

PLEASE NOTE SPECIAL MEETING TIME

CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Anthony E. Ketchum Sr., District 3

Mayor

Terry F. Harris, District 1
Daryl J. Lund, District 2
Dr. Isaac S. Pope, District 4

Dennis Dawes, Position at Large, Mayor Pro Tem
Chad E. Taylor, Position at Large
Bob Spahr, Position at Large

June 28, 2010

5:30 p.m.

SPECIAL BUSINESS

1. Interview Applicants for Chehalis Flood Zone Appointment. (Mayor)

Regular Meeting of June 28, 2010

6:00 p.m.

ITEM

ADMINISTRATION
RECOMMENDATION

PAGE

2. Call to Order. (Mayor)

3. Pledge of Allegiance. (Mayor)

CITIZENS BUSINESS

This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.

PROCLAMATIONS / PRESENTATIONS

- 4. Family Reading Month – July 2010. (Dr. Miller, Northwest Pediatric Center, Inc.)
- 5. Governor's Smart Choice Award for the Chehalis Renaissance Plan. (CCRT Chair Larry McGee, and Co-chair Allyn Roe)

CONSENT CALENDAR

- 6. Minutes of the Regular Meeting of June 14, 2010. (City Clerk)
- 7. Vouchers and Transfers. (Finance Manager)
- 8. Interlocal Agreement Between the City and Lewis County for the Purpose of Retaining a Technical Expert and Other Critical Services Relating to the Current FEMA Floodplain/Floodway Mapping Project. (City Manager)

APPROVE

APPROVE

AUTHORIZE CITY MANAGER TO EXECUTE INTERLOCAL AGREEMENT BETWEEN THE CITY AND LEWIS COUNTY FOR THE PURPOSE OF RETAINING A TECHNICAL EXPERT AND OTHER CRITICAL SERVICES RELATING TO THE CURRENT FEMA FLOODPLAIN/FLOODWAY MAPPING PROJECT

1

9

10

STAFF AND CITY COUNCIL REPORTS

- 9. Staff Reports.
 - a. May financial report. (Finance Manager)
- 10. Council Reports.
 - a. Councilor reports. (City Council)
 - b. Council committee reports. (City Council)

INFORMATION ONLY

INFORMATION ONLY

INFORMATION ONLY

17

UNFINISHED BUSINESS

- 11. Appoint Second Representative to the Chehalis River Basin Sub Zone. (Mayor)

APPOINT REPRESENTATIVE TO CHEHALIS RIVER BASIN SUB ZONE

NEW BUSINESS

12. <u>Agreement for Flood Insurance Rate Map Review.</u> (Acting City Manager, City Attorney)	AUTHORIZE ACTING CITY MANAGER TO EXECUTE AGREEMENT BETWEEN THE CITY AND ANCHOR QEA, LLC, IN AN AMOUNT NOT TO EXCEED \$40,000 FOR THE REVIEW OF THE FEMA FLOOD INSURANCE RATE MAPS FOR THE CHEHALIS RIVER BASIN	22
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**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON
OTHER ITEMS NOT LISTED ON THIS AGENDA**

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, JULY 12, 2010

June 14, 2010

The Chehalis city council met in regular session on Monday, June 14, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:16 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Director; 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 forty-five minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive 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. Additional staff included: Rick Sahlin, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Recognition of W.F. West High School Spring Athletic Teams.** The council recognized the W.F. West Boy's Baseball, the Girl's Softball, and the Track and Field Teams for their accomplishments this year, adding the athletes and coaches represented the city and school district well. Baseball Coach, Tom Zuber, stated they were very proud of their teams, noting it was a combination of commitment, focus, dedication, hard work, and luck.

Mayor Ketchum reported the boy's baseball team placed 1st in the State 2A Baseball Championship; the girl's softball team took home 3rd place in the State 2A Softball Tournament; and Andy Robertson took 1st place in the 800 at the State 2A Track & Field Championships.

3. **2010 Community Farmers Market.** Brenda Book thanked the council for the opportunity to come and officially announce the opening of the sixth Community Farmers Market in downtown Chehalis, starting Tuesday, June 15, at noon. She thanked the city for hosting the market, noting without their support she wouldn't be able to give such an unprecedented report of the market's success.

Ms. Book noted she was stepping down from Market Manager to sit on the Board of Directors, as treasurer. She introduced the new market manager, Jackie Rose, adding she shared the same commitment to local food and community development.

Ms. Book reported the market grossed about \$30,000 during its first year, and over the next four years market sales had significantly increased each year to \$110,000 in 2009. Ms. Book indicated this was the 5th year for the market to participate in the Farmers Market Nutrition Program. She noted the state and federal assistance program provided vouchers to low income seniors and women with children, which are redeemable for fruits and vegetables at local farmers markets only. Ms. Book noted, in 2009, \$14,000 in vouchers was exchanged for fresh produce at their market alone. She noted it was also the second year the market would have the ability to accept food stamps.

Ms. Book reported they had several events on their 2010 calendar, including: the 2nd Annual Kids Day on June 29; local music performances throughout the season; WSU Master Gardner's plant clinics, chef demonstrations, and the Chehalis Community Renaissance Team (CCRT) on site each day. She noted they would end the season with the 4th Annual Harvest Dinner, adding more information on the event would be announced at a later date. Ms. Book reported their goal was to make every Tuesday afternoon a festival in downtown Chehalis, and hoped to bring in people to shop and eat at all the local businesses.

Mayor Ketchum felt it was a win-win situation for both the city and the market, adding he was glad to have them back.

4. **Update from the Chehalis Library Advisory Board.** Chuck Hill, Chairman of the Library Advisory Board, reported things were very busy at the library. He noted between 2008 and 2009 the number of items going in and out of the library had increased 47 percent, from 135,000 to 199,000. Mr. Hill noted there was also an increase in new cardholders, and on average they saw between 550 to 600 customers daily. He indicated the drive-up window continued to be a smashing success, noting they had on average 60 to 75 vehicles per day. Mr. Hill thought the drive-up window was a wonderful addition for the elderly, and people with small children. He reported Timberland had to buy larger drop-off bins for the drive-up because there was

June 14, 2010

such an increase in the number of books being dropped off in the drive-up area.

Mr. Hill reported the Timberland system continued to look for ways to lower costs. He reported there were no more substitutes available and each library had to make due without them; and no new positions had been created, even with the 47 percent increase.

Mr. Hill reported, in an effort to try and get people to look at what's going on in their local community, Timberland was sponsoring a "Passport Campaign" this summer. He stated people visiting the different libraries will get a stamp in their passport book, adding the Chehalis stamp resembled the city's new logo.

Brian Zylstra reported on the summer reading program, which was scheduled to start in the next couple of weeks. He noted the 2010 nationwide theme was "Make a Splash - Read."

Mr. Zylstra reported, on June 7, a special forum was held at the library to introduce the four candidates being considered for the Timberland Executive Director position. He noted the board would be meeting that evening to make their final selection.

Mr. Zylstra talked briefly about a group of volunteers, led by Christy and Dr. Larry Nelson, who put in about 200 hours during the month of May to weed the grounds around the library.

Mr. Zylstra encouraged people to look at what Timberland offered on-line, noting they had gotten very savvy with social media. He indicated they had a lot of great services available on their website, including: video, music, audio and e-book downloads.

5 Consent Calendar. City Manager MacReynold requested to pull item No. 13, having to do with an interlocal agreement between the City and Lewis County for the purpose of retaining a technical expert and other services relating to the current FEMA floodplain/floodway mapping project. He noted Lewis County had not had the latest version that was passed on to them, and Commissioner Schulte had requested the council hold off talking any action until they had time to review the agreement.

Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of May 24, 2010;
- b. Claim Vouchers No. 96794-96927 in the amount of \$372,640.21 dated May 14, 2010; Claim Vouchers No. 96928-97045 and 42010 in the amount of \$73,463.11 dated May 28, 2010; and Payroll Vouchers No. 33643-33726 and 1482-1550 in the amount of \$707,563.44 dated May 28, 2010;
- c. Award bid to Kawasaki Police Authority Sales for two (2) 2010 Kawasaki motorcycles in the amount of \$36,082.24;
- d. Authorize City Manager to execute agreement between the City and Gibbs and Olson to develop an Inflow and Infiltration Remediation Plan, in an amount not to exceed \$25,000;
- e. Authorize City Manager to execute engineering agreement between City and RB Engineering for the State Avenue Pump Station Upgrade Project, in an amount not to exceed \$36,900; and
- f. Accept bid from Hamilton Rocking and Contracting, Inc., in the amount of \$41,842.62 for the Coal Creek Box Culvert Wing Wall Project.

