

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 14, 2010

5:15 p.m.

EXECUTIVE SESSION

- | | | |
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| 1. <u>Executive Session Pursuant to RCW 42.30.110(1)(i) – Potential Litigation and RCW 42.30.140(4)(a) – Collective Bargaining.</u> (City Manager, Human Resources Administrator) | --- | |
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Regular Meeting of June 14, 2010

6:00 p.m.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
2. <u>Call to Order.</u> (Mayor)		
3. <u>Pledge of Allegiance.</u> (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.

SPECIAL BUSINESS

- | | | |
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| 4. <u>Recognition of Chehalis High School Spring Athletic Teams.</u> (Mayor) | | |
| 5. <u>2010 Community Farmers Market.</u> (Brenda Book) | | |
| 6. <u>Update from the Chehalis Library Advisory Board.</u> (Library Advisory Board) | | |

CONSENT CALENDAR

7. <u>Minutes of the Regular Meeting of May 24, 2010.</u> (City Clerk)	APPROVE	1
8. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	5
9. <u>Award Bid for Two (2) 2010 Kawasaki Motorcycles to Kawasaki Police Authority Sales in the amount of \$36,082.24.</u> (Police Chief)	AWARD BID TO KAWASAKI POLICE AUTHORITY SALES FOR TWO (2) 2010 KAWASAKI MOTORCYCLES IN THE AMOUNT OF \$36,082.24	8
10. <u>Agreement for Engineering Services with Gibbs and Olson for the Development of an Inflow & Infiltration Remediation Plan in an Amount Not to Exceed \$25,000.</u> (Public Works Director, Wastewater Superintendent)	AUTHORIZE CITY MANAGER TO EXECUTE AGREEMENT BETWEEN CITY AND GIBBS AND OLSON TO DEVELOP AN INFLOW AND INFILTRATION REMEDIATION PLAN IN AN AMOUNT NOT TO EXCEED \$25,000	25
11. <u>Agreement for Engineering Services with RB Engineering for the State Avenue Pump Station Upgrade Project in an Amount Not to Exceed \$36,900.</u> (Public Works Director, Wastewater Superintendent)	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	28
12. <u>Accept Bid from Hamilton Rocking and Contracting, Inc., in the amount of \$41,842.62 for the Coal Creek Box Culvert Wing Wall Project and Authorize City Manager to Execute Contract Agreement.</u> (Public Works Director, Street Superintendent)	ACCEPT BID FROM HAMILTON ROCKING AND CONTRACTING, INC., IN THE AMOUNT OF \$41,842.62 FOR THE COAL CREEK BOX CULVERT WING WALL PROJECT, AND AUTHROIZE CITY MANAGER TO EXECUTE THE CONTRACT AGREEMENT	36
13. <u>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.</u> (City Manager)	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	54

STAFF AND CITY COUNCIL REPORTS

<p>14. <u>Staff Reports.</u></p> <p>a. Planning Commission Public Hearing on 2010 proposed amendments to the city's development regulations. (Community Development Director)</p>	<p>INFORMATION ONLY</p>	<p>61</p>
<p>15. <u>Council Reports.</u></p> <p>a. Councilor reports. (City Council)</p> <p>b. Council committee reports. (City Council)</p>	<p>INFORMATION ONLY</p> <p>INFORMATION ONLY</p>	

UNFINISHED BUSINESS

<p>16. <u>Ordinance No. 857-B – Second Reading, Implementing Federal E-Verify Requirements for City Contracts.</u> (City Manager, City Clerk, City Attorney)</p>	<p>PASS</p>	<p>62</p>
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NEW BUSINESS

<p>17. <u>Resolution No. 10-2010, First and Final Reading – Adopting the 2011-2016 Six-Year Transportation Improvement Plan.</u> (Public Works Director, Street Superintendent)</p>	<p>ADOPT</p>	<p>68</p>
<p>18. <u>Resolution No. 11-2010, First and Final Reading – Repealing Resolution No 1-2007.</u> (Community Development Director)</p>	<p>ADOPT</p>	<p>76</p>
<p>19. <u>Agreement to Create a Wetland Bank on the City's National Avenue Property.</u> (Community Development Director)</p>	<p>AUTHORIZE CITY MANAGER TO EXECUTE AGREEMENT TO CREATE A WETLAND BANK ON THE CITY'S NATIONAL AVENUE PROPERTY</p>	<p>78</p>
<p>20. <u>Selection of Two Representatives for the Chehalis River Basin Sub Zone.</u> (Mayor)</p>	<p>SELECT TWO PEOPLE TO REPRESENT CITY ON CHEHALIS RIVER BASIN SUB ZONE</p>	

**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, JUNE 28, 2010

May 24, 2010

The Chehalis city council met in regular session on Monday, May 24, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, and RCW 42.30.110(1)(i) – potential litigation for approximately one hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:04 p.m. and announced the council would take a ten minute recess and reopen the regular meeting at 6:13 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; Tim Grochowski, Public Works Director; Rick Sahlin, Street Superintendent; and Ben Smith, Summer Intern. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Interview Applicant for Historic Preservation Commission Vacancy.** Bob Nacht introduced David Plotz who applied for the vacant position on the Chehalis Historic Preservation Commission. The vacant position was previously held by Barbara Mason whose term expired December 31, 2009.

Mr. Plotz talked briefly about his background, noting he was born in Centralia and raised in Chehalis. He attended Washington State University and shortly after graduating moved to New York, where he bounced between Tokyo and New York for a period of 13 years. Mr. Plotz returned to the area and is currently the power supply manager for Lewis County Public Utility District. He felt it would be a great opportunity for him to get more involved with the community, by serving on the Historic Preservation Commission.

Councilor Dawes stated he appreciated Mr. Plotz' interest and thanked him for applying.

3. **Public Hearing Concerning the 2011-2016 Six-Year Transportation Improvement Program (STIP).** Tim Grochowski reported the administration was seeking council and public input to update the city's STIP for 2011-2016. He noted attached to the agenda report was the 2010-2015 STIP and the updated proposed street section of the Capital Improvement Plan, which identified street projects the administration believed to be of high importance.

Mr. Grochowski talked briefly about the extension of NW Louisiana Avenue and Airport Road, which was included on the STIP because it was a vital part of our regional transportation system. He noted the city had partnered with Lewis County and the Washington State Department of Transportation for grant funding for a portion of the improvement.

Mr. Grochowski reported the Chamber of Commerce Way Channelization Project would remain on the STIP until the project was completely closed out. He noted the city would continue to wait to hear about the \$700,000 of federal funds that were included in the Local Agency Agreement Supplement, adding they were just waiting for approval.

Mr. Grochowski stated the 2010-2015 STIP included the Chehalis Community Pathway Project, which was also on the statewide STIP. He noted the National Avenue and Louisiana Avenue overlay projects were included on the statewide STIP, as well, and had been submitted to the Lewis County Transportation Strategy Council for possible funding from the Federal Jobs Bill Project for pavement repairs, overlay and striping.

Mayor Ketchum closed the regular meeting at 6:18:05 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:18:20 p.m.

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

a. Minutes of the regular meeting of May 10, 2010;

b. Confirm appointment of David Plotz to the Chehalis Historic Preservation Commission for a three-year term expiring December 31, 2013; and

May 24, 2010

c. Authorize the city manager to execute contract agreement for fixed asset appraisal services between the city and Suncorp Valuations, Inc., to meet management and fiscal reporting requirements.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **April Financial Report.** Eva Lindgren reported on the general fund revenues, noting she had been in touch with the Lewis County Treasurer's Office to find out what funds had been received with regards to property tax. She noted at the beginning of May the city received \$440,000 in general property tax and an additional \$113,000 was collected by May 18, which was not reflected in the report. Ms. Lindgren stated they were not quite at the halfway point they hoped to see, but the LC Treasurer's Office indicated collections were in the ballpark of what they normally were. She noted everything else was basically addressed in the report in terms of any significant variances.

Ms. Lindgren reported on the utility funds, noting they still had budgeted repayments for \$566,000 to the water and sewer funds. She noted none of that had been remitted due to the fact that they had not yet issued debt. Ms. Lindgren stated she and City Manager MacReynold had met with a couple of individuals involved in the debt industry and were scheduled to meet with some bankers later in the week to discuss options.

6. **Council Reports.**

a. **Relay for Life Cancer Walk.** Councilor Dawes reported he assisted with the Relay for Life Cancer Walk on Friday, May 14. He also attended the first anniversary party at the Holiday Inn Express on Tuesday, May 18, adding it was well attended and they seemed to be very happy to be here. Councilor Dawes reported they were very complementary on our recreation staff, noting they fill the motel numerous times on the weekends because of the various recreation programs the city offers. He reported the County Assessors were also having their annual conference there later this year.

b. **Lewis County Economic Development Council (EDC) Board Meeting Update.** Councilor Spahr reported he recently attended an EDC board meeting, adding there were some very interesting things going on. He stated he let them know we were talking about e-verify and the representative from Employment Security volunteered to come and talk to the council if they wanted more input on the subject.

c. **Chehalis River Basin Partnership Update.** Councilor Harris reported he attended the Chehalis River Basin partnership meeting on Friday, May 21. He noted they discussed budget issues, and they were still struggling with the 501c3 program.

Councilor Harris indicated a meeting was set for the Chehalis Basin Partnership and the Chehalis Flood Authority to meet with the U.S. Army Corp of Engineers on Tuesday, May 25, at the Veterans Museum, at 9:00 a.m.

Councilor Harris reported he humbly accepted an opportunity to speak at the Relay for Life Cancer Walk on Friday, May 15, adding it was always fun to talk about cancer. He stated he and Mayor Ketchum had the opportunity to taste all the cakes that were up for grabs at the event, noting they had no idea there were going to be over 40 cakes to taste. Councilor Harris complimented Debbie Knapp and her crew, who put the event together.

d. **2011 Council Goals.** City Manager MacReynold reported a prioritized list of the 2011 council goals was included in the agenda packet. He noted the council came up with the goals during a work session on Monday, May 3, adding the goals were prioritized from high to low.

7. **Ordinance No. 857-B – First Reading, Implementing Federal E-Verify Requirements for City Contracts.** City Manager MacReynold reported, at the last meeting, the council had a discussion and took public testimony about whether or not they wanted to move forward on developing an ordinance with reference to e-verify. He noted the council gave some input as to what they wanted to see in an ordinance and directed the administration and city attorney to put together an ordinance for their consideration.

