008 accomplishments, and 2009 goals. The budgets presented included: municipal court, economic development, city clerk, fire department, and community development.

There being no further business to come before the council, the meeting adjourned at 6:20 p.m.

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Mayor

Attest:

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City Clerk

November 24, 2008

The Chehalis city council met in regular session on Monday, November 24, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:28 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller arrived approximately 5:30 p.m. and excused himself prior to the regular meeting. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director, Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Judi Smith Public Works Office Assistant. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. **Continued Review of 2009 Recommended Budget.** Mayor Ketchum announced the council would continue their review from Wednesday night of the 2009 recommended budget.

Tim Grochowski presented the public works budget, which included street, arterial street, wastewater, water and stormwater. Finance Manager Eva Lindgren reported she made a few changes to the budget document, which was also reflected in the proposed budget ordinance. She noted most of the changes made revolved around the enterprise funds, and included:

- Wastewater fund - interfund engineering service, reduced to \$70,586
- Water Fund – water capital outlay and other improvements, added \$25,000 for retainage; and construction projects, added \$58,000 for retainage
- Storm and Surface Water – interfund engineering service, reduced to \$70,585
- Garbage fund – interfund professional services, reduced to \$18,215

Councilor Dawes inquired about the lag time between the first of the year, and the time the garbage company starts billing for garbage service, wanting to know if there was any money set aside for that expense. Ms. Lindgren explained the labor for billing services was in the finance budget; however those costs were not built into the budget. She indicated if needed, they would go back and do a budget amendment to address it. City Manager MacReynold noted Councilor Dawes' point was valid, but unfortunately he didn't know what the lag time would be, and because of the budget situation he didn't want to speculate. He added the administration would start meeting with the council on a quarterly basis to review the numbers.

2. **Executive Session.** Mayor Ketchum closed the workshop at 5:11 p.m. and announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for one-half hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a four-minute recess at 5:54 p.m. and re-open the regular meeting at 5:58 p.m.

3. **Public Hearing on 2009 Ad Valorem Taxes, and 2009 Budget and Revenue Sources.** City Manager MacReynold reported the city's revenue and budget situation was truly bad, and it was very likely the revenue situation was going to get worse in 2009. He stated it was going to be a year to get done what was already in the works; to focus on operations; and to wait and see what happens with the economy. City Manager MacReynold reported they would be seeing a decrease in both property and sales tax, which were the city's largest revenue sources. He noted the projected overall increase in the 2009 general fund revenues was .21 percent.

City Manager MacReynold stated the highest priority in developing the 2009 budget was to keep employee positions, noting every employee provided an important service to the city. Other budget decisions included:

- No vehicles purchases in 2009, except one patrol car
- No new programs or projects funded in 2009
- Complete one required project in wastewater; and finish the Chamber Way Project
- Deferred all capital projects in water and storm utilities
- No new positions or change of positions

November 24, 2008

- Cut or reduced temporary summer help
- Cut all training except what was necessary for certifications
- No cost of living adjustment, except for the Fire Department IAFF contract, which was already approved

City Manager MacReynold reported the proposed 2009 budget was 7.14 percent less than the 2008 budget. Additionally, he recommended the city not increase utility rates for 2009, in support of the residents and businesses. He stated, at the direction of the budget committee and the council, they were not seeking any change or increase to property taxes.

Ms. Lindgren reported on the property tax levy, noting there was a significant decrease from 2008, which was being driven by the numbers reported for 2008. She stated, because of the current economic situation, the administration was not anticipating meeting the current year revenue projections for sales tax, and therefore budgeted for slightly lower tax revenues in 2009.

Ms. Lindgren talked briefly about the budgeted mitigation funding, noting the state had budgeted funds to be made available to municipalities who would lose sales and use tax due to the new destination based sales tax. She indicated they had no idea as to how much, if any, the city might receive with regard to the mitigation.

Mayor Ketchum closed the regular meeting at 6:06 p.m. and opened the public hearing on the 2009 ad valorem taxes, budget, and revenue sources. There being no public comment, Mayor Ketchum announced they would continue the public hearing to December 8, 2008 at 6:05 p.m. Mayor Ketchum reopened the regular meeting at 6:07 p.m.

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

- a. Minutes of the regular meeting of November 10, 2008; and
- b. Claim Vouchers No. 91741-91866 in the amount of \$108,592.42 dated November 3, 2008.

The motion was seconded by Councilor Dawes and carried unanimously.

5. **Staff Reports.**

a. **Financial Reports for September and October 2009.** Ms. Lindgren highlighted the storm fund, noting due to capital outlays, the fund was over budget as of October 31. She reported they budgeted \$105,000 for a new Vactor truck and had expended roughly \$20,000 to date towards the purchase; the remainder of the capital expenditures was incurred for the Louisiana Avenue utilities extension. She stated she would be coming back to the council with a budget amendment for approximately \$120,000, to come out of the reserves. Councilor Dawes asked if the \$120,000 spent on Louisiana Avenue was due to flood damage. Tim Grochowski reported it was part of the city's sales agreement obligation with I-5 Toyota. He noted the money was used to extend services to their property; however it was not built into the 2008 budget. Ms. Lindgren indicated she would be re-evaluating the beginning fund balance for the storm and surface water fund in the final budget ordinance.