The motion was seconded by Councilor Taylor and carried unanimously.

6. Introductions. Councilor Pope reported, over the last several years, Pope's Kids Place had invited medical students to come to their facility, hoping that one day one of them would come back and stay. He introduced Kriti Srivastava from the University of Washington (UW). Ms. Srivastava reported she was from Redmond, Washington, but grew up in Indiana.

June 14, 2010

She stated she had just completed her first year of medical school at the UW and was doing a four week rotation at Pope's Kids Place.

7. Staff Reports.

a. Planning Commission Public Hearing on 2010 Proposed Amendments to the City's Development Regulations. Bob Nacht reported he wanted to publicize the upcoming planning commission public hearing, set for June 22, at 6:00 p.m., in the Activity Building. He noted each year the city invited citizens to submit petitions or requests to change the city's development regulations. Mr. Nacht reported they had received one petition from a local citizen and about 12 petitions from staff, noting a majority of them involved housekeeping measures. He indicated the petitions had been distributed to the planning commission and were available for public review.

b. City of Centralia Commits to Sending Letter of Support. City Manager MacReynold reported he met with representatives from the City of Centralia earlier that day, to discuss concerns around the FEMA mapping issues. He stated Centralia had committed to support Chehalis and Lewis County in our approach in dealing with FEMA. City Manager MacReynold reported he had passed the information on to the lobbyist in Washington, D.C., and locally, adding it would be built into our white paper that they are taking to staff.

Councilor Lund asked if Centralia committed any money. City Manager MacReynold stated not yet.

Councilor Spahr suggested, if we're having these kinds of problems here, you had to wonder what people in places like Fargo, North Dakota were going through. City Manager MacReynold reported the issues with FEMA were happening all over the United States. He noted, according to our lobbyist, a couple of Congressmen had initiated legislation to change FEMA's approach.

c. City Manager Out of the Office. City Manager MacReynold reported he would be in Scotland for the next few weeks, spending some time with Lord and Lady MacDonald, and other chiefs of Clan Donald. He stated he and his wife, Tanna May, were looking forward to their visit, and seeing different parts of the country.

8. Council Reports.

a. Events Attended by Councilor Dawes. Councilor Dawes reported he and Mayor Ketchum attended the opening of the new Veterans Administration Outpatient Clinic at the Lewis County Mall. He also had a chance to attend the meeting at Centralia Community College, along with Mayor Ketchum and Councilor Pope, regarding the possibility of a children's museum, which was part of the work being done by the CCRT.

Councilor Dawes reported he had a chance to ride the steam train with a group of volunteers who were being honored and thanked by the Lewis County Historical Museum for their time and services.

b. Quilt Presented to Pope's Kids Place. Councilor Pope reported he spent some time with a group of quilter's, who meet at the Vernetta Smith Chehalis Timberland Library twice a month. He stated they presented Pope's Kids Place with a quilt that had been started in 1940 by someone in the community, adding it had quite a bit of history. Councilor Pope noted the quilt had been passed on several times before it was given to the group.

c. Meetings Attended by Councilor Spahr. Councilor Spahr reported he attended the Lewis County Economic Development Committee meeting on Thursday, June 10, noting the speaker that day represented Richie Brothers Auctions, who came and talked about their location in Lewis County. Councilor Spahr felt it could be a sizable boom to the county with reference to tax revenue, not to mention the few jobs it might bring in.

Councilor Spahr also attended the Chamber Forum earlier that day, noting the fire marshals from both Chehalis and Centralia were in attendance to talk about inspections in commercial buildings.

d. Update on Flood Authority. Councilor Taylor talked briefly about the joint meeting he attended with the Chehalis River Basin Partnership, the Flood Authority and the United States Corps of Engineers (Corps), to discuss the General

June 14, 2010

Investigation (GI) study. He reported the meeting had a facilitator; however, he seemed more interested in just hearing himself speak. Councilor Taylor stated they voiced their opposition to the GI study and would follow up with a letter to clearly state their points, adding he believed they were going down the right path to get the FEMA flood maps fixed and to make sure the Flood Authority doesn't prevent them from taking care of the problem.

e. **Meeting Attended by the Mayor.** Mayor Ketchum reported he and Councilors Pope and Spahr attended a meeting on the previous Tuesday, to discuss the proposal of parking garages within the city. He felt the ideas and proposals they presented were good, and hoped something would come out of the meeting. Mayor Ketchum noted one possible site would be at the corner of Boistfort Street and Washington Avenue, and the other potential site was close to the courthouse.

9. **Ordinance No. 857-B – Second Reading, Implementing Federal E-Verify Requirements for City Contracts.** City Manager MacReynold reported, since the first reading, they had to make some adjustments to the ordinance based on what the federal law allowed. City Attorney Bill Hillier stated there was a concern by the proponents of the ordinance that the penalty, dealing with a contractor forfeiting some of their retainage, may have an impact on the basis of the federal approval. He wasn't certain they had any teeth left in the ordinance, but would leave it up to the council to decide.

Councilor Dawes stated he didn't want to see it thrown out because it didn't have any teeth in it, and asked if they had the right to put the teeth in the contract through contractual language, as opposed to the ordinance. City Attorney Hillier reported they did.

Councilor Dawes moved to pass Ordinance No. 857-B, as amended, on second and final reading.

The motion was seconded by Councilor Spahr.

Councilor Harris reported just a few days after the last council meeting the city of Yakima reversed themselves on E-Verify, noting during a rigorous debate the vote came back 4-3 against supporting it. He noted it came down to a Hispanic outcry against the council members, adding they put pressure on them to change their vote. Councilor Harris stated it was a demonstration of sadness as far as he was concerned.

The motion carried unanimously.

10. **Resolution No. 10-2010, First and Final Reading – Adopting the 2011-2016 Six-Year Transportation Improvement Plan (STIP).** Mr. Grochowski reported they held a public hearing at the last regular meeting to go over some of the projects. He briefly discussed the STIP, adding the reason some of the projects were listed twice was because they were still hoping for the 'Jobs Funding' to come through on National Avenue, Louisiana Avenue, and Riverside Road. Mr. Grochowski reported the Chamber of Commerce Way Project remained on the STIP because they were still waiting to find out about the \$700,000 in federal funding having to do with a local agency agreement supplement that was waiting for approval. He noted the Airport Road Extension Project was still on schedule for 2012.

Mr. Grochowski reported they were still trying to get some money from the Cowlitz Lewis Economic Development District through the Cowlitz-Wahkiakum Council of Governments (COG) for an enhancement project on Chehalis Avenue to include: traffic realignment, striping, benches, tree planting, and lighting on the east side of the street.

Mr. Grochowski reported they were looking at a couple of projects on N. Market Boulevard in the downtown area, which included: street lighting on both sides of the street; and, having the asphalt ground and repaved six feet from the curb towards the center line, noting they did the same thing about 15 or 20 years ago due to the asphalt being pushed up by cars as they pull into the parking stalls. Mr. Grochowski reported Bob Nacht was looking into some prices on irrigation for the islands in the downtown area, and the CCRT was also talking about planting trees. He stated they were looking at separate grants for the projects, adding they were not included in the STIP.

Mr. Grochowski reported they were still trying to go out for a full-blown grant on Chehalis Avenue and N. Market Boulevard (downtown) to tear them out completely and rebuild them, but the chances of getting those grants was pretty slim because nobody had any money.

June 14, 2010

Mayor Ketchum inquired about the Chamber Way Project, asking what keeping it open had to do with the city of Centralia. Mr. Grochowski reported the city of Centralia did a job and they were told by the State they would be able to receive \$700,000, when suddenly, the State changed their mind. Mr. Grochowski reported, if they could get the federal government to transfer \$700,000 to the Chamber Way Project, it would loosen up some state money to pay Centralia the \$700,000 back. He noted it might also lessen our cost for the Chamber Way Project.