May 24, 2010

Councilor Dawes noted the two items that held the most interest of the council were to set parameters on the amount of the project, and to set a penalty amount. He indicated the proposed ordinance set the main contract amount at \$1,000, and a penalty of up to \$5,000 to be held from retainage.

Councilor Dawes moved to pass Ordinance No. 857-B on first reading.

Councilor Harris seconded the motion.

Councilor Spahr inquired about Section 2, No. 2, asking how many contracts would be eliminated under the 60-day requirement. City Manager MacReynold noted in the last two years only one contract would have been eliminated.

Hal Washburn (14545 Wiley Lane, Olalla, Washington) stated he was one of the individuals who addressed the City of Lakewood numerous times during their consideration of e-verify. He noted he was a member of Washingtonians for Immigration Reform and was heavily involved in the immigration debate. Mr. Washburn noted over the years a number of small businesses have been put under pressure and have gone out of business trying to compete with other firms who hire illegal immigrants and pay them sub-standard wages. He felt e-verify would help greatly to protect jobs and would make sure they go to people who are eligible for them. Mr. Washburn thanked the council for spending the time to investigate the issue and hoped they would see it through.

Robin Roy (186 Calvier Road, Cinebar, Washington) thanked the council for taking e-verify under consideration. She noted she spoke to most of the council two weeks ago about the negative impact illegal immigration had on her family. Ms. Roy suggested for every illegal immigrant who had a job there are two American citizens that don't. She felt it was important for everyone to stand together for our culture and for the hard working American citizens who need the jobs.

Bill Smith (PO Box 227, Onalaska, Washington) reported he represented Act for America. He noted they were working with Congress to try to get them to understand how serious the problem of illegal aliens was. Mr. Smith stated there were hundreds, if not thousands, who cross our borders both north and south, and felt e-verify was very important to identify those who are illegally coming into our country.

Terry Schrader (5033 213th Avenue SW, Centralia, Washington) reported he had been in the construction business for many years as a one guy operation with one or two helpers. He noted it was cheap for a lot of companies to hire illegals, which made them impossible to compete with. Mr. Schrader thought construction was a great starting point for young men because they don't need a lot of education, and they could end up making a good living from it. He felt they needed to stop illegal immigration by reducing the incentive for people to come here.

Jack Tipping (2101 Hwy 508, Chehalis, Washington) thanked the council for their work on the e-verify program and was pleased about the contract thresholds the council was considering.

Mayor Ketchum thanked the city attorney and the administration for all their hard work, adding he also appreciated all the comments and the work the council did at the previous meeting during his absence.

The motion carried unanimously.

8. **Award Contract for the Chehalis Website Redesign and Development Project.** City Clerk Judy Schave recognized Airport Manager Allyn Roe, Co-Chair of the Chehalis Community Renaissance Team (CCRT), Larry McGee, CCRT Chair, and Caryn Foley, Administrative Assistant to the City Manager, who were all part of the selection committee.

Ms. Schave reported the Chehalis Renaissance Plan recommended the city implement a new Chehalis brand, which included redesigning our current website to include more focus on visitor information and promotion of business. She noted in June of 2009, the administration presented the council with a proposal to have our current vendor, Beachdog.com, redesign our site; however, the council thought it would be best to look at other options and approved a motion to direct the administration to do a Request for Proposal (RFP). Ms. Schave noted they sent out a request and received three proposals; however, due to funding issues the proposals were rejected and the project was pushed back to 2010.

May 24, 2010

Ms. Schave reported in March the committee met and developed a new RFP. The committee researched many sites and made several notes as to what they wanted the new site to include. She noted the RFP went out in March 2010, and the city received 24 proposals ranging from \$2,300 to \$69,000. Ms. Schave explained the process the committee went through to narrow down their selection. She reported the committee was recommending Aha Consulting, Inc. for the website redesign project.

Mr. Roe offered to answer any questions the council might have, adding Ms. Schave did a great job putting it together. He felt what really attracted the selection committee to Aha Consulting was their eagerness for the business and their attention to the city in their proposal. Mr. Roe noted one of the key elements the committee looked at was to ensure the software being used to develop the website was open source, rather than proprietary. He noted the committee wanted to make sure that if the company went out of business, the technology behind the website could easily transfer to another source.

Councilor Spahr suggested it was one of those things that some people might look at and ask why it couldn't just be done in-house. He stated websites were difficult to maintain and thought the \$3,000 a year maintenance fee, for up to three years, was a good price.

Mayor Ketchum noted the city had been trying to do it themselves for years and it was time to progress.

Councilor Harris suggested the current site had been difficult to maintain.

Councilor Dawes felt it was important to keep up with technology, because if we didn't, things would become stale.

Councilor Harris moved to accept the proposal received from Aha Consulting, Inc., to provide website redesign and development services for the city, and authorize the city manager to execute the contract agreement.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Flood Zone District.** Commissioner Schulte reported he talked with City Manager MacReynold on Friday and gave him a list of names of the people who had volunteered for the flood zone district. He asked the council to select two names to represent the city of Chehalis and get them sent to the county so they could get the flood zone up and operating. Mayor Ketchum noted they would take the matter up at the next regular meeting.

There being no further business to come before the council, the meeting adjourned a 6:54 p.m.

Mayor



Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of May 24, 2010.

CITY OF CHEHALIS
AGENDA REPORT

DATE: May 14, 2010
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, 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. 96794 through 96927 in the amount of \$372,640.21 dated May 14, 2010 and the transfer of \$66,141.42 from the General Fund, \$302.57 from the Arterial Street Fund, \$2,895.61 from the Tourism Fund, \$5,000.00 from the 1982-93 Community Development Block Grant Fund, \$927.59 from the Automotive Equipment Reserve Fund, \$875.80 from the Garbage Fund, \$25,357.25 from the Wastewater Fund, \$269,752.68 from the Water Fund, \$1,211.83 from the Storm & Surface Water Utility Fund, and \$175.46 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the May 14, 2010 Claim Vouchers No. 96794 through 96927 in the amount of \$372,640.21.

SUGGESTED MOTION

I move to approve the May 14, 2010 Claim Vouchers No. 96794 through 96927 in the amount of \$372,640.21.

Reviewed by: , City Manager

CITY OF CHEHALIS
AGENDA REPORT

DATE: May 28, 2010
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager *EL*
PREPARED BY: Michelle White, Accounting Tech II *MW*
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Claim Vouchers No. 96928 through 97045 and Claim Voucher No. 42010 in the amount of \$73,463.11 dated May 28, 2010 and the transfer of \$31,540.58 from the General Fund, \$1,076.48 from the HUD Block Grant Fund, \$87.57 from the Garbage Fund, \$13,033.34 from the Wastewater Fund, \$22,802.56 from the Water Fund, \$2,388.10 from the Storm & Surface Water Utility Fund, and \$2,534.48 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED



The administration recommends that the council approve the May 28, 2010 Claim Vouchers No. 96928 through 97045 and Claim Voucher No. 42010 in the amount of \$73,463.11.

SUGGESTED MOTION

I move to approve the May 28, 2010 Claim Vouchers No. 96928 through 97045 and Claim Voucher No. 42010 in the amount of \$73,463.11.

Reviewed by: *M. Lindgren*, City Manager

CITY OF CHEHALIS
AGENDA REPORT

DATE: May 28, 2010
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

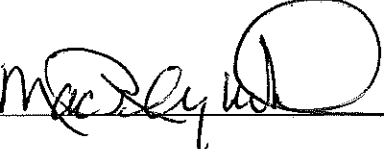
1. Payroll Vouchers No. 33643 through 33726 and Payroll Vouchers No. 1482 through 1550 in the amount of \$707,563.44 dated May 28, 2010 and the transfer of \$529,594.71 from the General Fund, \$21,416.02 from the Arterial Street Fund, \$618.72 from the Garbage Fund, \$69,904.03 from the Wastewater Fund, \$64,893.93 from the Water Fund, \$16,514.43 from the Storm & Surface Water Utility Fund, and \$4,621.60 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the May 28, 2010, Payroll Vouchers No. 33643 through 33726 and Payroll Vouchers No. 1482 through 1550 in the amount of \$707,563.44.

SUGGESTED MOTION

I move to approve the May 28, 2010, Payroll Vouchers No. 33643 through 33726 and Payroll Vouchers No. 1482 through 1550 in the amount of \$707,563.44.

Reviewed by:  _____, City Manager

CITY OF CHEHALIS
AGENDA REPORT

DATE: June 8, 2010
TO: The Honorable Mayor and City Council
FROM: Glenn Schaffer, Police Chief
SUBJECT: Accept bid for two 2010 Kawasaki Police Motorcycles.

ISSUE

The Chehalis Police Department recently went out to bid for two (2) 2010 Kawasaki police motorcycles. Funding for the motorcycles would come from the seized illegal gambling money already earmarked for the purchase by prior Chehalis City Council action.

DISCUSSION

Nearly 20 years ago, the Chehalis Police Department established a motorcycle program with the help of a couple of eager officers and a used Kawasaki motorcycle. Today, the police department continues to use motorcycles for a variety of tasks ranging from traffic enforcement to funeral processions.

When used properly, the motorcycles have been effective tools for traffic enforcement in situations where it is impractical or impossible to use a car. Additionally, the bikes have been used in events or special details to assist with traffic control and at times, to boost public relations. Although in past years, we've experienced waning interest by officers in using the motorcycles, the recent changes in personnel have brought in new enthusiasm and we have identified several additional officers who will be receiving training in the use of the motorcycles for patrol in the next few months.

In an effort to provide safe, reliable equipment, we seek the Council's consideration in obtaining two motorcycles to replace the old, unreliable equipment. After doing extensive research, we focused on the 2010 Kawasaki 1400 as being the most cost effective equipment which also provided the safety features we felt were necessary to protect our officers. An invitation to bid was posted by the City and one responding document was received from Kawasaki Police Authority Sales in Post Falls, Idaho.

Recently, the Chehalis Police Department cooperated with the Washington State Gambling Commission in investigating an illegal online gambling case. As a result of our assistance in the seizure of a significant amount of money, the police department received a portion of those funds. Subsequently, we have identified officers in the department who will be receiving training specific to gambling enforcement and they will be performing those duties in addition to patrol.