Councilor Dawes stated he was concerned about expending an additional \$120,000 without ever hearing about it, and asked if at the time they realized they would be drawing down the reserves. Councilor Taylor stated he remembered discussion about finishing Louisiana Avenue. Councilor Pope stated, as he remembered, they made a decision to complete the work on Louisiana, but he didn't remember discussing where the money would come from. Ms. Lindgren stated it was her goal to bring any future projects to the council along with any budget amendments, so they could see the consequences to the budget. City Manager MacReynold stated they were still truing up the 2008 budget, which had been a challenge throughout the year. Councilor Dawes felt the administration needed to manage and prioritize a little better, noting they should have taken care of that project prior to going out and taxing anything else out of that budget. Ms. Lindgren reported if they could identify commitments with an encumbrance system, they could encumber those funds and they would become untouchable. City Manager MacReynold indicated the administration was working on trying to create that system, noting it was taking a great deal of time and energy. He

November 24, 2008

added he knew it was very frustrating, but they would get there eventually.

Councilor Dawes stated he probably would not have been as supportive of the sale knowing there were some loose ends that needed to be tied up. Councilor Harris believed if the city had the revenue it had all along, they probably wouldn't even be discussing it.

City Manager MacReynold reported he was reminded by City Attorney Hillier that all the improvements expenses would be paid back to the fund for by any new development to come into that area.

#### 6. **Council Reports.**

a. **Flood Authority Meeting.** Councilor Taylor reported he attended a flood authority meeting last week where they passed a resolution establishing a drop-dead date for adding members to the authority. He added there was some talk about opening the group up every year to add new membership.

b. **Meetings and Functions Attended by the Mayor.** Mayor Ketchum reported he attended the following:

- November 17 – attended the Centralia-Chehalis Transportation Cooperative meeting
- November 20 – attended the Flood Authority meeting and the workshop at the Veteran's Museum
- November 21 - attended the Economic Development Steering Committee meeting to talk about the Renaissance Plan

c. **Chehalis Business Association.** Councilor Harris reported he attended the Chehalis Business Association meeting where Tom Beckwith, of Beckwith Consulting Group, gave a presentation to the downtown business owners on the Chehalis Renaissance Plan. He noted it was looking very positive.

d. **Water Banking Seminar.** Councilor Harris thanked Patrick Wiltzius and Dave Vasilauskas for spending the day with him and the Department of Ecology (DOE) at a water banking seminar. He stated he was reminded that even though their current focus was on money and budget, there were a lot of other things out there that continue to affect us. Councilor Harris reported water issues were on the horizon and they were not looking good. He added DOE was working on adopting a five year, use it or lose it program, which was going to make it very difficult for cities to plan for any kind of future development.

7. **Ordinance No. 837-B, Second Reading – Revising the Sewer Rates for Lewis County Sewer District #4 and Napavine.** Councilor Taylor moved to pass Ordinance No. 837-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. **Ordinance No. 838-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem (Property) Tax during 2009; Ordinance No. 839-B, First Reading – Stating the Dollar Amounts and Percentages of Changes in Property Tax Levies for 2009; and Ordinance No. 840-B, First Reading – Adopting the 2009 Budget.** Councilor Dawes moved to pass Ordinance No's. 838-B, 839-B, and 840-B.

Councilor Pope seconded the motion.

Eva Lindgren reported, prior to the meeting, the council was given an updated agenda report for the adoption of the 2009 budget, noting the numbers had changed slightly from the original report. She stated the tax rates for 2009 were approximately \$1.89 per \$1,000 of assessed value for general operations, and approximately .36 cents for emergency medical services.

Councilor Dawes noted there had been a lot of repairs done to properties that were flooded in 2007, and wondered if and when those repairs would bring the assessed values back up. City Attorney Hillier stated if it were new construction, it would come on the books the following year; however repairs to property would not come up until the next re-assessment of the city, which he believed was every four years.



November 24, 2008

Mayor Ketchum thanked the council budget committee and all the administration who were involved in the budget process. He added it was a very difficult process for everyone, considering the current financial situation.

Councilor Dawes stated each year it got a little more difficult. He reported the direction of the Council was to try and maintain the same level of service, and he felt they were able to do that. Councilor Dawes noted most importantly, everyone who had a city job, would maintain it. He reported another goal of the council was to review the budget every quarter to determine where they were financially. Councilor Dawes stated he too appreciated everyone's hard work on the budget.

Councilor Pope called for the question. The motion carried unanimously.

9. **Proposed Collective Bargaining Agreement for Police.** City Manager MacReynold reported they had been in negotiations with the police collective bargaining unit, and a copy of the tentative agreement, which had been approved by the police bargaining unit, was provided to the council. Based on the city's current financial situation, his recommendation was that the council not approve the agreement. There being no motion, the proposed collective bargaining agreement died.

10. **Proposed Collective Bargaining Agreement for Non-Uniform Employees.** City Manager MacReynold stated they had also been in negotiations with the non-uniform employees for the current year. He indicated there was an agreement, which had not been agreed on by the city's negotiating team as a tentative agreement; however it was approved by the non-uniform collective bargaining unit. Based on the City's current financial situation, City Manager MacReynold's recommended that the council not approve the agreement. There being no motion, the proposed collective bargaining agreement died.

Mayor Ketchum gave direction to City Manager MacReynold and his staff to go back and re-negotiate with both bargaining units.

There being no further business to come before the council, the meeting adjourned at 6:35 p.m.

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Mayor

Attest:

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City Clerk

December 1, 2008

The Chehalis city council met in special session on Monday, December 1, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, and Dennis Dawes. Councilors Fuller, Lund and Taylor were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; and Caryn Foley, Economic Development Administrative Assistant.

1. **Update on the Chehalis Renaissance Plan.** City Manager MacReynold first took the opportunity to thank the Economic Development Steering Committee for their on-going commitment to the Chehalis Renaissance Plan. He gave a brief history of the project before turning the meeting over to Tom Beckwith, of the Beckwith Consulting Group, who presented the council with an update on the progress of the project.