Mayor Ketchum asked if the islands would be staying in the downtown area. City Manager MacReynold reported there really hadn't been a decision made with reference to Market Boulevard, adding the focus had been on the pilot project. He noted the reason they were going for the enhancement money was because when they went down and met with the COG, Rosemary Siipola who handles all of the grants, looked very favorably on our project. City Manager MacReynold reported the city's summer intern, Ben Smith, was finishing up his research on the pilot project, noting he had been busy surveying property owners, residents and users in the area. He stated they planned on bringing a report back to the council with the results of the research done by Mr. Smith.

Councilor Spahr asked what kind lighting they were looking at for Chehalis Avenue and Market Boulevard. Mr. Grochowski reported they would be installing the same type of historic lamp posts that the Lewis County Public Utility District was putting in.

Councilor Taylor moved to adopt Resolution No. 10-2010 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Resolution No. 11-2010, First and Final Reading – Repealing Resolution No. 1-1997 and 1-2007.** Mr. Nacht reported, since they would be discussing the National Avenue Project shortly, he would be brief on the issue of repealing prior resolutions dealing with the same issue. For the record, Mr. Nacht pointed out, the title of the resolution should be changed to read "A resolution of the City of Chehalis, Washington, repealing Resolution No. 01-1997, and 01-2007, and providing for an effective date hereof." He noted the body of the text reflected both resolutions being repealed.

Mr. Nacht stated the agenda report described why they were repealing the resolutions, and it would become abundantly clear why it needed to be done once they start talking about the project in the next agenda item. He reported environmental agencies no longer look favorably on individual projects, which was why staff was requesting to abandon the old concept and address the new concept.

Councilor Dawes asked that the word "City" also be added in the first sentence, to read "The City owns a 66 acre parcel of property."

Councilor Taylor moved to adopt Resolution No. 11-2010 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

12. **Agreement to Create a Wetland Bank on the City's National Avenue Property.** Mr. Nacht reported the National Avenue Project was a rather complex issue and he wanted to make sure the council had all the information they needed, and their questions answered.

Mr. Nacht reported his office was approached last fall by Robert Sokolove, President of WCEI, LLC, with a concept of creating a wetland mitigation bank on the city's National Avenue property. He noted the administration and the city attorney's office had been in communication with the proponent of the project through their attorney, Dan Mackesey, who was unable to make it to the council meeting.

Mr. Nacht reported the agreement before the council was a result of all of the parties negotiating back-and-forth. He noted the agreement would provide an opportunity for the city to partner with WCEI, LLC, to create a wetland bank on the National Avenue property.

Mr. Nacht introduced Mr. Sokolove, who first thanked Mr. Nacht and City Attorney Hiller, noting they represented the

June 14, 2010

city's interest very well. He noted he had been involved in the mitigation banking business since its inception, which went back about 20 years. Mr. Sokolove stated he had been involved with banks in 35 states, and helped write the new "Federal Rule" that was now in effect.

Mr. Sokolove reported his company was associated with a 550 Lawyer law firm, who own half of his company. He noted one of the nice things about their association was the law firm had a lot of corporate clients, which gave them an opportunity to go in and produce sites together with companies who have unutilized land.

Mr. Sokolove reported he had done one bank in Washington State and they were currently pursuing two in Oregon. He felt the city had a piece of land that was dying to be turned into a mitigation opportunity. Mr. Sokolove noted it was expensive to do, but his company would put the money out upfront. He stated his company was interested in entering into an arrangement on a partnership basis.

Mr. Sokolove reported he learned in the process, that the city needed a minimum of three (3) acre credits for its own needs, and felt the negotiated agreement they came up with was a fair one all the way around. He noted the city would get some mitigation it needed, and would share in the profit of the bank, such that, in a fairly conservative estimate, he believed the city would end up with the equivalent of about \$1.1 million dollars worth of credit and money from the bank at no cost to the city. Mr. Sokolove reported all of their projects are bonded and the city would be made the beneficiary of the bond.

Mr. Sokolove talked briefly about the city's SR6 property, noting they may have interest in that property, as well. He indicated if it proved to be a good site, which on its face appeared to be, they could look at expanding the existing agreement or create a new agreement and produce an umbrella bank, which meant they would have one agreement with the regulators that would take in more than one site.

Mr. Sokolove reported he had been working in the State of Washington since 1997, adding it was a difficult state to work with. He noted the good thing about it being difficult was it does hold to a very high standard. Mr. Sokolove indicated he got along very well with representatives from the Corps, state, and federal agencies.

Councilor Spahr asked what the difference was between an individual mitigation project and what they do as a bank. Mr. Sokolove reported, in the past, regulators encouraged on-site mitigation, which created situations where you had shopping center developers good at building shopping centers, but were not so good at building wetlands. He noted over the years the regulators started to realize there were probably better places in a watershed to build a single 100 acre site, to pick up all the needs and care for it, rather than a one acre site, a hundred different times all over the place. From the regulators standpoint, it also meant they had to keep going out every year to look at all the individual sites to make sure they hadn't failed.

Mr. Sokolove explained the utilization of a mitigation site, noting the first thing required in a project was to try to avoid impacting any wetlands. He stated once you get past the avoidance and minimization, you had to mitigate for the loss. Mr. Sokolove reported if there's a bank set up in the watershed, you have to use the watershed mitigation bank that's available.

Mr. Sokolove noted, in the middle of the National Avenue site, there was a three acre mitigation that was done in the past that has since failed, the primary reason being, it was build in the middle of invasive species. He noted the right way to mitigate would be to take the whole site, properly buffer, design and build it, and be responsible for it. Councilor Spahr asked if the city would be able to use the three acres over again. Mr. Sokolove stated we absolutely did, in a sense.

Mr. Sokolove reported one of the regulated requirements they would take on would be the maintenance and monitoring of the site. He noted they have to enter into a lengthy contract with the regulators before they can get credits.

Mr. Sokolove stated the site would always remain the city's land and could be turned into passive park land with walking trails around it, or whatever the city may want to do. Councilor Pope asked if any of their other sites had ever been used for recreational purposes. Mr. Sokolove noted they had, but it would depend on the individual nature of the site. He reported on a site such as ours it was hard for him to imagine a whole range of things the city would be able to do, other than passive walking/hiking trails with different plant species.

June 14, 2010

Councilor Harris asked if the city would be protected if WCEI, LLC goes away after they go through the process. Mr. Sokolove stated it would, adding there would be a construction bond to ensure they build the site, and a second required maintenance and monitoring bond that remains through the life of the maintenance and monitoring period. He stated the regulators require them to have the bonds.

Councilor Lund asked if there wasn't a requirement for a third-party as a backup. Mr. Sokolove stated yes, and it could be the city if they wanted to enter into that, or an unrelated third-party. He noted, similar to a will, you had to name a beneficiary and a backup beneficiary. Mr. Sokolove reported, unlike a corporate entity, if he were to screw up a single project and his bond was pulled, no regulator would ever approve him to do another job. He stated they couldn't afford to not properly design, build, maintain or monitor the site.

Councilor Spahr moved the council authorize the city manager to execute the agreement to create a wetland bank on the city's National Avenue property.

The motion was seconded by Councilor Pope.

City Attorney Hillier stated he would make a note that the legal description would have to be attached to the agreement.

City Manager MacReynold asked Mr. Nacht to speak on the matter of the three credits needed to mitigate the Barnes property site. Mr. Nacht stated there were a number of small areas on the Barnes property that totaled about three acres of wetland development, wetland buffer development, and waters of the United States. He noted the city proposed to develop all the areas that were identified, the reason being, it kept the city under the half acre of wetland development; that kept it under the nationwide permit concept. Mr. Nacht reported there had never been a concept or proposal to fill 56 acres of the Barnes property. He noted that was never the intent, adding the Corps and the Washington State Department of Ecology had always said we would never get a permit to fill Airport Lake or Wetland A, which was the wiggle-ditch parallel to Louisiana Avenue. Mr. Nacht reported other areas on the Barnes property that were identified wetlands were included in the mitigation proposal, about three acres worth, and would be proposed to be developed under the scheme of development. He stated they had a conceptual develop of the property, but until they had an actual development proposal, and submit it as a permit application to the Corps and DOE, the city still had some speculation as to what would go where. Mr. Nacht felt, based on the prior development concept, all they needed was approximately three acres of mitigation to develop approximately 46 acres of the 56 acres of the Barnes property.

The motion carried unanimously.