In January 2010, Chief Schaffer in cooperation with Eva Lindgren submitted a memo to the State Auditor's Office outlining the intended use of the gambling commission seizure funds. The uses included training of several patrol officers in the enforcement and investigation of gambling related crimes. The memo also included "The patrolling and enforcing of these laws is the immediate responsibility of the patrol staff. Therefore, the funds will be used to

replace department vehicles that are high in miles, in poor mechanical condition, or which are unsafe to operate when the general fund is unable to keep up with the replacement schedule.” The State Auditor’s Office reviewed and approved the usages outlined in this memo. It is our intent to purchase these police motorcycles using a portion of the seized gambling money already earmarked for this use by prior Chehalis City Council action.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration is recommending the council accept the bid from Kawasaki Police Authority Sales for two (2) 2010 Kawasaki police motorcycles in the amount of \$36,082.24, using earmarked funds from the seizure of illegal gambling money.

SUGGESTED MOTION

I move that the council accept the bid from Kawasaki Police Authority Sales for two (2) Kawasaki police motorcycles in the amount of \$36,082.24, using earmarked funds from the seizure of illegal gambling money.

Reviewed by  _____ City Manager

CITY OF CHEHALIS, WASHINGTON
350 N Market Blvd. Rm 101
Chehalis, WA 98532
(360) 345-1042 ♦ FAX (360) 748-0651

Judith A. Schave, City Clerk

Date:

Number of Pages: 1
(Including cover sheet)

To: Attn: Legals

Please publish the following notice on Wednesday, May 18, 2010 :

INVITATION TO BID

The City of Chehalis is accepting sealed bids for two (2) 2010 Kawasaki Concours police-equipped motorcycles until 3:00 p.m. on Tuesday, June 1, 2010, at the Office of the City Clerk, City Hall, 350 N Market Boulevard, Rm 101, Chehalis, WA 98532, at which time all bids will be publicly opened and read. All bids shall be in accordance with the specifications, which may be obtained from the City Clerk's Office (360) 345-3225. Bids can also be obtained from the city's website at www.ci.chehalis.wa.us under Document Center. Questions regarding the specifications should be directed to the Deputy Chief of Police at (360) 748-8605. The City of Chehalis reserves the right to reject any or all bids and to waive formalities in the bidding process. No bidder may withdraw their bid for a period of thirty (30) days after the date of the bid opening.

Judith A. Schave
City Clerk

To: City of Chehalis Chief of Police

We do hereby propose to furnish two (2) new 2010 Kawasaki motorcycles with all features listed in accordance with the city's specifications, in which all exceptions or equals have been listed on a separate exception sheet, for the following price:

Bid amount including or exceeding all options called for:

	Unit Cost	Total Cost
Two (2) Kawasaki Concours Motorcycles	\$ <u>16,704.74</u>	\$ <u>33,409.48</u>
Sales tax rate at <u>8.0</u> % =	\$ <u>1376.38</u>	\$ <u>2672.76</u>
Total bid amount	\$ <u>18,041.12</u>	\$ <u>36,082.24</u>

*Bidder is required to submit a manufacturer's brochure and equipment specifications on the unit bid.

Have any exceptions been taken to the specification? Yes _____ No

If so, are they listed on a separate exception sheet? Yes _____ No _____

Bidder understands that the City of Chehalis reserves the right to reject any and all bids or accept any bid that meets or exceeds specifications, regardless of irregularities that are deemed to be in the best interest of the City and are not necessarily bound to accept the low bid. Submission of bids by vendors verifies their agreement with these conditions.

SALE OF ADDITIONAL QUANTITIES: In submitting this response the undersigned agrees to sell additional items at the bid price, terms and conditions to other public agencies with whom the City of Chehalis has entered into Interlocal Purchase Agreements pursuant to RCW 39.34. The sale of additional quantities, under this paragraph, is contingent upon the seller's review and approval at the time of the requested sale. Any price de-escalation/escalation provisions of this bid proposal shall apply in the case of a sale of additional items. Seller's right to refuse to sell additional items at the time of request shall be absolute.

By: Steve Beaudry

Title: President

Print Name: Steve Beaudry

To be signed by company official or letter from bidding company showing that the person signing is so authorized.

Sales representative for company: Steve Beaudry

Address: 625 E. Edmonston Ave. Post Falls, ID 83854 Phone: 877-313-7285

SPECIFICATIONS FOR 2010 KAWASAKI CONCOURS POLICE MOTORCYCLES

The city of Chehalis is accepting bid proposals for 2010 Kawasaki Concours motorcycles for use in the police department as a patrol and traffic enforcement motorcycle. Delivery date to be within 60 days of bid award.

	Check If Meet or Exceed	Describe Offered Alternatives
I. Motorcycle Standards:	✓	
1. This specification intends to describe the requirements for the 2010 Kawasaki Concours motorcycles and additional required equipment.	✓	
2. Motorcycles offered in compliance with this specification must be factory produced models and shall not have been used in demonstrative or other service. Accessories must be engineered, designed, or certified to be compatible with all other components, give dependable service and not degrade its handling characteristics or appearance.	✓	
3. The motorcycles shall meet or exceed all requirements of the Federal Government Safety Standards for 2010 model motorcycles. The motorcycles shall possess outstanding road ability, maneuverability, cornering and other handling characteristics necessary for motorcycles engaged in law enforcement which includes operation over various types of roads, road surfaces, and operational conditions.	✓	
4. The motorcycles shall be based on the 2010 or latest production model Concours Kawasaki. All items and features appearing as standard in manufacturer's published specifications are considered to be included in this proposal. Any alteration from manufacturer specifications must be noted as part of this bid.	✓	

	Check If Meet or Exceed	Describe Offered Alternatives
5. The motorcycles shall be equipped with a center and side stand.	✓	
6. The engine shall not be less than 1352 cubic centimeters displacement, liquid cooled, and four valves per cylinder. They shall be equipped with all standard engine accessories including air cleaner, oil filter, and latest fuel injection.	✓	
7. The crankshafts shall be balanced at the factory and the engines shall be free of vibration during service life of motorcycle.	✓	
8. The motorcycles shall be shaft driven.	✓	
9. The motorcycles shall have a minimum of five (5) speeds with neutral located between first and second gears. The foot shift lever to be located on the on left side. An indicator light, readily visible to the rider, shall be provided to indicate when the transmission is in neutral.	✓	
10. The motorcycles shall be equipped with an ABS braking system. Dual disc on front, single disk on rear.	✓	
11. Handlebars shall be positioned to accommodate a comfortable riding stance under conditions associated with city police use (i.e. an upright stance).	✓	
12. The motorcycles shall be equipped with heated grips with thermostat control.	✓	
13. The motorcycles shall be wired with 12 volt power outlet at the front for use with handheld radar or other accessories.	✓	
14. The motorcycles shall be equipped with tubeless first-quality motorcycle tires designed to provide best performance for usage related to law enforcement duties.	✓	

	Check If Meet or Exceed	Describe Offered Alternatives
15. The motorcycles shall be equipped with a clear windshield in "breakaway" style in the event of a collision and shall not cause imbalance at any speed. The windshields shall be adjustable for various rider heights and be high enough to protect taller riders.	✓	
16. The motorcycles shall be equipped with a factory installed traction control system.	✓	
17. Each motorcycle shall have at least two keys at time of delivery.	✓	
18. All activation switches will be placed in a position where they can be easily activated by the rider without interfering with operation of the motorcycle. All controls and switches shall be water resistant and designed to be exposed to weather.	✓	
II. Police Related Features:	✓	
1. The motorcycles will be professionally painted white and black as designated by the Chehalis Police Department and the paint be free of defects for the life of the motorcycle.	✓	
2. The motorcycles shall be equipped with a sturdy radio/equipment trunk and two rear fender saddlebags, hinged for easy access.	✓	
3. The motorcycles shall come with a padded back rest.	✓	
4. The motorcycles shall be equipped with black heavy-duty front body and rear saddlebag protection bars on both sides.	✓	
5. The motorcycles shall be equipped with latest Whelen LED emergency lighting to the front and rear with programmable flash patterns. LED colors will be designated by the Chehalis Police Department (red, blue, or split red/blue).	✓	Describe emergency lights and mounting locations (or provide photos): <i>See Attached Sheet</i>

	Check If Meet or Exceed	Describe Offered Alternatives
6. An indicator light will be easily visible to the operator when emergency lights are activated.	✓	
7. The motorcycles shall be pre-wired to allow for additional emergency lighting to be added to the motorcycles at a later time.	✓	
8. The motorcycles shall be equipped with 100 watt siren systems and low-profile speakers (preferably black).	✓	
9. The motorcycles shall have a dual linked auxiliary battery system with 12 fused police-only circuits.	✓	
10. The motorcycle operators shall have the ability to activate the rear emergency lights only or activate all emergency lights at once.	✓	
11. The motorcycles shall be equipped with a light cut-out switch.	✓	
12. The motorcycles shall have an air horn which is activated by motorcycle horn button.	✓	
III. Warranty and Delivery:	✓	
1. Delivery shall be included in the cost of this bid. The motorcycles must be completely serviced, properly inspected, adjusted, and road tested before delivery including the proper fill of all fluids and lubricants, except gasoline.	✓	
2. The standard manufacturer's warranty shall apply to all motorcycles purchased under this specification. The starting date of the warranty shall be the date the motorcycle is delivered.	✓	
3. A set of service manuals and parts manuals will be provided at the time of delivery.	✓	

IV. Optional Equipment:	Cost	Comments
1. The bidder is asked to provide a per-unit cost on the following optional equipment, independent of the bid specifications of the motorcycles. The purpose is to provide the City of Chehalis with a cost list for options if they choose to purchase any additional features at the time the motorcycles are ordered:		
A. A lower operator seat (exchange)	N/C	No charge
B. Adjustable map light	\$129.00	
C. Radar/Lidar gun holder	\$159.00	
D. PA microphone	N/C	if Department Supplied Radar is installed
E. Flashlight holder	\$140.00	
F. Additional LED emergency light module (per module, installed)	\$107.00	Blue, Red, white, Amber. per light head
G. External LED brake/taillight and mount	\$147.00	
H. Rear LED emergency/side turn signals	\$ 99.00	
I. Power timer for radio and/or accessories	\$177.00	
J. Saddlebag interior briefcase liners	\$132.95	
K. Saddlebag partitions	\$ 89.00	
L. Heated seat	\$211.00	
M. Moving radar mount set w/Doppler speaker	\$245.00	
		END



City of Chehalis Police Department

2010 Kawasaki Concours 14P ABS Police Motorcycle, with standard traction control, tire pressure monitoring system, 100 watt siren system, and heated grips.