Mr. Beckwith gave an over-view of phase I and II. He reported during phase 1 they did a number of things including: a lot of brain-storming sessions, conducted stakeholder interviews, internet surveys, open house events, mail-out/phone-back surveys, and met with a focus group made up of Centralia College students. Mr. Beckwith reported, after combining all the information from all the groups, twenty-eight issues were identified as high priority, which is what they focused on for phase 2. He stated he would report on the physical proposal since it constituted some changes that required immediate feedback from the council.

Mr. Beckwith summarized what they were currently working on in phase 2, which included:

Economic Development Tasks

- Create new Chehalis brand and tagline
- Initiate young Chehalis outreach
- Initiate targeted business retention/recruitment program
- Adopt building, landscape, sign design standards

Gateways and Way-finding Signage Concepts

- Install comprehensive city-wide system of gateway, way-finding, kiosks, trail and shelter improvements

Boulevard and Parkway Corridor Enhancements

- Install canopy trees next to sidewalks, intersections, and medians in downtown, Louisiana Avenue, and city arterial street corridors
- Reconfigure Twin City Town Center access and parking

Downtown Traffic Calming

- Realign West Street and Park/Washington Street intersections with Market Boulevard
- Designate Park Street one-way/next to Library between Market Boulevard and Washington Avenue
- Incorporate left-turn lanes on Main Street and Chehalis Avenue, Pacific Avenue and Cascade Avenue intersections

Downtown Parking Capacity Improvements

- Incorporate on-street parking on Washington Avenue, Pacific Avenue and Park Street
- Incorporate on-street parking on Chehalis Avenue, Pacific Avenue, and Cascade Avenue; Prindle and North Streets
- Designated customer/employee parking on Front Street and Railroad Avenue

Street Enhancements

- Install flexible green street concept on Market Boulevard/Boistfort Street
- Extend curbs and walkways into street intersections to improve pedestrian safety and calm traffic

Redevelopment Projects

- Facilitate Lewis County Admin/Conference center project
- Complete feasibility assessment of non-profit acquisition of Severns Building for a Children's Museum/Arts Center

December 1, 2008

- Complete Feasibility assessment of non-profit acquisition of St Helens Inn
- Facilitate design/develop request for proposals competitions for city blocks on Washington Avenue and Division Street

Councilor Harris had concerns with angle parking up-hill on Park Street. He also noted Mr. Beckwith did not address the homes located on Washington, noting the property would be very valuable to the city

Councilor Pope asked if they could do some test case painting to see if the parking options were feasible. City Manager MacReynold noted it could be done. Councilor Pope asked if Community Development Block Grant (CDBG) funding could be used to rehab the Severns Building, noting he thought a Children's Museum would be a good use of that facility. Mr. Beckwith noted CDBG funding could pay for some of it. Councilor Pope felt the city needed to find a way to obtain the Severns building. Mr. Beckwith explained a few options as to how non-profit organizations could acquire the building, noting he didn't feel the county had the vision or commitment to move ahead on the building as much as the city does.

Councilor Dawes briefly discussed the parking issues, noting there were more service related businesses with employees in the downtown area, which required more parking.

The council heard from various Economic Development Steering Committee members including: Lewis County Economic Development Council Executive Director Dick Larman; Business Owners, David Hartz and Greg Lund; and Gail Shaw from the Chehalis Industrial Commission. Other in attendance included Ralph Hubbert from Tires Inc.; Airport Manager Allyn Roe and Mary Kay Nelson.

Mr. Larman talked about how important the renaissance plan was, and the role it played for him to do his job, adding people needed to be able to envision themselves and/or their employee living here. He stated they also needed to be ready for what was next. Mr. Larman felt the project was very exciting; adding it would make his job a whole lot easier when he brings clients to town if he can show them the community investment. He stated he would like to see the negative talk about Lewis County stop. Mr. Larman felt the council needed to make this the community of choice, and they needed to start now.

Mr. Hartz stated he remembered an editorial in *The Chronicle* right after the December 2007 flood that basically told us to give up on the renaissance plan. He believed it would have been a huge mistake if the city had done that. Mr. Hartz felt the city's leadership helped give them great traction to be able to listen to Mr. Beckwith and assimilate all the feedback, which took great effort to get. He indicated the city's planning and leadership spoke to the heart and soul of the downtown businesses, which told them the city was interested. Mr. Hartz stated the plan for addressing parking issues was very encouraging to the business owners and they realized the city was putting a lot of effort into the downtown and Twin City Town Center. He thanked the council for signing on, and saying yes to the project.

Mr. Lund reported he spent a lot of time with people coming to the area, introducing them to the community. He noted when the committee first met there was a lot of focus on the St Helens Inn, but Mr. Beckwith helped the group to start focusing on other major problems. Mr. Lund talked briefly about what was doable now that would make a big impact. He felt the biggest need right now was the branding and way-finding elements. Mr. Lund believed if the city got a few projects underway, right away, the momentum would come behind it. He believed if the city could take a hold of the gateway areas to the city, they could make a big impact on the community. Mr. Lund also thanked the council for their vision.

Mr. Shaw reported he was there to infect the city with enthusiasm. He talked briefly about his intentions of forming an ad hoc committee that would consist of enthusiastic individuals from the community, to meet and study where the money would come from and where it would go. Mr. Shaw felt the opportunity that Mr. Beckwith was offering was unbelievable.

Mr. Shaw stated there were multiple non-profits out there that were willing to take on projects, adding it was the same thing the Industrial Commission did here in Chehalis years ago. He added they just needed to get some

December 1, 2008

dedicated people involved, who would work together and make the community a better place to live. Mr. Shaw noted some of the asset builders included: Dale Ames, Tom Bradley, Gail Shaw, David Hartz, Judy DeVaul, Norm Forsyth, Dave Muller, Jeff Holman, Heidi Pehl, and J. Vander Stoep. The advisors included: Buck Hubbert, Bill Lotto, Frank Mason, and Merlin MacReynold. He indicated at their first opportunity, they intended on infecting the city council with the fact that they can work together and get things done. Mr. Shaw reported the idea came about because he saw what happened 52 years ago when the industrial commission was formed.