13. **Selection of Two (2) Representatives for the Chehalis River Basin Sub Zone.** Mayor Ketchum reported the discussion would be whether the council wanted to pick two representatives that evening, or to interview the applicants prior to making their selection. Councilor Taylor felt they had four really good candidates.

Councilor Taylor moved to appoint Julie Balmelli-Powe and Susan Rosbach to the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Dawes.

Councilor Spahr stated he would like to consider Daniel Maughan, adding the two candidates that Councilor Taylor moved to appoint were both excellent; however, he felt Mr. Maughan had a background in the subject, and it seemed to him they needed someone with a degree and the knowledge behind them, not just the passion. Councilor Dawes stated he didn't want to dismiss the passion someone may have to serve on a committee in any way.

Councilor Taylor stated his motion was based on the fact that he had had the chance to work with the two he moved to appoint. He noted he had met Katherine Humphrey, but had never met Mr. Maughan.

Councilor Dawes stated it would be interesting to see if the county had someone in mind that had a similar degree as Mr. Maughan.

June 14, 2010

Councilor Harris suggested they take one appointment at a time. He stated he understood what Councilor Spahr was saying, but he would also like the council to consider Ms. Humphrey, whose background was agronomy and agricultural economics, where Mr. Maughan's science background had to do with magma and volcanic.

Councilor Harris felt it was important to get someone with some science background, adding he would like to have some discussion about it.

Councilor Taylor withdrew his motion as earlier stated.

Councilor Taylor moved to appoint Julie Balmelli-Powe to the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Dawes and carried unanimously.

After further discussion, the council decided to interview the remaining three applicants prior to their next regular meeting.

There being no further business to come before the council, the meeting adjourned a 7:36 p.m.

Mayor


Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 14, 2010.

CITY OF CHEHALIS
AGENDA REPORT

DATE: June 15, 2010
TO: The Honorable Mayor and City Council
FROM: Robert Nacht, Acting Finance Manager
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Claim Vouchers No. 97046 through 97201 in the amount of \$978,044.78 dated June 15, 2010 and the transfer of \$67,927.00 from the General Fund, \$2,487.53 from the Arterial Street Fund, \$9,000.00 from the 1982-93 Community Development Block Grant Fund, \$1,402.54 from the HUD Block Grant Fund, \$191.50 from the Automotive Equipment Reserve Fund, \$829.11 from the Garbage Fund, \$863,065.86 from the Wastewater Fund, \$24,472.89 from the Water Fund, \$1,653.35 from the Storm & Surface Water Utility Fund, and \$7,015.00 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the June 15, 2010 Claim Vouchers No. 97046 through 97201 in the amount of \$978,044.78.

SUGGESTED MOTION

I move to approve the June 15, 2010 Claim Vouchers No. 97046 through 97201 in the amount of \$978,044.78.

Reviewed by: Tim Harchant, City Manager *Active*

CITY OF CHEHALIS
AGENDA REPORT

TO: The Honorable Mayor and City Council

FROM: Tim Grochowski, Acting City Manager
Bill Hillier, City Attorney
Bob Nacht, Community Development Director

DATE: June 8, 2010

SUBJECT: Interlocal Agreement between the City and Lewis County for Technical Services

ISSUE

The City and Lewis County have received from FEMA proposed mapping diagrams of the Chehalis River and its tributaries for the determination of areas of floodway and/or flood plain, which appear to be significantly flawed based upon prior flood experiences and creates issues for both Chehalis and Lewis County that will significantly impact the County's plan for development, as well as the City's long-term commercial growth.

DISCUSSION

The administration has been working for several months with the county and our other partners on postponing the release of the FEMA mapping diagrams. With all that is at stake, there is great concern about the appeals process and being successful in the final determination of the maps.

The administration, along with the Lewis County Prosecuting Attorney's Office, feels it would be in the best interest of both parties to consolidate our resources to retain services of technical and related experts experienced in FEMA-related issues, environment issues, and land use planning to aid in the FEMA mapping comment and appeal process.

The draft proposed interlocal agreement for funding profession technical services has been reviewed by both the city and county, and is being presented for council consideration.

RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends the council authorize the acting city manager to execute the interlocal agreement between the city and Lewis County for the purpose of retaining a technical expert and other related services with regards to the proposed FEMA mapping diagrams.

SUGGESTED MOTION

I move that the council authorize the acting city manager to execute the interlocal agreement between the city and Lewis County for the purpose of retaining a technical expert and other related services with regards to the proposed FEMA mapping diagrams.

Reviewed by: Tim Grochowski Acting City Manager

INTERLOCAL AGREEMENT

FOR

FUNDING PROFESSIONAL TECHNICAL SERVICES

THIS AGREEMENT is made and entered into this _____ day of _____, 2010, by and between **CITY OF CHEHALIS, WASHINGTON**, a municipal corporation, hereinafter referred to as "Chehalis", and **LEWIS COUNTY, WASHINGTON**, a municipal corporation, hereinafter referred to as "County".

WITNESSETH:

WHEREAS, the parties to this Agreement have received from FEMA proposed mapping diagrams of the Chehalis River and its tributaries for the determination of areas of floodway and/or floodplain; and

WHEREAS, the proposed mapping appears to be significantly flawed based upon prior flood experiences and creates issues for both Chehalis and County that significantly impact County's plan for development, as well as City's long-term commercial growth; and

WHEREAS, it is the desire of the parties hereto to retain services of technical and related experts experienced in FEMA-related issues, environmental issues, and land use planning to aid the parties in the FEMA mapping comment and appeal process; and

WHEREAS, it is the desire of the parties to consolidate resources for their desired purposes and to reduce their respective obligations and benefits to writing pursuant to Chapter 39.34, Revised Code of Washington, which provides for interlocal agreements for the public benefit; now, therefore,

IN CONSIDERATION of the above-referenced recitals and other good and valuable considerations, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Term.** The term of this Agreement shall commence on the _____ day of _____, 2010, and terminate on the 1st day of December, 2012, unless sooner terminated by completion of the requirements herein or by agreement of the parties.

2. **Interagency Cooperation.** Chehalis and County agree that no separate board shall be created to administer the purposes of this Interlocal Agreement. Rather, Chehalis shall act as the lead agency for purposes of administering the implementation and completion of the retention of technical expertise for assistance to the parties hereto as contemplated. The responsible party for County shall be the County Commissioners or their designee. The responsible party for Chehalis shall be the Chehalis City Manager or his designee.

3. **Hiring Professional.** Chehalis shall set up an interview process to interview a minimum of two candidates to provide services as contemplated herein. Candidates shall be interviewed by the responsible party for each entity to this Agreement and the responsible party shall make recommendations to Chehalis as to the most qualified candidate for meeting the needs and services required of the parties. Once the technical expert is selected, the responsible party shall negotiate a contract for services at a rate commensurate with the services being provided and the skills and abilities of the party providing the same. All services shall be rendered under the terms of a services agreement executed by the party chosen to serve.

4. **Compensation.** It is agreed between the parties hereto that County shall contribute a total sum of Fifty Thousand Dollars (\$50,000) to provide for funding for purposes of retaining a technical expert and other related services. The funds shall be held by Chehalis and Chehalis shall be responsible for compensating the expert on a monthly basis based upon bills

submitted to Chehalis for payment. Review of the work being performed and the appropriate compensation being paid shall be done by both Chehalis and County through their responsible parties.

5. **Additional Parties.** It is contemplated by the parties hereto that additional public entities may be interested in joining in this Interlocal Agreement for the provision of technical expertise to cover the interests of such public entities concerning comments and appeal of the FEMA mapping. In the event such entities are desirous of joining in, they may do so by an addendum to this Agreement, setting forth their participation and their contribution towards payment of funds for covering the services anticipated.

6. **Implementation.** It is the intent of the parties to this Agreement that the lead agency, Chehalis, shall implement the process for hiring the expert in the immediate future. It is of the utmost importance to the parties concerned that the services commence forthwith.

7. **Termination.** Any party to this Agreement may terminate this Agreement with or without cause by providing the other party hereto thirty (30) days written notice of such termination. Any fees or other expenses incurred in the operation of this Agreement up to and including the date of termination shall be the responsibility of the parties hereto. Regardless of termination of this Agreement, the County commits to the full distribution of the Fifty Thousand Dollars (\$50,000) if necessary to complete services contracted for with the technical service provider.