Lighting package includes:

Front pursuit lights,

Left side front LEDs all blue, 1 facing forward, 1 at 45 degree and 1 at 90 degree

Right side front LEDs all red, 1 facing forward, 1 at 45 degree and 1 at 90 degree

Rear warning lights,

Left rear facing Duplex LED all blue

Right rear facing Duplex LED all red

Left rear side facing LED / blue, trunk mounted

Right rear side facing LED / red, trunk mounted

Dash mounted operator –visible indicator lights to indicate when front & rear emergency lights are turned on.

2010 Kawasaki Concours 14P ABS – Standard Police Equipment



Traction Control

Heated Grips with Hi/Lo settings

Aluminum Rear Equipment/Radio Trunk with Hinged Multi-Level Compartments for Easy Access and Service.

Padded Back Rest

Front Body and Rear Saddlebag Protection Bars

Kawasaki/Whelen Emergency Lighting System with Programmable Flash Patterns

Kawasaki/Whelen 100 watt Siren System

Dual Linked Auxiliary Battery System with 12 Fused Police only Circuits

Air Horn Activated with Motorcycle Horn Button

Dash Mounted Head Light Adjusters

Light Cutout Switch

Front and Rear Emergency Flasher System

Rear Only Emergency Flasher Switch

Radio Full Interface Suppressor

Antenna Base Plate/Mount

4/28/10rb

2010 Kawasaki 14P ABS – Standard Features



Engine Type	Four Stroke Liquid-Cooled DOHC, Four Valves per Cylinder, In-Line Four with VVT (Variable Valve Timing)
Displacement	1352 cc
Bore and Stroke	84.0 x 61.0 mm
Rated Engine Output	155 hp
Maximum Torque	102.0 lbft @ 6200 rpm
Compression Ratio	10.7:1
Fuel System	Digital Fuel Injection
Ignition	TCBI with Digital Advance and Special Key Fob
Key Type	Kawasaki Intelligent Proximity Activation Start System (KI-PASS)-No Key Starting and Security
Transmission	6 speed
Clutch Type	Wet Multi Disc Torque Limiting Slipper Clutch
Final Drive	Tetra-Lever Shaft Drive
Rake / Trail	26.1 degrees / 4.4 in.

Front Tire Size	120/70 ZR-17
Rear Tire Size	190/50 ZR 17
Front Suspension	43mm Inverted, Telescopic Fork with Adjustable Rebound Damping and Spring Preload
Front Wheel Travel	4.4 in
Rear Suspension	Tetra-Level with Stepless Rebound Damping Adjustment and Remote Spring Preload Adjuster
Rear Wheel Travel	5.3 in.
Front Brake Type	Dual Floating 310mm Petal Discs with Four-Piston Radial Mount Calipers, ABS
Rear Brake Type	Single 270mm Petal Disc, ABS
Fuel Tank Capacity	5.8 gal.
Seat Height	32.1 in.
Curb Weight	688 lbs
Payload capacity	508 lbs
Wheelbase	59.8 in.
Overall Length	87.8 in.

Overall Height	53 in. Windscreen min/ 57.7 in. Windscreen max
Overall Width	31.1 at Handlebars/ 39.4 at Saddlebags
Saddlebags	Removable, 35 Liter Capacity with Glove Friendly Latches (will carry 22lbs of equipment each, including a full-face helmet)
Dash equipment	Electronic Adjustable Windscreen Control Head Light Adjustors, Tire Pressure Monitoring System, Electronic Gear Indicator, Trip Computer, Ambient Air Temperature Readout Volt Meter
Speedometer	Analog
Glove Box	Fairing Mounted/Lockable
Power Socket	Front 12 Volt Power Accessory Socket with Waterproof DIN Plug Receptacle

4/28/10rb

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2010 Kawasaki Concours 14P ABS - Optional Police Equipment



Heated Seat with Two Settings

Low Seat Exchange at No Charge

Moving Radar Mount Set with Doppler speaker

I-phone Equipped

GPS

Throttle lock

L3 Mobile Vision Mounting Hardware

Video Recording System Front and Rear

Adjustable Map Light

Video Monitor Internally Trunk Mounted

Radar/Lidar Gun Locking Mount

PA Microphone

Baton and Flashlight Holder

Flashlight Holder

LED Emergency Light Modules

External LED Brake/Taillight and Mount

Rear LED Emergency/Side Turn Signals

Rear LED License Plate Identification Lights, Red or Blue

Notepad Holder

Power Timer for Radio and/or Accessories

Saddlebag Interior Briefcase Liners

Saddle Bag Partitions

Rear 12V Power Accessory Sockets with Waterproof DIN Plug Receptacle.

LED Take Down lights with Adjustable Dimmer

Speed Limiter to 125 MPH

AR15/MP5 Mount with Solenoid

Release and Manual Key Override

Shotgun Mount with Solenoid Release and Manual Key Override

Battery Tender

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Kawasaki Concours 1400 ABS Police

SPECIFICATIONS

	KAWASAKI (2010)	BMW*	HONDA **	HARLEY-DAVIDSON FLHTP **
Engine type	inline DOHC 4cyl	air cooled two cylinder 4 valve head	V4 DOHC	air cooled twin cylinder
Displacement	Liquid cooled 1352 CC	1170 CC	Liquid cooled 1261 CC	45 degree V Twin 1584 CC
Rated Horse Power	155hp	110hp	125hp	N/A
Torque	102.0 lbft@6200 rpm	85.0 lbft@6000	85.0 lbft@6000 rpm	78.3 lbft@2500 rpm
Transmission	6-speed	6-speed	5-speed	6-speed
Final drive	Shaft	Shaft	Shaft	Belt
Traction control	Standard	Optional	N/A	N/A
Weight (wet)	688 lbs	650 lbs	730 lbs	811 lbs
Payload weight (before police equip)	503 lbs	440 lbs	350 lbs	N/A
Length	89.4 in	87.8 in	89.8 in	95 in
Wheel base	59.8 in	58.4 in	58.7 in	63.5 in
Clutch	Wet multi-plate slipper (1)	Single disc dry(2)	Wet multi-plate(3)	Multi-plate wet(4)
Saddle bag	35 liter	23 liter	35 liter	N/A
PERFORMANCE				
¼ MILE	<u>10.78@125.44</u> MPH	<u>12.85@109.5</u> MPH	N/A	<u>14.57@87.9</u> MPH
0-60	2.9 sec	4.9 sec	3.84 sec	N/A

* BMW does not offer a 2010 Police model

**2010 Honda and Harley-Davidson specifications not available at time of print

- (1) Clutch replacement including parts, fluids, and labor \$375.00 (est.)
- (2) Clutch replacement including parts, fluids, and labor \$1,500.00 (est.)
- (3) Clutch replacement including parts, fluids, and labor \$800.00 (est.)
- (4) Clutch replacement including parts, fluids and labor \$1,200.00 (est.)

CITY OF CHEHALIS

AGENDA REPORT

DATE: June 7, 2010
TO: The Honorable Mayor and City Council
FROM: Patrick Wiltzius, Wastewater Superintendent
Tim Grochowski, Public Works Director
SUBJECT: Inflow & Infiltration (I&I) Remediation Plan

ISSUE

Gibbs and Olson has submitted a proposed agreement for engineering services for the development of Inflow & Infiltration (I&I) Remediation Plan. The administration is submitting the agreement for council review and consideration.

DISCUSSION

The city spent millions of dollars in the 1980s & 1990s on projects to remove I&I from the wastewater collection system. I&I is essentially storm and ground water that enters the wastewater collection system through cracks and holes in the pipes and manholes. I&I uses up capacity in the wastewater collection system and wastewater treatment plant that could be used for development/growth within the city.

The city's General Sewer Plan that was adopted in 2001 presented a fairly in-depth analysis of the I&I problem within the city. It outlined areas where I&I work should be focused. The consent decree allowed the city to discontinue I&I work until the new treatment plant was completed. Now that it is completed the administration believes a plan should be developed to update the work done in the General Sewer Plan and identify future I&I projects that would benefit the city. To that end, the administration proposes that the work in the general sewer plan be reviewed and an I&I Remediation Plan be developed. The plan will provide a prioritized list of projects that the administration can plan and seek funding for.

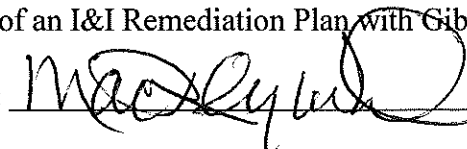
Gibbs and Olson has submitted a proposed agreement for \$25,000 to develop the I&I Remediation Plan. \$30,000 was allotted in the 2010 wastewater division budget for this work.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council authorize the city manager to execute the agreement for engineering services for the development of an I&I Remediation Plan with Gibbs and Olson for an amount not to exceed \$25,000.

SUGGESTED MOTION

I move that the council authorize the city manager to execute the agreement for engineering services for the development of an I&I Remediation Plan with Gibbs and Olson for an amount not to exceed \$25,000.

REVIEWED BY:  _____, CITY MANAGER

**CITY OF CHEHALIS
AUTHORIZATION FOR ENGINEERING SERVICES**

**AUTHORIZATION NO. 2010-01
GENERAL ENGINEERING SERVICES – G & O PROJECT NO: 155.1510**

Date: May 7, 2010

Gibbs & Olson, Inc. is hereby authorized to perform Engineering Services for the City of Chehalis as described below:

Scope of Services: The Work authorized includes the following:

Using available reports and data including records relating to previous sanitary sewer construction develop a strategic plan for continuing the sewer rehabilitation program to remove infiltration/inflow from the system. The product of this work would be a comprehensive report detailing regions most appropriate to rehabilitate. The plan would consist of the following components.