Mr. Shaw briefly discussed 'democracy' and how it helped non-profit organizations to become something that people could give money to, and would result in assets equal to what public utilities bring in. He suggested there were funds out there; the city just needed someone who could spend the time to find them, and go out and get them.

Mr. Shaw stated the city was fortunate to have Bill Lotto, who could get legislative things done; and the Industrial Commission, which had substantial assets. He noted the ad hoc's primary function would be to study how the money flowed. He stated it was the biggest opportunity and change in democracy he had ever seen, and all they needed was some enthusiasm.

Mayor Ketchum reported he was involved with the steering committee and asked the other councilmember's, from their perspective, if they felt the committee was moving in the right direction.

Councilor Dawes stated he liked the idea of partnerships, and felt to prosper was good for everybody. He believed they didn't need ownership and credit in order to be successful, adding partnerships were the way to go. Councilor Dawes noted the information was good to hear, adding he never really thought about some of the simple changes they could do to alternate the look.

Councilor Harris echoed the committee, stating they made a good decision to pick up Mr. Beckwith. He felt every city had to have a heartbeat, and believed that area was downtown. Councilor Harris noted it was important for people to know that the only boundaries were the city limits. He believed they were trying to make it look like a hometown where people want to stay and raise families; however they still had to control change. Councilor Harris added he would like to see the city code changed so they would have a demonstrative setup for how they want the city to look.

Councilor Harris indicated this was the time to do exactly what we want to do, and as the market starts to turn around, the city would be ahead of the game. He believed the city was not sitting as poorly as some of the other communities around us, and we needed to take advantage of it, and the Chehalis Renaissance Plan was a very good start.

Mr. Hubbert stated Mr. Beckwith was doing a great job, really bringing a lot of things out. He saw a huge opportunity to get it going with just some basic ideas, which would also get people to buy into it. Mr. Hubbert felt it was a good time and a great plan to look at. He also believed the updates would make it a community you would want to live in. Mr. Hubbert stated he was excited about the plan and felt they needed to continue to bring more and more people into the group and get them excited about it as well.

Mr. Roe reported they were trying to move in the same direction and would be working with future developers, as a partner, in keeping the same scheme for landscaping. He believed they could move forward and also backward on it, with regard to the current development that was already out there.

Councilor Harris wondered why there were no standards as to what they want the city to look like, adding when he first moved to the area his first thought was 'brick and timeless.' He believed that needed to be put into our standards.

Mary Kay Nelson stated the plan was exciting and she believed they were on the right track. She indicated communities were revitalizing all over the state, and Mr. Beckwith had the know how to do it for Chehalis. Ms. Nelson reported she looked forward to the next phase, noting it was the council who held the key to implementation.

December 1, 2008

City Manager MacReynold added, if the council believed they were moving in the right direction, the committee would continue to narrow down specifically, what they were going to do and how to do it. He indicated any final decisions would need to come back to the council for their approval. City Manager MacReynold felt the plan was putting a roadmap together for the city's future. He believed the next step was for Mr. Beckwith, and the committee, to put further definition to the plan and bring it back to the council for approval. Councilor Dawes noted it sounded like there were some 'no-brainer' quick fixes that were relatively inexpensive, and at the very least, they needed to try to do that as they work toward the more complex ideas that might take a little more thought. He believed what ever part was strong, would only make the other parts stronger.

Mr. Lund believed the county was a huge component and perhaps there was some design standards or permitting that the city could discuss with them. He definitely believed there was going to have to be a conversation between the two agencies to make sure the county's master-plan fit into what the city was trying to do.

City Manager MacReynold stated what they needed was leadership and the city council was key in that role. He added it was unfortunate that the county had not made that step yet. City Manager MacReynold felt the county's project was a critical piece of the downtown redevelopment and the committee was going to need the council's help to get the commissioners to take that next step, to say they had a stake in it. Mr. Roe felt the council needed to take advantage of the new blood coming in at the county level. City Manager MacReynold added it was going to be critical to get them on board.

Mayor Ketchum believed they were moving in the right direction. He felt some paint and some effort into some of the landscaping, such as a few trees, would make a big impact on people.

The group continued their discussion on key issues, some of which included:

- Tree's and controlled growth
- Way-finding signage
- Retail service on the ground floor with residential and professional offices on the upper floors
- Marketing groups - to get the people to come to town
- Businesses - focus on getting people in the door
- Signage – form a history group and have history plaques and brochures on the various buildings
- Ad hoc committee to research funding options

Mr. Beckwith stated he didn't believe the council realized the asset they had in the city and its architecture.

There being no further business to come before the council, the meeting adjourned at 7:25 p.m.

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Mayor

Attest:

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City Clerk

December 8, 2008

The Chehalis city council met in regular session on Monday, December 8, 2008, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 4:57 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Chad Taylor. Mayor Ketchum was absent (excused), and Councilor Pope excused himself prior to the regular meeting. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Glenn Schaffer, Police Chief.

1. **Executive Session.** Mayor Pro-tem Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, and RCW 42.30.110(1)(i) – potential litigation, for one hour and there would be no decision following conclusion of the executive session. City Attorney Hillier excused himself from the executive session during discussion on lease or sale of real estate.

Mayor Pro-tem Dawes announced the council would take a ten-minute recess at 5:48 p.m. and re-open the regular meeting at 6:00 p.m. Additional staff included: Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Becky Fox, Municipal Court Administrator; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; and Judy Smith, Public Work Office Manager. Members of the news media in attendance included Paul Walker of KITI.