8. **Property.** It is not anticipated that any real or personal property would be required to be purchased by the parties solely because of this Agreement.

9. **Equal Opportunity.** The parties to this Agreement are equal opportunity employers.

10. **Nondiscrimination.** During the performance of this Agreement, the parties hereto shall not discriminate on the basis of race, age, color, sex, religion, national origin, creed, marital status, political affiliation, or the presence of any sensory, mental, or physical handicap. This provision shall include, but not be limited to, the following: Employment; upgrading; demotion; transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

11. **Assignment.** This Agreement or any interest herein or claim hereunder shall not be assigned or transferred in whole or in part by any party to this Agreement to any other entity without the prior written consent of all jurisdictions obligated herein.

12. **Severability.** If any portion of this Agreement is changed from mutual agreement or any portion is held invalid, the remainder of this Agreement shall remain in full force and effect.

13. **Waiver or Breach.** A waiver by any party hereto of a breach of any other party hereto of any covenant or condition of this Agreement shall not impair the right of the parties not in default to avail themselves of any subsequent breach thereof.

14. **Integration and Supersession.** This Agreement sets forth all of the terms, conditions, and agreements of the parties relative to the subject matter hereof and supersedes any and all such agreements which are hereby declared terminated and of no further force and effect upon the execution and delivery hereof. There are no terms, conditions, or agreements with respect thereto, except as herein provided, and no amendment or modification of this Agreement shall be effective unless reduced to writing and executed by the parties.

15. **Notices.** Unless otherwise stated herein, all notices and demands shall be in writing and sent to the party at their address as follows:

Chehalis: City Manager
City of Chehalis
350 N. Market Boulevard, Room 101
Chehalis, Washington 98532

County: Lewis County Commissioners
351 N. W. North Street
Chehalis, Washington 98532.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Washington. Venue for any action to enforce or interpret this Agreement shall be in the Superior Court of the State of Washington for Lewis County.

17. **Filing With County Auditor.** A copy of this Agreement shall be filed with the Lewis County Auditor pursuant to RCW 39.34.040.

EXECUTED IN DUPLICATE on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON

By: _____
Name: **Merlin MacReynold**
Title: **City Manager**

Approved:

By: _____
Name: **William T. Hillier**
Title: **City Attorney**

CHEHALIS

LEWIS COUNTY, WASHINGTON

By: _____
Name: **Ron Averill**
Title: **Commissioner**


By _____
Name: Bill Schulte
Title: Commissioner

By _____
Name: Lee Grose
Title: Commissioner

Approved:

By: _____
Name: Michael Golden
Title: Its Attorney

COUNTY

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager 
 Date: June 22, 2010
 Subject: Monthly Financial Reports for May

City of Chehalis
Comparative Financial Reports
May 2009 and 2010

GENERAL FUND (#001) REVENUES	A May 2009		B Actual	C=B/A		D May 2010		E Actual	F=E/D		G Expected % Rec'd*	H^ Var'nc frm Expected	I=F-G % Variance
	Budget	% Rec'd		Budget	% Rec'd	% Rec'd	% Rec'd						
General Property Taxes	\$1,181,000	42.5%	\$501,506	42.5%	\$1,212,580	42.9%	\$520,785	42.9%	41.7%	\$15,543	41.7%	1.2%	
EMS Property Taxes	226,000	42.2%	95,343	42.2%	230,920	43.2%	99,679	43.2%	41.7%	3,462	41.7%	1.5%	
Sales & Use Tax	3,700,000	37.5%	1,387,308	37.5%	3,300,000	38.8%	1,279,349	38.8%	41.7%	(95,651)	41.7%	-2.9%	
Electricity Tax	370,000	53.2%	196,747	53.2%	400,000	44.9%	179,479	44.9%	41.7%	12,812	41.7%	3.2%	
Gas/Natural Gas Tax	261,500	62.3%	162,932	62.3%	284,000	44.1%	125,230	44.1%	41.7%	6,897	41.7%	2.4%	
Criminal Justice Tax	110,000	35.0%	38,527	35.0%	100,000	35.7%	35,674	35.7%	41.7%	(5,993)	41.7%	-6.0%	
Interfund Water/Sewer Tax	330,200	23.1%	76,433	23.1%	328,200	40.0%	131,162	40.0%	41.7%	(5,588)	41.7%	-1.7%	
Garbage Tax	80,000	39.3%	31,431	39.3%	65,000	46.4%	30,146	46.4%	41.7%	3,063	41.7%	4.7%	
Cable Tax	85,000	24.8%	21,103	24.8%	80,000	53.6%	42,844	53.6%	41.7%	9,511	41.7%	11.9%	
Telephone Tax	350,000	36.8%	128,657	36.8%	335,000	39.4%	131,837	39.4%	41.7%	(7,746)	41.7%	-2.3%	
Leasehold Excise Tax	34,000	24.5%	8,318	24.5%	34,000	24.4%	8,303	24.4%	41.7%	(5,864)	41.7%	-17.3%	
Total Tax Revenues	6,727,700	39.4%	2,648,305	39.4%	6,369,700	40.6%	2,584,488	40.6%	41.7%	(69,554)	41.7%	-1.1%	
Licenses & Permits	240,984	9.9%	23,911	9.9%	66,080	36.9%	24,365	36.9%	41.7%	(3,168)	41.7%	-4.8%	
Intergov't Grants/Entitlements	2,828,581	30.5%	863,886	30.5%	432,650	25.5%	110,263	25.5%	41.7%	(70,008)	41.7%	-16.2%	
Charges for Goods and Svcs.	1,069,254	36.6%	390,916	36.6%	1,052,589	40.8%	429,151	40.8%	41.7%	(9,428)	41.7%	-0.9%	
Fines and Forfeitures	114,375	35.7%	40,841	35.7%	96,360	49.7%	47,907	49.7%	41.7%	7,757	41.7%	8.0%	
Interest Earnings	32,200	45.4%	14,613	45.4%	28,200	33.5%	9,442	33.5%	41.7%	(2,308)	41.7%	-8.2%	
Rents/Leases	89,375	24.5%	21,925	24.5%	64,215	40.3%	25,864	40.3%	41.7%	(892)	41.7%	-1.4%	
Contributions/Donations	7,090	100.0%	7,088	100.0%	36,969	79.2%	29,283	79.2%	41.7%	13,879	41.7%	37.5%	
Misc. Revenue/Insurance	2,700	141.4%	3,818	141.4%	3,000	72.2%	2,165	72.2%	41.7%	915	41.7%	30.5%	
Non-Revenues	0	N/A	2,165	N/A	3,958	56.9%	2,251	56.9%	41.7%	602	41.7%	15.2%	
Total Non-Tax Revenues	4,384,559	31.2%	1,369,163	31.2%	1,784,021	38.2%	680,691	38.2%	41.7%	(\$62,651)	41.7%	-3.5%	
Proceeds of Long-Term Debt	1,131,362	0.0%	0	0.0%	1,131,362	0.0%	0	0.0%	41.7%	(471,401)	41.7%	-41.7%	
Operating Transfers-In	422,240	98.9%	417,638	98.9%	50,000	25.0%	12,500	25.0%	41.7%	(8,333)	41.7%	-16.7%	
Total Other Financing Sources	1,553,602	26.9%	417,638	26.9%	1,181,362	1.1%	12,500	1.1%	41.7%	(\$479,734)	41.7%	-40.6%	
TOTALS	\$12,665,861	35.0%	\$4,435,106	35.0%	\$9,335,083	35.1%	\$3,277,679	35.1%	41.7%	(\$611,939)	41.7%	-6.6%	

(1)

Key:
 * The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12-the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
May 2009 and 2010