1. Prioritize the sewer basins that the City has not rehabilitated using available information. Previous reporting and construction has identified nine (9) sub-basins have been rehabilitated and ten (10) remain to be examined. Twelve (12) basins are identified in the 2001 GSP and this study will focus on eight (8) of these Basins. Basins No 5-8 are located south of the City boundary and serve the industrial park, Lewis County Sewer District #1, and Napavine. These four (4) Basins will be EXCLUDED from this study. Flow monitoring investigative efforts will not be required.
2. Separate the priority basins into sub-basins that can be managed at a total project cost in range agreeable to the City for matching available funds. Visual conformation of each sub-basin will be performed to verify that conditions are consistent with the previous data. The field investigation will identify construction issues such as realignment, easements, backyard passages, and consolidation of services. Current sewer rehabilitation techniques such as trenchless repair will be examined for appropriate application of each alternative. Four site visits are anticipated to obtain current conditions. A complete piping inventory for each sub-basin will be completed.
3. The product for these services shall be a report to present and describe the aspects of each sub-basin. The report will compile piping lengths, estimated number of side service laterals, brief description of construction issues, and estimates of costs for design and construction of rehabilitated facilities.

Schedule: It is anticipated work can be completed and report presented within a sixteen (16) week period starting with the authorization to proceed date.

Budget: The budget for the above referenced work shall be set at \$25,000 and billed on an hourly basis. This budget includes approximately 176 hours of staff time, 4 site visits, reproduction, phone, and miscellaneous job expense. The Engineer agrees not to exceed this amount without prior authorization.

Authorized by: City of Chehalis

Date

By: Merlin MacReynold
City Manager

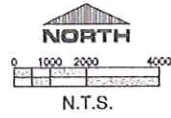
Accepted: Gibbs & Olson, Inc.

Date

By: Richard A. Gushman, P.E.
Vice-President



GIBBS & OLSON INC.
 Engineers • Planners • Surveyors
 LONGVIEW WASHINGTON



CITY OF CHEHALIS

(Yellow)
 Sewer Construction 1988-98

Boundary of Previously Defined Areas
 for Sewer Rehabilitation (2001)

Old WWTP

Green Hill State Facility

Interceptor Replaced 2002

- CITY LIMITS
- YEAR 2025 SERVICE AREA BOUNDARY
- ULTIMATE SERVICE AREA BOUNDARY
- BASIN BOUNDARY

CITY OF NAPAVINE

Chehalis, Napaivine and Lewis County
 Sewer District No. 1
 General Sewer Plan
 Collection System Basins
 Figure VI-1

CITY OF CHEHALIS

AGENDA REPORT

DATE: June 7, 2010

TO: The Honorable Mayor and City Council

FROM: Patrick Wiltzius, Wastewater Superintendent
Tim Grochowski, Public Works Director

SUBJECT: Engineering Services for State Avenue Pump Station Upgrade Project

ISSUE

RB Engineering has submitted a proposed agreement for engineering services for the upgrade of the State Avenue pump station. The administration is submitting the agreement for council review and consideration.

DISCUSSION

The capital facilities plan for the wastewater division includes the design of an upgrade for the State Avenue pump station in 2010. This wastewater pump station is located on State Avenue across for Hadley Door & Trim. The pumps are located in a large underground vault and the wet well is a manhole located in the roadway. Because the wet well is not deep enough, the sewer lines must be surcharged in order for the pumps to operate. This causes solids to build up in the sewer lines which contributes to odors and increases the potential for blockages and sewer overflows in the State Avenue business district. In addition, access to the pumps in the underground vault presents a confined space hazard.

The administration proposes to upgrade the pump station by replacing the pumps and utilizing the existing pump vault as the pump station wet well. RB Engineering has submitted a proposed agreement for \$36,900 to design the upgrade. \$40,000 was allotted in the 2010 wastewater division budget for this design work.

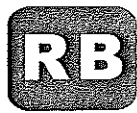
RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council authorize the city manager to execute the agreement for engineering services for the State Avenue pump station upgrade project to RB Engineering for an amount not to exceed \$36,900.

SUGGESTED MOTION

I move that the council authorize the city manager to execute the agreement for engineering services for the State Avenue pump station upgrade project to RB Engineering for an amount not to exceed \$36,900.

REVIEWED BY:  _____, CITY MANAGER



Engineering

May 26, 2010

City of Chehalis Wastewater Division
Patrick Wiltzius
2007 NE Kresky Avenue
Chehalis, WA 98532

Re: State Street Pump Station Upgrade – Civil Engineering Services Proposal
RBE No. 10031

Dear Patrick:

RB Engineering (RBE) would like to thank you for the opportunity to present this proposal for engineering services for your project. We are confident we can prepare a project report and construction drawing set that meet your standards, budget and schedule. Based on our meeting, I have prepared the following scope of work to complete the design phase of the project. The scope of work is based on using the existing dry vault pump system and converting it to a wet well duplex pumping system with electrical upgrades to the control panel. My Scope of Work is listed below:

Phase 1 – Scoping and Planning

Services

- Research with City Public Works available CAD files of the lift station area and existing utilities. Call in Utility Locate.
- Meet onsite with City Staff to Asbuilt the existing Pump Vault horizontal and vertical dimensions and internal plumbing. Field locate surrounding underground and above ground utilities identified by visual and underground locate markings.
- Compile field data and create an AutoCAD Map outlining existing site features for use as RBE's base map in design of the lift station upgrade.
- Review existing pump runtime meter data and records to determine operational parameters of the system for use in designing the new pumps.
- Work with the City Wastewater Division staff and develop a conceptual design approach to transform the existing drywell pump system to a wet well system.
- Provide coordination throughout this conceptual design phase with client until approval of conceptual design is received. Once received, we will proceed with final design documents.

Total RB Engineering Lump Sum Fee for Phase 1 = \$7,100.00

Phase 2 – Final Design Plans and Specification Preparation

Services

- Prepare design report for sizing the duplex pumping system and provide supporting calculations for flow, pump design parameters and operational parameters.
- Prepare Structural Calculations and Design for Vault Access Reconfiguration and Miscellaneous Structural Connection Details.

PO Box 923
11 SW 13th Street
Chehalis, WA 98532
Phone: (360) 740-8919
Fax: (360) 740-8912

10031.proposal.ph1-2



- Prepare the necessary civil construction plan set that will include the following sheets:

C0.1	Civil Cover Sheet
C0.2	General Notes, Legend and Abbreviations
C1.1	Existing Site Conditions and Demolition Plan
C1.2	Proposed Site and Horizontal Control Plan
C2.1	Pump Vault Conversion Construction Plan and Profile
C2.2	Pump Vault Submersible Pump Profile Design
C2.3	Pump Station Details
C2.4	Pump Station Details
S1.1	Concrete Lid and Structural Details
E0.1	Control Panel Details and Notes
E1.1	Electrical Control Panel Plan Details
E1.2	Electrical One Line and Wire Schedule

- Prepare an Engineer's Opinion of Cost for Project Improvements.
- Prepare Construction Specifications Documents and General Bid Form and Standard Agreement Documents.
- Provide Design Review Updates to the City Wastewater Division at 75% and 90% Completion.

Deliverables

- Completed Project Report and Engineering Calculations.
- Civil Construction Plans and Details.
- Complete Bid-Ready Set of Specification Documents and Contracts.

Assumptions

- No surveying services other than RBE field verification measurements are needed.
- RBE will use existing CAD utility system maps from the City Public Works Department.
- The current depth of the vault is adequate to convert the system to a wet well and the vault will not require major structural changes other than the new access lid.

Total RB Engineering Lump Sum Fee for Phase 2 = \$29,800.00

Total RB Engineering Lump Sum Fee for Phases 1 and 2 = \$36,900.00

Reimbursable expenses such as plan and document reproduction as needed for review agency submittal and one reproducible plan set for you are included in the above fees, however, agency fees are not included. Additional plans, documents, and inspections requested will be billed on a time and materials basis upon your authorization. Our scope of work assumes that the site plan will not change once we begin final civil design. Changes to the civil drawings as a result of modifications requested by client will be performed on a time and materials basis upon your authorization.



Project Bidding, Construction Engineering and Record Drawings

- Once the plans and specifications are approved, we will provide a detailed scope of work and fee estimate to complete the project bidding and construction engineering phases of the project.

Project Schedule:

- It is our understanding your schedule for this job is for design to be completed in 2010 with early 2011 call for bids. RB Engineering can meet this schedule with our current backlog.

Additional Consultants Used for this Project:

- Richmond Engineering for Electrical Design (fees included in this proposal)
- Precise Engineering for Structural Design (fees included in this proposal)

Items not included in this scope of work are:

- Any Agency or Utility Permitting or Review Fees
- Surveying Services
- Construction Bid Coordination
- Construction Engineering, Management and Record Drawings

If you find this scope of work acceptable, please sign both of the enclosed work authorization contracts and return one to our office in the envelope provided. We can begin project progress upon receipt of a signed contract. I look forward to working with you on this project. If you have any questions, please call me at (360) 740-8919.

Sincerely,

Robert W. Balmelli PE
President

Enclosures: 2 Work Authorization Contracts, return envelope

This fee proposal and scope of work are based on information available at this time. There may be a point in the future when the scope of work may change based on survey findings, or requirements stipulated by the City, County, or State. At that time, you will be given an opportunity to decide how you would like to proceed. Your options will be to stop work or to authorize the revised scope and associated costs. Fee estimates shown are accurate for 60 days following date of proposal.

**RB Engineering, Inc. (RBE)
WORK AUTHORIZATION CONTRACT**

05/26/10

RBE Project No.: 10031

Client and Project Information: Patrick Wiltzius
Company/Client Name: City of Chehalis Wastewater Division

Address: 2007 NE Kresky Avenue
Chehalis, WA 98532

Phone Number: (360) 767-6444
Fax Number: (360) 767-6456
E-mail: *pwiltzius@ci.chehalis.wa.us*

Corporation _____ Partnership _____ Proprietorship _____ Individual _____ Agent _____ Contact X

Project Name: State Street Pump Station Upgrade
Project Location: State Street, Chehalis, WA 98532
Legal Owner of Property: City of Chehalis
Legal Description of Property:
Tax Parcel #:
County: Lewis County
Description of Work: See Attached Engineering Services Letter Dated 05/26/10
Estimated Contract Amounts: Phases 1 & 2 = \$36,900.00 Lump Sum Fee

CLIENT AUTHORIZATION: Your signature below signifies your agreement to the scope of work, terms, and conditions set forth on this contract and the referenced proposal letter, and also accepts responsibility for payment of this account.