2. **Continued Public Hearing on 2009 Ad Valorem Taxes, and 2009 Budget and Revenue Sources.** Mayor Pro-tem Dawes closed the regular meeting and opened the public hearing on the 2009 ad valorem taxes and 2009 budget and revenue sources.

City Manager MacReynold felt it was important to recognize that the council gave clear direction that the administration should not recommend any increase in property tax. He noted the administration did not seek or build into the budget, the additional one percent.

There being no public comment, Mayor Pro-tem Dawes closed the public hearing and re-opened the regular meeting at 6:01 p.m.

3. **Consent Calendar.** Councilor Harris moved to approve the consent calendar comprised of the following:
- a. Minutes of the special meetings of November 17 and 19; and the regular meeting of November 24, 2008;
  - b. Payroll Vouchers No. 31773-31873 and 222-290 in the amount of \$672,451.97 dated November 26, 2008; Claim Vouchers No. 91867-92033 in the amount of \$1,164,992.11 dated November 17, 2008.
  - c. Authorize city manager to execute a contract for public defense services for the Chehalis Municipal Court; and
  - d. Award bid for automated license plate reader to DAY Wireless Systems, using grant funding of \$30,000 and 2008 Police Department funds in the amount of \$238.44.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Staff Reports.**

a. **Fire District #6 Meeting.** City Manager MacReynold noted the regular monthly meeting with Fire District #6 had been moved to 7:00 p.m.

b. **Ad Hoc Committee Members Needed.** City Manager MacReynold reported, at the workshop on Monday, December 1, 2008, Gail Shaw talked about putting together a smaller group of people to analyze how funding could be brought into free-standing non-profit organizations for special projects. He reported Mr. Shaw requested at least one, if not two councilors be a part of the group. City Manager MacReynold asked the council to consider identifying two councilmembers who would be interested in doing it. He noted the first meeting of the group was scheduled for December 10, at 2:00 p.m. at the LC EDC office.

December 8, 2008

Mr. Shaw spoke briefly, noting he was very enthusiastic about the Chehalis Renaissance Plan and what the new ad hoc committee could do for the plan. He asked for the council's general support and participation, recognizing they had a lot to learn in order to make the plan work. Mr. Shaw believed it was an unbelievable opportunity for the city.

Councilor Harris stated he would love to participate, but felt the two council members who are on the steering committee should be offered the chance first. Mayor Pro-tem Dawes stated he was willing to defer to the steering committee members; however he would be willing to participate if needed. Councilor Fuller believed he might be able to attend the meeting on December 10 if no one else was available.

5. **Council Reports.**

a. **Holiday Parade and Decorations.** Mayor Pro-tem Dawes reported he received positive comments on the Santa Parade and the holiday decorations.

6. **Ordinance No. 838-B, Second Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem (Property) Tax during 2009; and Ordinance No. 839-B, Second Reading – Stating the Dollar Amounts and Percentages of Changes in Property Tax Levies for 2009.** Councilor Taylor moved to pass Ordinance No.'s. 838-B and 839-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

7. **Ordinance No. 840-B, Second Reading – Adopting the 2009 Budget.** Mayor Pro-tem Dawes, with the help of City Attorney Hillier, explained that in order for any amendment to pass, it would require a majority of the quorum; however in order for the ordinance to pass, it would require a majority of the full council.

Councilor Taylor moved to pass Ordinance No. 840-B on second and final reading.

Councilor Lund seconded the motion.

Councilor Taylor moved to amend the motion to cut all non-essential travel and training that costs the city money, with the exception of certification and/or state mandated training.

Councilor Fuller seconded the motion.

Following council discussion, Councilor Fuller called for the question and the motion failed 3 to 2, with Councilor's Harris and Lund and Mayor Pro-tem Dawes voting against the motion.

Councilor Taylor moved to amend the motion to remove the \$100,000 budgeted as back-fill money coming in from the state for mitigation of stream-line sales tax.

Councilor Fuller seconded the motion.

Following council discussion, Councilor Fuller called for the question and the motion carried unanimously.

Councilor Taylor moved to amend the motion that once the council passed the 2009 budget, that no monies could be spent or moved from one line item to another.

Councilor Lund seconded the motion.

Following council discussion, Councilor Fuller called for the question.

Councilor Taylor asked to withdraw his motion.

December 8, 2008

Councilor Taylor restated his motion, to amend the motion that money budgeted in certain categories remain in those categories until the end of the year; and any money left at the end of the year should stay in the ending fund balance.

After brief discussion, Councilor Taylor rescinded his motion.

Councilor Fuller moved to amend the motion to not fund any expenses in the department of the economic development past the current director's retirement date, with the exception of the administrative assistant; and to calculate the director's payoff (\$41,862) for accrued expenses, and place that number in the 2009 budget.

Councilor Harris seconded the motion.

Following council discussion, Councilor Taylor called for the question and the motion carried unanimously.

Councilor Fuller moved to amend the motion to not accept the recommendation of the city manager to cut his pay by \$10,000; and only fund the Economic Development Council to the city's contractual obligation of \$6,000 annually; and not fund the Free Trade Zone.

Councilor Taylor seconded the motion.

Following council discussion, the motion passed 3 to 2 with Councilor Harris and Mayor Pro-tem Dawes voting against the motion.

Councilor Taylor moved to pass Ordinance No. 840-B on second and final reading, as amended.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Implement Hiring Freeze**. Councilor Fuller moved to formally implement a complete hiring freeze for the city of Chehalis effective immediately, and through the budget year 2009.

Councilor Lund seconded the motion.

City Manager MacReynold noted, as long as the council recognized if the city had a situation where they needed to fill a key position, that the council would respect the administrations interest in coming to them with any recommendation.

The motion carried unanimously.