GENERAL FUND (#001) EXPENDITURES	A May 2009		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	May 2010	Actual	% Exp'd	% Exp*	Expected	Var'nc Expected	% Variance	Expected	Var'nc Expected	% Variance	
City Council	\$68,801	\$26,611	\$97,431	\$40,258	38.7%	\$97,431	\$40,258	41.3%	\$338	41.7%	41.7%	\$338	0.4%	41.7%	\$338	0.4%		
Municipal Court	320,380	123,370	325,256	132,840	38.5%	325,256	132,840	40.8%	2,683	41.7%	41.7%	2,683	0.9%	41.7%	2,683	0.9%		
City Manager#	166,282	68,276	351,343	150,574	41.1%	351,343	150,574	42.9%	(4,181)	41.7%	41.7%	(4,181)	-1.2%	41.7%	(4,181)	-1.2%		
Finance	482,679	217,695	496,314	237,609	45.1%	496,314	237,609	47.9%	(30,812)	41.7%	41.7%	(30,812)	-6.2%	41.7%	(30,812)	-6.2%		
City Clerk	97,366	36,192	95,912	39,163	37.2%	95,912	39,163	40.8%	800	41.7%	41.7%	800	0.9%	41.7%	800	0.9%		
City Attorney#	90,850	37,435	0	0	41.2%	0	0	N/A	0	41.7%	41.7%	0	N/A	41.7%	0	N/A		
Non-Departmental	1,822,941	752,166	1,534,163	138,458	41.3%	1,534,163	138,458	9.0%	500,777	41.7%	41.7%	500,777	32.7%	41.7%	500,777	32.7%		
Human Resources	136,521	53,179	140,962	51,059	39.0%	140,962	51,059	36.2%	7,675	41.7%	41.7%	7,675	5.5%	41.7%	7,675	5.5%		
Police	2,456,673	990,548	2,403,537	1,003,347	40.3%	2,403,537	1,003,347	41.7%	(1,873)	41.7%	41.7%	(1,873)	0.0%	41.7%	(1,873)	0.0%		
Fire	1,899,679	704,621	1,913,269	785,423	37.1%	1,913,269	785,423	41.1%	11,772	41.7%	41.7%	11,772	0.6%	41.7%	11,772	0.6%		
Public Works - Streets	2,969,551	1,063,894	615,696	180,166	35.8%	615,696	180,166	29.3%	76,374	41.7%	41.7%	76,374	12.4%	41.7%	76,374	12.4%		
Public Works - Engineering	273,257	104,459	289,837	125,749	38.2%	289,837	125,749	43.4%	(4,984)	41.7%	41.7%	(4,984)	-1.7%	41.7%	(4,984)	-1.7%		
Economic Development	140,529	99,645	0	0	70.9%	0	0	N/A	0	41.7%	41.7%	0	N/A	41.7%	0	N/A		
Community Development	1,732,287	678,204	1,560,275	633,723	39.2%	1,560,275	633,723	40.6%	16,392	41.7%	41.7%	16,392	1.1%	41.7%	16,392	1.1%		
TOTALS	\$12,657,796	\$4,956,295	\$9,823,995	\$3,518,369	39.2%	\$9,823,995	\$3,518,369	35.8%	\$574,962	41.7%	41.7%	\$574,962	5.9%	41.7%	\$574,962	5.9%		

Net Budget/Income: \$8,065 (\$521,189) (\$488,912) (\$240,690)

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

#In 2010, the City Attorney's budget is budgeted for within the City Manager's budget.

(1) Proceeds of long-term debt are dependent upon the issuance of the G.O. Debt.

(2) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

**City of Chehalis
Comparative Financial Reports
May 2009 and 2010**

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	May 2009 Actual	Budget	Actual	%	Rec'd	Budget	May 2010 Actual	%	Rec'd	Expected % Rec'd*	Expected % Rec'd*	Var'nc frm Expected	%	Expected % Rec'd*	Expected % Rec'd*	Var'nc frm Expected	%
WASTEWATER FUND (#404)																		
REVENUES																		
Intergovernmental Revenues	\$165,530	\$158,269			95.6%		\$0		\$0	N/A	41.7%		\$0	N/A				
Wastewater Fees	3,359,740	1,291,312			38.4%	3,510,208	1,474,943	42.0%	42.0%	41.7%	41.7%	12,356	0.3%					
Sewer Connection/Misc. Fees	30,000	116,547			388.5%	70,000	8,766	12.5%	12.5%	41.7%	41.7%	(20,401)	-29.2%					
Rentals	0	4,150			N/A	3,750	3,750	100.0%	100.0%	41.7%	41.7%	2,188	58.3%					
Misc. Revenues	500	873			174.6%	2,500	1,053	42.1%	42.1%	41.7%	41.7%	11	0.4%					
Interfund Principal Repayment	600,000	34,319			5.7%	565,681	0	0.0%	0.0%	41.7%	41.7%	(235,700)	-41.7%					
Proceeds from Sale of Capital Assets	0	783			N/A	0	3,668	N/A	N/A	41.7%	41.7%	3,668	N/A					
Interest Earnings	52,000	23,544			45.3%	54,000	6,131	11.4%	11.4%	41.7%	41.7%	(16,369)	-30.3%					
Totals:	\$4,207,770	\$1,629,797	\$4,206,139	\$1,498,311	38.7%			35.6%		41.7%	41.7%	(\$254,247)	-6.0%					

(1)

	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	May 2009 Actual	Budget	Actual	%	Exp'd	Budget	May 2010 Actual	%	Exp'd	Expected % Exp*	Expected % Exp*	Var'nc frm Expected	%	Expected % Exp*	Expected % Exp*	Var'nc frm Expected	%
WASTEWATER FUND (#404)																		
EXPENSES																		
Operating Expenses	\$2,119,975	\$841,573			39.7%	\$2,292,351	\$1,002,498	43.7%	43.7%	41.7%	41.7%	(\$47,352)	-2.0%					
Capital Outlay	542,300	10,716			2.0%	70,000	10,784	15.4%	15.4%	41.7%	41.7%	18,383	26.3%					
Debt Principal	1,956,098	929,700			47.5%	1,737,660	149,968	8.6%	8.6%	41.7%	41.7%	574,057	33.1%					
Interest Expense	68,344	33,954			49.7%	59,481	28,090	47.2%	47.2%	41.7%	41.7%	(3,306)	-5.5%					
Totals:	\$4,686,717	\$1,815,943	\$4,159,492	\$1,191,340	38.7%			28.6%		41.7%	41.7%	\$541,782	13.1%					

(2)

Net Budget/Income: (\$478,947) (\$186,146) \$46,647 \$306,971

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

(2) Debt is not paid evenly throughout the year

City of Chehalis
Comparative Financial Reports
May 2009 and 2010

WATER FUND (#405) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	May 2009 Actual	% Rec'd	Budget	May 2010 Actual	% Rec'd*	Budget	Actual	% Rec'd	Expected % Exp*	Expected % Exp*	Var'nc Expected	Var'nc Expected	% Variance	% Variance			
Water Sales	\$2,258,873	\$843,867	37.4%	\$2,298,896	\$859,072	37.4%	\$859,072	\$859,072	37.4%	41.7%	41.7%	(\$98,801)	(\$98,801)	-4.3%	-4.3%			
Water Connection/Misc. Fees	200,000	77,557	38.8%	200,000	10,684	5.3%	10,684	10,684	5.3%	41.7%	41.7%	(72,649)	(72,649)	-36.4%	-36.4%			
Misc. Revenues	0	0	N/A	0	2	N/A	2	2	N/A	41.7%	41.7%	2	2	N/A	N/A			
Intergovernmental Revenues	2,000	0	0.0%	0	0	0.0%	0	0	N/A	41.7%	41.7%	0	0	N/A	N/A			
Interfund Principal Repayment	850,000	284,319	33.4%	565,681	0	0.0%	0	0	0.0%	41.7%	41.7%	(235,700)	(235,700)	-41.7%	-41.7%			
Proceeds from Sale of Capital Assets	0	0	N/A	0	1,692	N/A	1,692	1,692	N/A	41.7%	41.7%	1,692	1,692	N/A	N/A			
Interest Earnings	12,705	1,920	15.1%	14,000	0	0.0%	0	0	0.0%	41.7%	41.7%	(5,833)	(5,833)	-41.7%	-41.7%			
Totals:	\$3,323,578	\$1,207,663	36.3%	\$3,078,577	\$871,450	28.3%	\$871,450	\$871,450	28.3%	41.7%	41.7%	(\$411,290)	(\$411,290)	-13.4%	-13.4%			

(1)

WATER FUND (#405) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	May 2009 Actual	% Exp'd	Budget	May 2010 Actual	% Exp'd	Budget	Actual	% Exp'd	Expected % Exp*	Expected % Exp*	Var'nc Expected	Var'nc Expected	% Variance	% Variance			
Operating Expenses	\$1,910,195	\$645,027	33.8%	\$1,803,191	\$768,910	42.6%	\$768,910	\$768,910	42.6%	41.7%	41.7%	(\$17,580)	(\$17,580)	-0.9%	-0.9%			
Capital Outlay	436,495	239,664	54.9%	577,000	349,784	60.6%	349,784	349,784	60.6%	41.7%	41.7%	(109,367)	(109,367)	-18.9%	-18.9%			
Debt Principal	119,638	7,000	5.9%	127,464	8,000	6.3%	8,000	8,000	6.3%	41.7%	41.7%	45,110	45,110	35.4%	35.4%			
Interest Expense	30,482	5,325	17.5%	28,725	4,975	17.3%	4,975	4,975	17.3%	41.7%	41.7%	6,994	6,994	24.4%	24.4%			
Totals:	\$2,496,810	\$897,016	35.9%	\$2,536,380	\$1,131,669	44.6%	\$1,131,669	\$1,131,669	44.6%	41.7%	41.7%	(\$74,844)	(\$74,844)	-2.9%	-2.9%			

(2)

Net Budget/Income: \$826,768 \$310,647
\$542,197 (\$260,219)

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

(2) Capital expenditures are not made evenly throughout the year.

