

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

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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.

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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

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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.

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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

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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.

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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.

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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.