9. **Traffic Signal**. Councilor Lund noted several years ago the city had some problems with the stoplight in downtown Chehalis and could not afford to fix it; however a couple of businessmen pitched in and paid to have it repaired. He felt it was disrespectful that the city had not kept the light in operating condition.

Councilor Lund made a motion that the council set a policy that staff repairs the stoplight in downtown Chehalis.

Councilor Taylor seconded the motion.

Mayor Pro-tem thought they should first find out how much it was going to cost to fix it, and then propose a budget amendment. Councilor Lund stated he wanted to put it in the budget earlier; however someone suggested he not do that.

After further discussion, Councilor Lund withdrew his motion.



December 8, 2008

10. **Resolution No. 15-2008, First Reading – Establishing a Water Use Efficiency Goal.** Dave Vasilauskas reported the state mandated all water systems to create conservation programs, which had to be in place before 2015. He noted the city's goal was to reduce water consumption in residential households by 25,000 gallons per day. Mr. Vasilauskas indicated in 2009 they budgeted money to implement the water-wise program for local 5<sup>th</sup> graders; and from 2010 and beyond they would meet to discuss how they would go about implementing future programs to conserve water.

Mayor Pro-tem Dawes indicated the cost of the program was projected to be \$23,000 per year, and inquired as to what the savings would be to the city. Mr. Vasilauskas stated the goal was to save 1.4% of the current daily usage. He noted in 2009 they would only be spending \$4,800 to continue the education program and each year as funds were made available, the city would consider how to save water throughout the city. Mayor Pro-tem Dawes noted he understood the program, but wanted to know what the city would be saving. Mr. Grochowski noted some of the savings would come from using lesser chemicals, as well as the cost of producing potable water; however he was not prepared to say exactly how much they would save. Mayor Pro-tem Dawes stated he would like to know what the cost benefit ratio was before the council acts on it. He noted he liked the program; however if they were going to commit \$160,000, plus marketing costs over the next seven years, he would like to be able to tell the citizens that in spending that money they would be saving the city 'x' amount of dollars overall.

Councilor Fuller asked how many gallons of water they thought they might save the first year. Mr. Grochowski stated it would all depend on the number of people who conserve. Councilor Fuller inquired as to where the money would come from to pay for the program. Mr. Grochowski noted it was a state mandated, unfunded program.

After further discussion, the administration agreed to bring back more information to the next council meeting. Councilor Fuller noted, since they would be selling less water he would like to know how much the city would be losing in revenue, and asked to have that figure calculated and reported as well.

Mayor-Pro tem Dawes stated he was all for conservation; however he felt the program could compound the cost to the utility rate users, and believed they needed some more facts and figures as to what they were actually looking at. City Manager MacReynold reminded the council that the conservation program was a requirement of the state, and they were pushing the issue on all agencies.

11. **2009 Airport Budget.** Allyn Roe stated, before the council was the 2009 Chehalis-Centralia Airport budget, which was passed by the Airport Board and by Lewis County last week. He reported their 2009 budget was conservative and they would not be dipping into any of their reserves.

Councilor Fuller inquired about the capital expenditure of \$150,000, which was proposed for land. Mr. Roe indicated it was part of the land acquisition at the north end of the airport. He explained they had budgeted \$150,000 for the last three years, in order to build up their reserves. Councilor Fuller asked what the reserve balance would be in 2009. Mr. Roe stated approximately \$1.25 million.

Councilor Fuller asked how the hanger fees compared to other airports fees. Mr. Roe reported the new hangers were pretty much on average at \$225 per month, noting they were 100 percent occupied; while the older hangers that were built in the 1960's were considered to be on the cheap side at \$110 per month, and had a 20 person backlog.

Mayor Pro-tem Dawes asked if the board continued to do studies on the hanger fees. Mr. Roe indicated they did, and they actually increased 10 percent in 2009. Mayor Pro-tem Dawes asked if the aviation fuel had taken a drop like regular fuel. Mr. Roe noted they saw a small decrease in the price; however from a budget perspective it looked like they did really well because they exceeded their projected revenue for fuel resale. He stated they really won't know the true figure until year-end.

December 8, 2008

Mayor Pro-tem Dawes indicated he liked the presentation of the airports budget, noting it was improving each year as far as readability.

Councilor Harris moved that the council approve the 2009 airport budget by adopting Resolution No. 16-2008 on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **Ordinance No. 841-B, First Reading – Adopting Selected Provisions of the Revised Code of Washington Pertaining to Gross Misdemeanor and Misdemeanor Crimes, Replacing CMC Title 7.04.** Chief Glenn Schaffer reported it had been a year-long project for the police department, the municipal court, and the city attorney's office. He noted they would like to repeal Title 7.04, which was the Chehalis Criminal Code, with the exception of the nuisance codes. Chief Schaffer stated the effort would make the city a lot more consistent with other jurisdictions, not only in the county, but state wide.

Councilor Taylor moved to suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Lund moved to pass Ordinance No. 841-B on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

13. **Ordinance No. 842-B, First Reading – Amending the 2008 Budget.** Ms. Lindgren reported the amendment was pretty much straight forward. She indicated the garbage fund reflected both an increase in revenues and expenditures, which were projected out to the end of the year; and they had an anticipated sale of capital assets in the wastewater fund. Ms. Lindgren stated the amendment also included an increase in appropriations in the storm and surface water fund for the Louisiana Avenue/Arkansas Way extension project. She reviewed a couple of minor interfund services reflected in the amendment, having to do with charges for costs incurred on behalf of the utilities by the finance department.