Signature _____ Date _____
Title _____

RB Engineering, Inc. Acceptance of Contract

Signature  _____ Date 5-27-10
Title President

BILLING: RBE will bill for all work in progress each month. Payment of the entire amount billed is due within 20 days. In the event that payment is not made, this agreement shall be considered in default. Interest at the rate of 1-1/2% per month will be added to unpaid accounts beginning 20 days from the date of invoice. If an account becomes more than 5 days delinquent (25 days from the date of invoice), all work on the project will be stopped and not rescheduled until the entire balance on the account is paid in full. In the event that a lawsuit is necessary to enforce any obligation, client agrees that venue for such suit shall be Lewis County, Washington at the option of RBE. All expenses incurred to lien or collect any delinquent amounts including, but not limited to, collection fees, reasonable attorney's fees, witness fees, court costs, charges at current billing rates for time, transportation and subsistence shall be paid by client in addition to the delinquent amount.

ESTIMATED COST: The costs outlined in this contract are an estimate only, based upon the circumstances presented by the client and perceived by RBE at the time of contract preparation. They are not a guarantee that the costs will not exceed the amount of this estimate. RBE is hereby authorized to exceed the estimated costs by up to 10% without prior written notice to the client if circumstances encountered in the performance of RBE obligations result in an overrun, unless the contracted amount is noted as not to exceed the estimated cost or lump sum.

ADDITIONAL SERVICES: RBE will perform additional services beyond the basic scope of work upon the client's request. No extra work will be undertaken without prior authorization. Revisions to work completed or in progress requested by the client or his agents, through no fault of RBE, will be considered extra services for which additional compensation is due. If a written proposal and authorization are required for the additional services, this should be addressed at the time the work is requested.

OTHER SERVICES AND SUPPLIES: Charges for services, equipment, and facilities not furnished directly by RBE and any unusual items of expense not customarily incurred in our normal operations may be charged at cost plus 15%.

CANCELLATION OF CONTRACT: This contract may be canceled at any time by either party with 15 days written notice. Upon cancellation, for any reason, the client shall pay for all services provided through the date work is stopped in accordance with RBE's normal payment terms.

LIMITS OF PROFESSIONAL LIABILITY: RBE performs its professional services with that degree of care and skill ordinarily exercised under similar circumstances by members of the civil engineering profession. The client agrees to limit RBE's liability to the client, owner, and to all construction contractors and sub-contractors on the project, to the total aggregate liability of RBE to all those named to an amount not to exceed RBE's total fee for services rendered on the project. This limitation on liability shall apply to all foreseeable claims, including claims of negligence, breach of contract, or breach of warranty.

In the event the client shall make a claim against RBE, at law or otherwise, for any alleged act of negligence, including errors, omission, or other act arising out of the performance of the professional services, any claim of breach of contract or any claim of breach of warranty, and the client fails to prove such claim, the client shall pay all costs, including reasonable attorney's fees, which are incurred by RBE defending such claim.

HAZARDOUS WASTE: The client shall indemnify and hold harmless RBE from all claims damages, losses, and expenses incurred by the client, the owner of the property, and its agents, in regard to any hazardous wastes on site. Client, owner, and its agents accept full responsibility for notification of appropriate agencies in regard to any hazardous wastes on site. RBE is expressly relieved from any obligation to discover or report hazardous wastes.

REUSE OF DOCUMENTS: All documents, including software, maps, drawings, and specifications prepared by RBE pursuant to this agreement are instruments of service with respect to the project. RBE reserves the right to reuse any and all information generated on this project to assist RBE in any future work. The documents are not intended or represented to be suitable for reuse other than for the use intended by owner or others on any subsequent work on the project or on any other project. Any reuse of documents without verification or appropriate adaptation by RBE for the specific purpose intended will be at the client's sole risk and without liability or legal exposure to RBE. Client shall indemnify and hold harmless RBE from all claims, damages, losses, and expenses, including attorney's fees arising out of any action or litigation from unauthorized reuse of documents. Client agrees to compensate RBE at RBE's prevailing rate for any verification or adaptation of documents.

OWNERSHIP AND USE OF DOCUMENTS: Control documents, calculations, research, base maps, software, drawings, and specifications as instruments of service are and shall remain the property of RBE whether the project for which they are made is executed or not. The client shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with client's use and occupancy of the project. Copies of documents shall be provided at the expense of the client. Submission or distribution to meet official regulatory requirements, or for other purposes in connection with the project, shall not be construed as publication in derogation of RBE's rights.

In the event that the project is stopped for any reason, client shall not be entitled to receive any documents if there is any outstanding balance. Documents shall be released to client only upon payment in full. Copies of documents shall be provided at the expense of the client.

COMPLIANCE WITH CODES: RBE exercises usual and customary professional care and prepares instruments of service in compliance with codes and requirements identified by government agencies. RBE's duty to comply with changed codes and requirements extends only until the time the instruments of service are prepared.

ACCEPTANCE: RBE's acceptance of this contract is not a guarantee of governmental agency approval. We will endeavor to obtain such approvals on our client's behalf, but have no control over procedures required or laws that must be followed, and cannot be held responsible for governmental agency actions.

**RB Engineering, Inc. (RBE)
WORK AUTHORIZATION CONTRACT**

05/26/10

RBE Project No.: 10031

Client and Project Information: Patrick Wiltzius
Company/Client Name: City of Chehalis Wastewater Division

Address: 2007 NE Kresky Avenue
Chehalis, WA 98532

Phone Number: (360) 767-6444
Fax Number: (360) 767-6456
E-mail: *pwiltzius@ci.chehalis.wa.us*

Corporation _____ Partnership _____ Proprietorship _____ Individual _____ Agent _____ Contact X

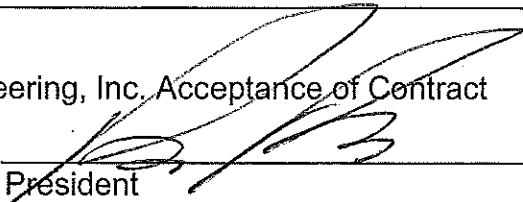
Project Name: State Street Pump Station Upgrade
Project Location: State Street, Chehalis, WA 98532
Legal Owner of Property: City of Chehalis
Legal Description of Property:
Tax Parcel #:
County: Lewis County
Description of Work: See Attached Engineering Services Letter Dated 05/26/10
Estimated Contract Amounts: Phases 1 & 2 = \$36,900.00 Lump Sum Fee

CLIENT AUTHORIZATION: Your signature below signifies your agreement to the scope of work, terms, and conditions set forth on this contract and the referenced proposal letter, and also accepts responsibility for payment of this account.

Signature _____
Title _____

Date _____

RB Engineering, Inc. Acceptance of Contract

Signature  _____
Title President

Date 5-27-10

BILLING: RBE will bill for all work in progress each month. Payment of the entire amount billed is due within 20 days. In the event that payment is not made, this agreement shall be considered in default. Interest at the rate of 1-1/2% per month will be added to unpaid accounts beginning 20 days from the date of invoice. If an account becomes more than 5 days delinquent (25 days from the date of invoice), all work on the project will be stopped and not rescheduled until the entire balance on the account is paid in full. In the event that a lawsuit is necessary to enforce any obligation, client agrees that venue for such suit shall be Lewis County, Washington at the option of RBE. All expenses incurred to lien or collect any delinquent amounts including, but not limited to, collection fees, reasonable attorney's fees, witness fees, court costs, charges at current billing rates for time, transportation and subsistence shall be paid by client in addition to the delinquent amount.

ESTIMATED COST: The costs outlined in this contract are an estimate only, based upon the circumstances presented by the client and perceived by RBE at the time of contract preparation. They are not a guarantee that the costs will not exceed the amount of this estimate. RBE is hereby authorized to exceed the estimated costs by up to 10% without prior written notice to the client if circumstances encountered in the performance of RBE obligations result in an overrun, unless the contracted amount is noted as not to exceed the estimated cost or lump sum.

ADDITIONAL SERVICES: RBE will perform additional services beyond the basic scope of work upon the client's request. No extra work will be undertaken without prior authorization. Revisions to work completed or in progress requested by the client or his agents, through no fault of RBE, will be considered extra services for which additional compensation is due. If a written proposal and authorization are required for the additional services, this should be addressed at the time the work is requested.

OTHER SERVICES AND SUPPLIES: Charges for services, equipment, and facilities not furnished directly by RBE and any unusual items of expense not customarily incurred in our normal operations may be charged at cost plus 15%.

CANCELLATION OF CONTRACT: This contract may be canceled at any time by either party with 15 days written notice. Upon cancellation, for any reason, the client shall pay for all services provided through the date work is stopped in accordance with RBE's normal payment terms.

LIMITS OF PROFESSIONAL LIABILITY: RBE performs its professional services with that degree of care and skill ordinarily exercised under similar circumstances by members of the civil engineering profession. The client agrees to limit RBE's liability to the client, owner, and to all construction contractors and sub-contractors on the project, to the total aggregate liability of RBE to all those named to an amount not to exceed RBE's total fee for services rendered on the project. This limitation on liability shall apply to all foreseeable claims, including claims of negligence, breach of contract, or breach of warranty.

In the event the client shall make a claim against RBE, at law or otherwise, for any alleged act of negligence, including errors, omission, or other act arising out of the performance of the professional services, any claim of breach of contract or any claim of breach of warranty, and the client fails to prove such claim, the client shall pay all costs, including reasonable attorney's fees, which are incurred by RBE defending such claim.

HAZARDOUS WASTE: The client shall indemnify and hold harmless RBE from all claims damages, losses, and expenses incurred by the client, the owner of the property, and its agents, in regard to any hazardous wastes on site. Client, owner, and its agents accept full responsibility for notification of appropriate agencies in regard to any hazardous wastes on site. RBE is expressly relieved from any obligation to discover or report hazardous wastes.

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ACCEPTANCE: RBE's acceptance of this contract is not a guarantee of governmental agency approval. We will endeavor to obtain such approvals on our client's behalf, but have no control over procedures required or laws that must be followed, and cannot be held responsible for governmental agency actions.

CITY OF CHEHALIS

AGENDA REPORT

DATE: June 9, 2010
TO: The Honorable Mayor and City Council
FROM: Tim Grochowski, Public Works Director
Rick Sahlin, Street/Storm Superintendent
SUBJECT: Award Bid for Coal Creek Wing Wall Project

ISSUE

Bids for the replacement of the Coal Creek Box Culvert Wing Walls have been solicited and received (see attached). This information is being presented for the council's review and consideration.