City of Chehalis
Comparative Financial Reports
May 2009 and 2010

STORM FUND (#406) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	May 2009 Actual	Actual	Rec'd	%	Budget	May 2010 Actual	Actual	Rec'd	%	Expected % Rec'd*	Var'nc frm Expected	Variance	%	Expected % Rec'd*	Var'nc frm Expected	Variance	%
Storm & Surface Water Fees	\$405,000	\$171,717	\$171,717	42.4%		\$402,500	\$167,631	\$167,631	41.6%	41.7%	(\$77)	-0.1%		41.7%	(9,511)	-39.7%		
Storm Connection/Misc. Fees	30,000	14,963	14,963	49.9%		24,000	489	489	2.0%	41.7%	(9,511)	-39.7%		41.7%	(625)	-41.7%		
Interest Earnings	6,000	0	0	0.0%		1,500	0	0	0.0%	41.7%	(625)	-41.7%		41.7%	0	N/A		
Misc. Revenues	0	0	38	N/A		0	0	0	N/A	41.7%	0	N/A		41.7%	0	N/A		
Totals:	\$441,000	\$186,718	\$186,718	42.3%		\$428,000	\$168,120	\$168,120	39.3%	41.7%	(\$10,213)	-2.4%		41.7%	(\$10,213)	-2.4%		

STORM FUND (#406) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	May 2009 Actual	Actual	Exp'd	%	Budget	May 2010 Actual	Actual	Exp'd	%	Expected % Exp*	Var'nc frm Expected	Variance	%	Expected % Exp*	Var'nc frm Expected	Variance	%
Operating Expenses	\$384,631	\$131,526	\$131,526	34.2%		\$376,541	\$152,092	\$152,092	40.4%	41.7%	\$4,800	1.3%		41.7%	30,417	41.7%		
Capital Outlay	60,000	2,869	2,869	4.8%		73,000	0	0	0.0%	41.7%	30,417	41.7%		41.7%	30,417	41.7%		
Totals:	\$444,631	\$134,395	\$134,395	30.2%		\$449,541	\$152,092	\$152,092	33.8%	41.7%	\$35,217	7.9%		41.7%	\$35,217	7.9%		

Net Budget/Income: (\$3,631) \$52,323
(\$21,541) \$16,028

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) - E (i.e. (annual budgeted amount x expected % expended) - actual expenditures.)

RECOMMENDATION/COUNCIL ACTION DESIRED

This report is for the Council's information only. No action is necessary.

Reviewed by Tim Garbowski, City Manager ACTING

CITY OF CHEHALIS
AGENDA REPORT

TO: The Honorable Mayor and City Council

FROM: Tim Grochowski, Acting City Manager
William Hillier, City Attorney

DATE: June 24, 2010

SUBJECT: City of Chehalis Flood Insurance Rate Map Review

ISSUE

The city administration has been working with Lewis County and our other partners on issues related to the FEMA floodplain draft maps. An interlocal agreement was prepared, in which the city and county agreed to retain a technical expert to provide the required technical arguments to aid in the FEMA mapping comment and appeal process.

DISCUSSION

The City and Lewis County have received from FEMA the proposed mapping diagrams of the Chehalis River and its tributaries for the determination of areas of floodway and/or floodplain. Based on prior flood experience, both the city and county believe these maps are significantly flawed and will drastically impact the county's plan for development, as well as the city's long-term commercial growth.

The city and county have agreed to retain a technical expert to review the studies and maps generated to-date related to the FEMA maps of the Chehalis River Basin.

The administration and representatives from Lewis County, the Chehalis-Centralia Airport, the Port of Chehalis, and the Chamber of Commerce interviewed several companies with qualifications to meet the needs and services required. Don Marcy, Cairncross & Hempelmann, P.S., who was hired to represent the city in its efforts to amend the currently proposed FEMA flood insurance maps, was also present during the interviews and recommended the services of Anchor QEA, LLC. A scope of work is attached for your review and consideration.

RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council authorize the acting city manager to execute an agreement with Anchor QEA, LLC, in an amount not to exceed \$40,000, for the review of the FEMA Flood Insurance Rate Maps for the Chehalis River Basin.

SUGGESTED MOTION

I move that the council authorize the acting city manager to execute an agreement with Anchor QEA, LLC, in an amount not to exceed \$40,000, for the review of the FEMA Flood Insurance Rate Maps for the Chehalis River Basin.

Reviewed by: Tim Grochowski Acting City Manager



811 Kirkland Avenue
Suite 200
Kirkland, Washington 98033
Phone 425.827.3243
Fax 425.827.3509

June 21, 2010

Don Marcy
Cairncross & Hempelmann, P.S.
524 2nd Ave., Suite 500
Seattle, WA 98104

Re: City of Chehalis Flood Insurance Rate Map Review

Anchor QEA, LLC (Anchor QEA) is pleased to present our scope of work for the review of FEMA Flood Insurance Rate Maps (FIRMs) for the Chehalis River Valley. For this review, we propose a two-part process. The first part is to perform a technical review of information, studies and maps generated to date related to the FEMA maps of the Chehalis River. The second is meetings, public hearings, presentations and other work that may follow the technical review. A more detailed description of the tasks is provided below.

Task 1 – Technical Review

Review available draft FIRM maps and supporting technical documentation. Obtain hydraulic model used in the mapping as well as hydrologic data used to estimate streamflows used in the hydraulic model. Evaluate hydrologic data and hydrologic analyses to determine their suitability for use in the FIRM, paying close attention to the hydrologic analyses performed for the South Fork Chehalis River and the combined probability of large floods occurring in the South Fork, Skookumchuck River and Newaukum River. There was controversy after the 2007 flood as to whether the rainfall measured by Weyerhaeuser in the South Fork Basin was accurate and the impact from its use and the resulting flow in the South Fork Chehalis River will be closely reviewed. High water marks recovered after the flood will be examined and compared to the high water elevations used to calibrate the hydraulic model. A review of the method used by the FEMA contractor to account for floodplain storage will also be performed to ensure a correct accounting of flow attenuation

was included in the hydraulic model. The assumptions used in the hydraulic modeling relating to overflow of I-5, the railroad tracks and other hydraulic obstructions will also be performed to ensure the hydraulic model properly accounts for the complex flow patterns that occur near the cities of Chehalis and Centralia. A short technical memorandum will be prepared which summarizes the review.

Task 2 – Meetings and Additional Review

For this task we will attend meetings with the City and other stakeholders to present the review and answer questions. Potential meetings include:

- City Council and Lewis County Commissioner meetings
- Meetings with FEMA and their technical team
- Public meetings
- Presentations and meetings with City staff, attorneys and others

We will also respond to questions and provide additional review and analyses as needed to address the FIRM maps as they get closer to publication.

Estimated Costs

We propose to perform the work on an hourly basis with a budget that will not be exceeded without prior permission. Our proposed contract and rate schedule is attached to this letter. Our estimated costs are shown in Table 1.

Table 1
Estimated Costs

Task	Estimated Cost
Technical Review	\$20,000
Meetings and Additional Review	\$20,000
Total	\$40,000

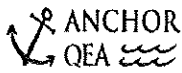
We look forward to working with the City of Chehalis on this important project. Please contact me with any comments or questions.