Councilor Lund moved to pass Ordinance No. 842-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

14. **Solid Waste and Recyclables Collection and other Services Contract.** City Clerk Judy Schave reported the city's contract with Waste Connections, Inc. expired in April 2008; however they had agreed to stay on until the city had a new contract for services. She stated, at the request of the council, bid documents were prepared and the city went out bid. Ms. Schave reported on December 1 the city received two bids: one from M&M Disposal Services and the other from LeMay Enterprises, Inc., which Waste Connections Inc. purchased in November 2008. She stated the low bid came from M&M Disposal Services, noting the difference between the low bid and what the city was currently paying was roughly \$2,400 per month.

Ms. Schave stated the administration recommended the council accept the bid from M&M Disposal Services and direct the administration to prepare a contract agreement between the city and M&M Disposal Services for solid waste and recyclables collection and other services; and to negotiate a price with M&M Disposal Services for one-bin recycling service, to be included in the contract document.

There being no motion, Mayor Pro-tem noted there were some questions he wanted to ask and moved the council accept the bid from M&M Disposal Services and direct the administration to prepare a contract agreement between the city and M&M Disposal Services for solid waste and recyclables collection and other services; and to negotiate a price with M&M Disposal Services for one-bin recycling service, to be included in the contract document.

The motion died for a lack of a second.

December 8, 2008

City Manager MacReynold asked for some direction from the council. City Attorney Hillier noted if it was the council's intent or desire that the administration go back out to bid, they needed to reject all bids; however if their direction was going to change, the council needed to authorize the administration to enter into some negotiations with the current provider to extend the contract if they were willing, until the council made a decision on which way they wanted to go.

After brief discussion, Councilor Harris moved to table the item until the meeting of December 22, 2008.

The motion was seconded by Councilor Fuller and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 8:04 p.m.

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Mayor

Attest:

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City Clerk

December 22, 2008

The Chehalis city council met in regular session on Monday, December 22, 2008, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was absent (excused). Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Eva Lindgren, Finance Manager. Members of the news media in attendance included Ron Hall of KITI.

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

- a. Minutes of the special meetings of December 1; and the regular meeting of December 8, 2008; and
- b. Claim Vouchers No. 92034-92125 in the amount of \$174,083.44 dated December 1, 2008.

The motion was seconded by Councilor Pope and carried unanimously.

2. **Solid Waste and Recyclables Collection and Other Services Contract.** Councilor Harris moved to take the item off the table for discussion. Councilor Pope seconded the motion.

City Clerk Judy Schave reported, on December 1 the city received two bids for the solid waste and recyclables collection and other services bid. She noted the bid results were attached to the agenda report and the low bid came from M & M Disposal Services. Ms. Schave stated the administration was recommending the council award the bid to M & M Disposal Services, based on the fact that they were the lowest responsible bidder; and direct the administration to prepare a contract agreement for council's review; and negotiate a price with M & M Disposal Services for one-bin recycling service, to be included in the contract document.

Councilor Pope asked where M & M Disposal was currently performing services. Jeff Meling of M & M Disposal Services reported they were just starting up new; however they had the contract in Chehalis for 14-years prior to the current provider. Councilor Pope asked if Mr. Meling had the equipment to fulfill the contract, and if it would meet the requirement per the bid. Mr. Meling stated yes they would be able to get the equipment and it would meet the 2003 or newer standard per the bid. Councilor Pope asked if Mr. Meling had a performance bond. Mr. Meling reported they did.

Councilor Dawes moved to accept the bid from M & M Disposal Services and direct the administration to prepare a contract agreement between the city and M & M Disposal services for solid waste and recyclables collection and other services; and to negotiate a price with M & M Disposal services for one-bin recycling service, to be included in the contract document.

Councilor Harris seconded the motion.

Councilor Dawes asked if there were any escalation clauses in the bid, for increases such as fuel. Ms. Schave didn't believe there was any increase beyond what was bid.

City Manager MacReynold reported the city went through the bid process as directed by the council, and the administration was now asking the council to authorize the acceptance of the lowest responsible bidder; and to direct the administration to negotiate a contract. He reported the contract would be where all of the details would develop, which would be brought back to the council for their approval. Councilor Dawes stated, he understood that if the council passed the motion, they would have the same service as they currently had, just a different carrier. City Manager MacReynold stated that was correct, and hopefully it would be better.

Councilor Harris reported, at the last meeting he was a little confused about working out the details. He noted he had questions about the size and shape of the cans and didn't want to run into the same situation they had with Waste Connections, Inc. He stated after the meeting, he spoke with the city manager and came to realize that those questions would be answered as they develop a contract for the negotiation, and not for that evening. Mayor

December 22, 2008

Ketchum noted if they didn't like the contract they could always reject it. City Manager MacReynold indicated the process would be to accept the lowest responsible bidder and then negotiate.

Councilor Taylor thought it was odd to negotiate the price for recycling after the fact. Ms. Schave stated she was advised by the City Attorney that the bid needed to include what the city currently offered for service, which included the 3-bin recycling service. She reported the bid document noted the intent of the city with respect to specific language within the specifications, requirements and the existing agreement, that the city would implement a change in its current level of service to require single-bin recycling containers and would give notice to the successful bidder after the ordinance was amended.

Councilor Pope stated he had a problem going from one contractor who has all the equipment available, to a contractor who had not been functioning for almost seven years. He believed every business had start-up costs and sometimes those costs were underestimated. Councilor Pope asked if those costs would be built into the contract, making it more than what was currently bid. City Manager MacReynold stated they discussed the matter with council a few months ago, whether to negotiate with the current contractor and renew the contract, or go out to bid. He noted the feeling by the council at that time uniformly was that the city should really go out to bid to see what the market was. City Manager MacReynold reported the administration did as the council requested, and unfortunately they only received two bids. He felt it was the council's responsibility to select the lowest responsible bidder since they headed down that path. City Manager MacReynold noted he understood the council's concern, but the contractor with the lowest bid stated they believed they could provide the service.