DISCUSSION

The administration recently solicited bids from six companies from the city's small works roster. We received bids from four of the six companies. The bids ranged from a high bid of \$145,503.15 to a low bid of \$41,843.62. The lowest responsible bidder was Hamilton Rocking and Contracting, Inc. of Chehalis, WA. The engineers estimate for the project was \$77,481.25. The project was included in the 2010 adopted Stormwater budget.

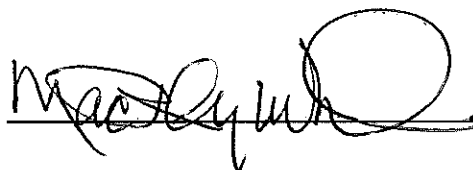
This project is necessary due to deteriorating condition of the existing structure. The structure has made it through many high water events but is in dire need of repair to protect the bridge structure and to protect any further erosion of Coal Creek Road during such high water events.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends the council accept the bid from Hamilton Rocking and Contracting, Inc., in the amount of \$41,843.62 for the Coal Creek Box Culvert Wing Wall Project, and authorize the city manager to execute the contract agreement.

SUGGESTED MOTION

I move that the council accept the bid from Hamilton Rocking and Contracting, Inc., in the amount of \$41,843.62 for the Coal Creek Box Culvert Wing Wall Project, and authorize the city manager to execute the contract agreement.

REVIEWED BY:  _____, CITY MANAGER

City of Chehalis
Coal Creek Wing Wall
Tuesday, June 8, 2010 2:00 p.m.
Bid Opening

CONTRACTOR NAME	TOTAL CONTRACT PRICE W/APPLICABLE SALES TAX
1. Martin Sand and Gravel	\$56,988.38
2. Hamilton Rocking and Contracting, Inc.	\$41,843.62 (ALB)
3. Dulin Construction	\$145,503.15
4. Johnson & Maddox Const. Co., Inc.	\$45,318.00

Martin Sand
& Gravel

Rick Sahlin
Street Superintendent
Phone 360.748.0238

**CITY OF CHEHALIS
PUBLIC WORKS DEPARTMENT
2007 N.E. KRESKY
CHEHALIS, WASHINGTON 98532**

**COAL CREEK
WING WALL
INSTALLATION PROJECT**

NOTICE TO ALL PROSPECTIVE BIDDERS

PROSPECTIVE BIDDERS SHOULD ADDRESS ALL QUESTIONS OR INQUIRES ABOUT THIS PROJECT TO DON SCHMITT AT THE PUBLIC WORKS DEPARTMENT, LOCATED AT 2007 N. E. KRESKY AVE., CHEHALIS, WASHINGTON 98532.

PROJECT DESCRIPTION

Replace existing wing walls with cast-in-place concrete wing walls. Upon completion of the new wall installation, the existing wing walls are to be removed by the contractor. The project is located on Coal Creek Road near the city limits. A copy of the HPA permit, project plans and specifications are available at the Public Works office located at 2007 N.E. Kresky, Chehalis WA 98532. Work is to begin after July 26, 2010, with five (5) days prior notice, and construction must be completed by September 1, 2010.

THIS IS A LUMP SUM CONTRACT AND CONTRACTOR SHALL INCLUDE SALE TAX IN TOTAL BID AMOUNT

ALL WORK SHALL CONFORM TO THE HPA PERMIT, THE PLANS AND SPECIFICATIONS AND THE CURRENT WASHINGTON STATE DEPARTMENT OF TRANSPORTATION STANDARD SPECIFICATIONS FOR ROADS AND BRIDGES AND IN ACCORDANCE WITH THE CITY OF CHEHALIS ENGINEERING STANDARDS.

BID SUBMITTAL

Sealed proposals for furnishing all materials, labor and equipment for the described work will be received by the City Clerk at the City Clerk's office, 350 N Market Blvd, Chehalis, Washington 98532, up until 2:00 P.M. June 8, 2010. Bids will be opened and publicly read aloud at this time at the City Hall Council Chambers, 350 N. Market Blvd., Chehalis Washington 98532.

NON-COLLUSION AFFIDAVITS

Each bid shall be accompanied by a properly executed non-collusion affidavit on the form furnished therefore by the City.

LICENSES AND PERMITS

The successful bidder shall acquire and/or possess a current City of Chehalis Business License, and any other licenses and permits which may be required to fulfill the obligations of the contract arising from this Call-for-Bids.

PRODUCT WARRANTY

The products provided in accordance with these specifications must be warranted to be merchantable within the meaning of the Uniform Commercial Code. Furthermore, the bidder warrants s/he has reviewed these specifications, understands the intended use of the product and warrants that all material furnished and all work performed under this contract will be free from defects in material and workmanship and will conform to the requirements of the contract.

INSURANCE

The contractor shall obtain, and maintain during the life of this contract, public liability insurance covering the contractor and all subcontractors.

All insurance shall name the City as additional insured at no cost to the City.

The above insurance shall cover claims for damages for personal injury, wrongful death, and property damage, which may arise from operation under this contract, whether such operations be performed by the contractor, or by any subcontractor or anyone directly or indirectly employed by either.

In addition, the contractor agrees to hold the City harmless and to indemnify the City for all expenses, claims or losses occasioned through the performance of this contract by the contractor, any subcontractor, or persons working directly or indirectly for him.

Said insurance policy shall be in a form acceptable to the City.

LIEN FOR LABOR, MATERIALS, TAXES ON PUBLIC WORKS

Contracts for public works or improvements shall provide, and there shall be reserved by the City from moneys paid to the contractor as progress or completion payments a sum not to exceed five percent (5%) as a retainage for the protection and payment of any person(s), who shall perform any labor or provide equipment, materials and services performing such work and the State of Washington with respect to taxes imposed pursuant to Title 82 RCW which may be due from the contractor. Funds under this section are withheld until thirty days following final acceptance of the improvement of work and until releases are received by the City from Washington State Department of Labor and Industries, Department of Revenue, Department of Employment Security, and that all liens and claims are satisfied.

REJECTION OF BIDS

The City reserves the right to reject any or all bids and to not make an award. The award of the contract, if made by the City, will be made to the qualified bidder submitting the lowest reasonable bid, if it is to the City's best interest to accept such bid. The right is reserved by the City to waive any informalities or errors in the bid that, in the sole opinion of the City, do not materially affect the bid.

WAGE RATE FORMS

Before payment is made by the City of any sums due under this contract, the City must receive from the Contractor and each subcontractor a copy of "Statement of Intent to Pay Prevailing Wages" (Form L & I Number F700-007-000) approved by the State Department of Labor and Industries.

Upon completion of this contract, the City must receive from the Contractor and each subcontractor a copy of "Affidavit of Wages Paid" (Form L & I Number F700-007-000) approved by the State Department of Labor and Industries. These affidavits will be required before any funds retained, according to the provisions of RCW 60.28.010, are released to the Contractor. Forms may be obtained from the Department of Labor and Industries. The Contractor is responsible for any and all costs or fees for any such forms, and shall make all applications directly to the Department of Labor and Industries. Such fees shall be incidental to all the bid items of this contract.

PERFORMANCE BOND

The Bidder's special attention is directed to the attached bond form, which the successful bidder will be required to execute and furnish the City. No other form of bond will be accepted. The bond shall be for the full amount of the contract.

CITY OF CHEHALIS
PUBLIC WORKS BID

PROPOSAL: COAL CREEK WING WALL INSTALLATION

BID PRICE: \$ 52,914.00

SALES TAX: \$ 4,074.38

TOTAL BID: \$ 56,988.38

TOTAL BID (in writing): Fifty three thousand nine hundred eighty eight
dollars and 38/100.

Martin Sand & Gravel, Inc.
(BIDDER'S COMPANY NAME)

BY: Montie Squires DGM
(AUTHORIZED OFFICIAL SIGNATURE)

PRINTED NAME: Montie Squires, General Manager

STREET ADDRESS: 6500 196th Ave. SW

CITY, STATE, ZIP: Rochester, WA 98579

BID SECURITY

Bid Deposit: The undersigned Principal hereby deposits a Bid Deposit with the City of Chehalis in the form of a cash deposit, certified or cashier's check, or postal money order in the amount of Two thousand eight hundred forty nine dollars and 42/100---- dollars (\$ 2,849.42).

Bid Bond: The undersigned, _____ (Principal), and _____ (Surety), are held and firmly bound unto the City of Chehalis (Owner) in the penal sum of _____ dollars (\$ _____), which for the payment of which Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally. The liability of Surety under this Bid Bond shall be limited to the penal sum of this Bid Bond.

Conditions: The Bid Deposit or Bid Bond shall be an amount not less than five percent (5%) of the total bid, including sales tax and is submitted by Principal to Owner in connection with a Proposal for Traffic Signal Lamp Conversion to LED Lamps, according to the terms of the Proposal and Bid Documents.

Now therefore,

- a. If the Proposal is rejected by Owner, or
- b. If the Proposal is accepted and Principal shall duly make and enter into an Agreement with Owner in accordance with the terms of the Proposal and shall furnish a bond for the faithful performance of said Project and for the payment of all persons performing labor or furnishing materials in connection therewith, with Surety or Sureties approved by Owner, and shall in all other respects perform the Contract created by the acceptance of said Proposal, then this Bid Security shall be released; otherwise it shall remain in full force and effect and Principal shall forfeit the Bid Deposit or surety shall immediately pay and forfeit to Owner the amount of the Bid Bond, as penalty and liquidated damages.

The obligations of Surety and its Bid Bond shall be in no way impaired or affected by any extension of time within which Owner may accept bids; and surety does hereby waive notice of any such extension.

Signed and dated this _____ day of _____, 2009.

Principal

Surety

Signature of Authorized Official

Signature of Authorized Official

Title

By _____
Attorney in Fact (Attach Power of Attorney)

Name and address of local office of Agent and /or Surety Company:

Surety companies executing bonds must appear on the current Authorized Insurance List in the State of Washington per Section 1-02.7 of the Standard Specifications.

NON-COLLUSION DECLARATION

I, by signing the proposal, hereby declare, under penalty of perjury under the laws of the United States that the following statements are true and correct:

1. That the undersigned person(s), firm, association or corporation has (have) not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the project for which this proposal is submitted.
2. That by signing the signature page of this proposal, I am deemed to have signed and to have agreed to the provisions of this declaration.