Sincerely,

Bob Montgomery

Robert A. Montgomery, P.E.,
Anchor QEA, LLC.
Partner

Encl.



STANDARD AGREEMENT

This agreement is made on the 21st of June, 2010 by and between:

Anchor QEA, LLC
811 Kirkland Ave., Suite 200
Kirkland, Washington 98033

herein referred to as "Anchor QEA" and:

City of Chehalis
350 N Market Boulevard
Chehalis, WA 98532

hereinafter called "CLIENT."

This AGREEMENT is for the Chehalis River Floodplain Map Review project.

PROVISIONS

ARTICLE 1. TERMS OF PAYMENT

A. Invoicing

Monthly invoices will be issued to the CLIENT for payment and will represent the value of the completed Scope of Services.

B. Payment

Payment is due within 30 days of date of the invoice for the entire invoice amount. Any invoice not paid within 30 days shall bear interest at the equivalent of 18 percent per year.

C. Final Payment

Final payment of any balance will be made upon completion of the Scope of Services, and receipt of all deliverables and all PROJECT-related documents and data that are required to be furnished under this AGREEMENT.

ARTICLE 2. OBLIGATION OF ANCHOR QEA

A. Independent Contractor

Anchor QEA is an independent contractor and will maintain complete control of and responsibility for its employees, agents, methods, and operations.

B. Lower Tier Subcontracts

Anchor QEA shall not sublet or assign any of the work covered by this Agreement, except with the prior written

approval of the CLIENT and in strict compliance with the terms, provisions, and conditions of this Agreement. Anchor QEA will bind all Lower Tier Subconsultants to the Provisions of this AGREEMENT.

Neither this AGREEMENT nor any Lower Tier subcontract will create any contractual relationship between any Lower Tier Subconsultant and the CLIENT nor any liability of the CLIENT to any Lower Tier Subconsultant.

C. Performance

The standard of care applicable to Anchor QEA's services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services.

D. Notice of Delay

The time schedule for the performance of services as set forth under this Agreement is based on Anchor QEA's anticipation of the orderly and continuous progress of the project. If Anchor QEA is delayed in the performance of services by conditions that are beyond its control, Anchor QEA shall notify the CLIENT in writing of the cause of delay and the amount of delay anticipated. Such notice shall be delivered to the CLIENT within five (5) days of the time Anchor QEA is aware of the delay.

E. Insurance

Anchor QEA will maintain throughout this AGREEMENT the following insurance and will submit certificates verifying such to the CLIENT when requested:

- (1) Worker's compensation and employer's liability insurance as required by the state or province where the work is performed.
- (2) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
- (3) Comprehensive general liability insurance covering claims for injuries arising out of any negligent act or omission of Anchor QEA or of any of its employees, agents, or subcontractors, with \$1,000,000 combined single limits.
- (4) Professional liability insurance of \$1,000,000.

All insurance certificates will state that the insurance carrier will give the CLIENT thirty (30) days notice of any cancellation of the policies.

F. Limitation of Liability

To the maximum extent permitted by law, the CLIENT agrees to limit Anchor QEA's liability for the CLIENT's damages to Anchor QEA's fees for the services provided under this AGREEMENT.

G. Indemnification

Anchor QEA and the CLIENT mutually agree, to the fullest extent permitted by law, to indemnify and hold each other harmless from any and all damage, liability, or cost, including reasonable attorneys' fees and costs of defense, arising from their own negligent acts, errors or omissions in the performance of their services under this AGREEMENT, to the extent that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

H. Permits, Licenses, and Fees

Anchor QEA will obtain and pay for all permits and licenses required by law that are associated with Anchor QEA's performance of the Scope of Services and will give all necessary notices.

I. Access to Records

Anchor QEA will maintain accounting records, in accordance with generally accepted accounting principles and practices to substantiate all invoiced amounts. Said records will be available for examination by the CLIENT during Anchor QEA's normal business hours for a period of 3 years after the final invoice to the extent required to verify the costs incurred hereunder.

J. Affirmative Action

Anchor QEA, with regard to the work performed by it after approval and/or award and prior to completion of this contract, shall not discriminate on the grounds of race, color, sex, age, sexual orientation, political ideology or national origin, and in the selection and retention of employees and subcontractors, including, but not limited to, services for procurement of materials and leases of equipment.

ARTICLE 3. GENERAL PROVISIONS

A. Waivers

No waiver by either party of any default by the other party in the performance of any provision of this AGREEMENT will operate as, or be construed as, a waiver of any future default, whether like or different in character.

B. Force Majeure

Neither party to this AGREEMENT will be liable to the other party for delays in performing the Scope of Services, or for the direct or indirect costs resulting from such delays, that may result from labor strikes, riots, war, acts of governmental authorities, extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable control or contemplation of either party.

C. Authorization to Proceed

Execution of the AGREEMENT by the CLIENT will be authorization for Anchor QEA to proceed with the Scope of Services, unless otherwise provided for in this AGREEMENT.

D. No Third Party Beneficiaries

This AGREEMENT gives no rights or benefits to anyone other than Anchor QEA and the CLIENT and has no third-party beneficiaries.

E. Jurisdiction

The laws of the state in which the Anchor QEA office that has primary responsibility for the services is located shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it; venue of any lawsuit shall also be in the jurisdiction of that office location.

F. Disputes

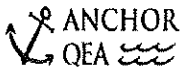
In the event of any dispute arising out of this Agreement, the parties agree to submit the dispute to non-binding mediation and binding arbitration under the then prevailing rules of the American Arbitration Association (AAA) for construction industry disputes, provided that no party objects to arbitration within 30 days after a demand for arbitration is filed with AAA. In any action brought for such dispute, the prevailing party shall be entitled to recover its reasonable costs and attorney fees.

G. Severability and Survival

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, unenforceability will not affect any other provision of this AGREEMENT. The provisions of this AGREEMENT shall survive its termination and completion of services.

H. Termination/Cancellation

The CLIENT will have the right to terminate this AGREEMENT for its convenience. After termination, Anchor QEA will be reimbursed for services rendered and necessary expenses incurred to the termination date upon submission to the CLIENT of detailed supporting invoices.



I. Complete Agreement

This AGREEMENT constitutes the complete and final understanding between the parties. The CLIENT may adjust the Scope of Services by either adding to or deleting from the services to be performed. If such adjustment increases or decreases the cost or time required for Anchor QEA's Scope of Services, adjusting compensation and/or time will be mutually agreed upon in writing. Additional Services provided by Anchor QEA will be entitled to additional

compensation or extension of time only as authorized in writing by the CLIENT.

J. Attachments and Schedules

The following attachments and schedules are hereby made a part of this AGREEMENT:

Attachment A – Current Rate Sheet

Attachment B – Letter Describing Scope of Services

This Agreement represents the entire agreement between the parties, supersedes all prior agreements and understandings, and may be changed only by written amendment executed by both parties.

Approved for Anchor QEA, LLC

By _____

Title _____

Date _____

Accepted for CLIENT

By _____

Title _____

Date _____

Anchor QEA, L.L.C.

2010 BILLING RATES

Professional Level Hourly Rates

Principal Engineer/Planner/Scientist	\$185
Senior Project Manager	\$180
Project Manager	\$162
Senior Engineer/Land Arch/Planner/Scientist.....	\$142
Staff 3 Engineer/Planner/Scientist.....	\$125
Staff 2 Engineer/Planner/Scientist.....	\$114
Staff 1 Engineer/Planner/Scientist.....	\$99
Field Technician	\$83
Senior Designer/CAD.....	\$105
Designer/CAD	\$92
Project Assistant	\$82
Administrative	\$82

Special Hourly Rates

All work by a testifying expert..... 1.5 times professional level rate

EXPENSE BILLING RATES

Expense Rates

Diving Services (per day).....	Project Specific
CAD/GIS/Modeling (per hour)	\$10.00
Graphic Plots (varies with plot size)	\$3-6/sf
Photocopies (per copy).....	\$0.10
Faxes (per page)	\$1.00
Mileage (per mile).....	Current Federal Standard

FEE ON LABOR AND EXPENSE CHARGES

Subcontracts/subconsultants.....	10%
Travel and other direct costs.....	10%
Field equipment & supplies.....	10%

This is a company confidential document.