Councilor Taylor asked what the performance bond requirements were, and what the monthly charges would be for service. Ms. Schave reported they would be required to furnish a \$30,000 performance bond, and the low bid from M & M Disposal Services was for \$88,690.85. Councilor Taylor wondered if \$30,000 would be adequate should the contractor not be able to perform. City Manager MacReynold noted, based on the fact that the city attorney and city clerk went through an extended period of time fielding questions from the contractors, and working through what the bid documents would contain, he believed that it would be an accurate number.

Councilor Fuller inquired about the letter received from Attorney's Williams Kastner & Gibbs PLLC, representing Waste Connections, Inc. and LeMay Enterprises. He asked if there had been a response to the letter and if there were any legal ramifications to it. City Manager MacReynold noted the letter was received that day, and there was always a potential for legal ramifications. He noted the city would respond to the letter.

Dan Schooler, representing Waste Connections, Inc. and LeMay Enterprises, asked if there would be opportunity to testify on the bid process. Mayor Ketchum indicated he would allow Mr. Schooler to speak on the matter.

Mr. Schooler noted, in his opinion, the city was not legally bound to make a decision and negotiate a contract. He felt the bid process was flawed and offered some suggestions on what the city could do before they voted on the issue.

Mr. Schooler noted the following as to what he felt were flaws to the contract:

- There was no option for front-load service in the bid
- The bid made the recycling program seem like part of the garbage price (He believed the bid should have been what the city wanted for service)
- The bid process should have started a year before the contract with Waste Connections, Inc. expired
- Negotiating at a later date was not the way to do bids
- City should have done a request for proposals (RFP), rather than the bid process
- The city should have included the one-bin recycling service in the actual bid document because that service would affect the price of the bid
- The bid document was not clear on how to charge for extras
- The level of performance bond was not adequate and should have been based on the correct levels

December 22, 2008

- The bid did not allow research on companies who were bidding, noting it was important to get references from cities that companies had provided service for in the past

Mr. Schooler noted the following options:

- Use Utilities and Transportation Commission (UTC) rate structure and methodology for service customers like the city of Centralia
- Come back with a RFP
- Throw the bids out and rebid with all the specifications that should have been in the bid in the first place and have the price be based on what the city wants for service
- Come back later and do a bid when Centralia's contract comes up
- Extend the current contract through whatever period the city wants, until the city decides to change the service to front-load or comingled recycling

Mayor Ketchum asked if they should take the bid back to the city attorney and have him dissect it, and bring it back to the council. City Manager MacReynold stated procedurally he was a little concerned now that one of the bidders was allowed to raise issues about the process and bid. He felt it would be only right to give the other bidder an opportunity to speak, noting it was the council's call.

Mr. Meling reported he was the former manager of Superior Refuse, for 14 years in Chehalis. He stated the issue he had was that Waste Connections bid the same bid the last go around, adding if the bid was flawed last time, the issues were not brought up during the current bid process. Mr. Meling felt the level of service they would provide for Chehalis would speak for itself, and they could provide references from other cities they provided service to in the past. He stated the price he bid was the price he bid, and he could not raise the rates because of the price of equipment. Mr. Meling felt they gave the city an honest bid, adding they always provided the lowest price to the city in the past with the best possible service. Councilor Pope asked if Mr. Meling was currently in the business. Mr. Meling indicated they were not, adding they were starting up a new business. Councilor Fuller asked how long they had been out of the business. Mr. Meling noted about nine years, adding his father was fifty percent owner in the business and had between 30 to 40 years experience in the garbage business. Mr. Meling stated he was confident that if the contract was awarded to them, the city would get the best possible service at the lowest possible price.

The motion failed with Councilors Pope and Taylor voting against the motion; Councilor Harris noted he was abstaining; and Councilor Fuller felt he may have a conflict of interest and recused himself from voting.

City Manager MacReynold recommended the administration meet with the city attorney and figure out a range of steps, and bring those back at the next council meeting. He noted the council had options and felt they needed to know what those options were. Mayor Ketchum agreed. Councilor Taylor asked if the meeting would be a workshop. City Manager MacReynold indicated they could do it prior to a regular meeting; however a workshop would be even better.

**3. Ordinance No. 842-B, Second Reading – Amending the 2008 Budget.** Eva Lindgren reported the council should have received a handout of the revised amendment. She touched on the changes from the original document, noting the city would not be receiving the \$175,000 donation for the library landscaping project, because of cash-flow issues. Ms. Lindgren stated she was requesting to transfer \$175,000 out of the general fund into the community development block grant fund (CDBG), in order to avoid ending up with a negative cash position in the CDBG fund. She stated she hoped to receive the donation next year, and at that time she would come back and request that the money be transferred back to the general fund.

Ms. Lindgren clarified that the Smith Family had actually met their commitment, and it was other donation commitments that had not been fulfilled. She reported there was a parcel of land that had been donated to help fund the project, but it had not yet been sold. Councilor Fuller inquired as to who the other donor's were. Ms. Lindgren stated she was not privy to that information since the money was being funneled through the Timberland Regional Library Foundation. Councilor Fuller inquired as to what would happen if the money did not come in. Ms. Lindgren

December 22, 2008

stated the general fund would be on the hook for it. She reminded the council that the city had the for-sight to pass a resolution that would allow the city to reimburse itself for the library costs, should the city decide to issue debt.

Councilor Taylor moved to pass Ordinance No. 842-B on second and final reading.

The motion was seconded by Councilor Pope and carried 5 to 1, with Councilor Fuller voting against the motion.

**New Seat Assignments.** Mayor Ketchum announced he would have new seat assignments for the council at the first meeting in January 2009.

There being no further business to come before the council, the meeting adjourned at 6:29 p.m.

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Mayor

Attest:

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City Clerk