NOTICE TO ALL BIDDERS

To report rigging activities call:

1-800-424-9071

The U.S. Department of Transportation (USDOT) operates the above toll-free "hotline" Monday through Friday, 8:00 a.m. to 5:00 p.m., eastern time. Anyone with knowledge of possible bid rigging, bidder collusion, or other fraudulent activities should use the "hotline" to report such activities.

The "hotline" is part of USDOT's continuing effort to identify and investigate highway construction contract fraud and abuse and is operated under the direction of the USDOT Inspector General. All information will be treated confidentially and caller anonymity will be respected.

Purchaser: MARTIN SAND & GRAVEL, INC

VOID AFTER 90 DAYS

ISSUE DATE: June 08, 2010

PAY **\$2,849.42**
TWO THOUSAND EIGHT HUNDRED FORTY NINE AND 42/100 DOLLARS

NOT VALID OVER \$10,000

AMOUNT
\$2,849.42

Pay to the order of: *****CITY OF CHEHALIS*****

Bank of America, N.A., Seattle, Washington
For Inquiries contact (888) 217-4038

BY: *Peter D. Jones*
Authorized Signature

⑈ 1120621797⑈ ⑆ 25000024⑆ 2138 940⑈ 522

Hamilton Rocking
& Contracting, Inc.

CITY OF CHEHALIS
PUBLIC WORKS BID

PROPOSAL: COAL CREEK WING WALL INSTALLATION

BID PRICE: \$ 38,780.⁰⁰

SALES TAX: \$ 3,063.⁶²

TOTAL BID: \$ 41,843.⁶²

TOTAL BID (in writing): Forty one thousand eight hundred forty three dollars and ⁶²/₁₀₀

Hamilton Rocking & Contracting, Inc.
(BIDDER'S COMPANY NAME)

BY: Reggie Hamilton pres.
(AUTHORIZED OFFICIAL SIGNATURE)

PRINTED NAME: Reggie Hamilton

STREET ADDRESS: 311 Hamilton Rd

CITY, STATE, ZIP: Chehalis, WA 98532



Bid Bond
(Public Work)

**Contractors Bonding
and Insurance Company**
1213 Valley Street
P.O. Box 9271
Seattle, WA 98109-0271
*For the CBIC branch
nearest you, call Toll Free*
(888) 283-2242
(888) 293-2242 FAX

Premium: _____

Know all by these presents, That we, Hamilton Rocking & Contracting, Inc., as Principal,
and **Contractors Bonding and Insurance Company**, as Surety, are held and firmly bound unto City of Chehalis
_____, Obligee, in the sum of
Five percent of the Total Amount Bid (T.A.B.) Dollars, (\$ 5% of T.A.B.)
for the payment of which we bind ourselves, and our successors and assigns, jointly and severally, firmly by these presents.

Whereas, Principal has submitted or is about to submit a bid to the Obligee on a contract for
Coal Creek Wing Wall Installation

_____ ("Project").

Now, Therefore, the condition of this bond is that if obligee accepts Principal's bid, and Principal enters into a contract with the Obligee in conformance with the terms of the bid and provides such bond or bonds as may be specified in the bidding or contract documents, then this obligation shall be void; otherwise the Principal and Surety will pay to the Obligee the difference between the amount of the Principal's bid and the amount for which the Obligee shall in good faith contract with another person or entity to perform the work covered by the Principal's bid, but in no event shall the Surety's and Principal's liability exceed the penal sum of this bond.

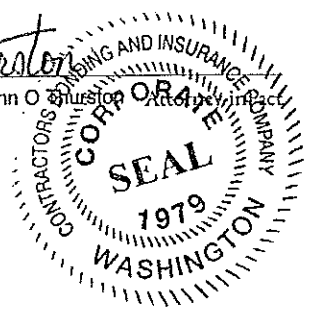
Signed and sealed this 8th day of June, 2010.

Hamilton Rocking & Contracting, Inc. (Seal)
Principal

By: Reggie Amilton pres.

Contractors Bonding and Insurance Company

By: John O. Hurston
John O. Hurston



LIMITED POWER OF ATTORNEY - READ CAREFULLY

CONTRACTORS BONDING AND INSURANCE COMPANY IS RESPONSIBLE ONLY FOR THE BOND DESCRIBED AND UP TO THE AMOUNT SET FORTH IN THIS LIMITED POWER OF ATTORNEY. ANY ERASURE WILL VOID THIS POWER OF ATTORNEY. IF YOU HAVE ANY QUESTIONS ABOUT OR WANT TO VERIFY THIS POWER OF ATTORNEY CALL CONTRACTORS BONDING AND INSURANCE COMPANY TOLL FREE AT 1(800)765-2242

Penal Sum : \$ \$00 Attorney No.: WAC82 Power Number : 054446 Bond No. : BID
 Limited Power of Attorney Expires: 9/08/2010 Date Approved : 6/08/2010
 Approved by : _____ Signature _____ Don Sirkin (Print Name)
 Name of Principal: HAMILTON ROCKING & CONTRACTING, INC.
 Name of Oblige: CITY OF CHEHALIS
 Descriptions(s): COAL CREEK WING WALL INSTALLATION PROJECT

 Location (if applicable): WA

KNOW ALL MEN BY THESE PRESENTS that CONTRACTORS BONDING AND INSURANCE COMPANY, a corporation duly organized and existing under the laws of the State of Washington and having its principal office in Seattle, King County, Washington does by these presents make, constitute and appoint JOHN O THURSTON OF CHEHALIS WA its true and lawful Attorney-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver the bond(s) and/or other documents incidental thereto described above; and to bind the Company thereby as fully and to the same extent as if each such bond, or other documents incidental thereto was signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary; hereby ratifying and confirming all that the said Attorney-In-Fact may do in the premises. Said appointment is made under and by the authority of the following resolutions adopted by the Board of Directors of CONTRACTORS BONDING AND INSURANCE COMPANY on September 10, 2001.

RESOLVED that the Chief Executive Officer, President, Chief Financial Officer, Secretary or any Vice President of the Company is authorized to appoint Attorneys-In-Fact for and on behalf of the Company with the power and authority to sign on behalf of the Company those surety bonds or undertakings of suretyship which may from time to time be approved by the Chief Executive Officer, President, Chief Financial Officer, Secretary or any Vice President of the Company; provided, however, that no Attorney-In-Fact shall be authorized to execute and deliver any bond or undertaking that shall obligate the Company for any portion of the penal sum thereof in excess of \$15,000,000, and provided, further, that no Attorney-In-Fact shall have the authority to issue a bid or proposal bond for any project where, if the contract is awarded, any bond or undertaking would be required with a penal sum in excess of \$15,000,000. An Attorney-In-Fact may also be authorized by Power of Attorney to execute any consent or other document incidental to said bond or undertaking, provided such document does not obligate the Company in excess of the limit set forth above. In no event shall any Attorney-In-Fact have any authority to sign any document or otherwise bind the Company in any way in connection with a claim on a surety bond or undertaking.

RESOLVED FURTHER that each Power of Attorney must set forth the specific description of the surety bond or undertaking to which it applies, the name of the principal, the name of the obligee, the penal sum, the bond number (except for a bid bond where there is no number), the identifying number of the Attorney-In-Fact, and the identifying number of the Power of Attorney. The Attorney-In-Fact shall not be authorized to obligate Company for surety bond or undertaking specified in the Power of Attorney (including any consents or other documents incidental to the surety bond or undertaking) for more than the penal sum specified in the Power of Attorney.

RESOLVED FURTHER that the Chief Executive Officer, President, Chief Financial Officer, Secretary or any Vice President of the Company is authorized to establish a specific expiration date for the Power of Attorney and to modify that date from time to time as the Chief Executive Officer, President, Chief Financial Officer, Secretary or any Vice President of the Company deems necessary in his/her sole discretion; the applicable expiration date is to be clearly set forth in any written Power of Attorney.

RESOLVED FURTHER that all previous resolutions by the Board of Directors authorizing the Chief Executive Officer, President, Chief Financial Officer, Secretary or any Vice President of the Company to appoint Attorneys-In-Fact for and on behalf of the Company remain in full force and effect; and that if a Power of Attorney based on this resolution is attached to a bond (for example, a bid bond), and a Power of Attorney based on another Board of Directors resolution is attached to another bond (for example, a performance and payment bond), it shall not affect the validity of either Power of Attorney or Bond.

RESOLVED FURTHER that this Limited Power of Attorney containing this and the foregoing resolutions and the signatures of the President, Secretary, and Notary Public, and the corporate and Notary seals appearing hereon, are generated, stored and transmitted electronically, and therefore appear in printed form only at recipient's fax machine. This fax printed Limited Power of Attorney document and the signatures and seals appearing hereon therefore are, and shall be deemed originals in all respects.

RESOLVED FURTHER that the Company acknowledges the applicability of the Electronic Signatures in Global and National Commerce Act to this Limited Power of Attorney and that the signatures of the President, Secretary and Notary Public and the corporate and Notary seals appearing on any Limited Power of Attorney containing this and the foregoing resolutions as well as the Limited Power of Attorney itself and its transmission may be, or may be by facsimile or other means of electronic or electro-mechanical transmission or reproduction; and any such Limited Power of Attorney shall be deemed an original in all respects.

IN WITNESS WHEREOF CONTRACTORS BONDING AND INSURANCE COMPANY has caused these presents to be signed by Don Sirkin, its President, and its corporate seal to be hereto affixed 9/9/2002.

By: _____
 Don Sirkin, President

CONTRACTORS BONDING AND INSURANCE COMPANY



STATE OF WASHINGTON - COUNTY OF KING

On 9/9/2002, personally appeared DON SIRKIN to me known to be the representative of the corporation that executed the foregoing Limited Power of Attorney and acknowledged said Limited Power of Attorney to be free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said Limited Power of Attorney.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



 Brenda J. Scott
 Notary Public in and for the State of Washington, residing at Seattle

The undersigned acting under authority of the Board of Directors of CONTRACTORS BONDING AND INSURANCE COMPANY, hereby certifies, as or in lieu of Certificate of the Secretary of CONTRACTORS BONDING AND INSURANCE COMPANY, that the above and foregoing is a full, true and correct copy of the Original Power of Attorney issued by said Company, and does hereby further certify that the said Power of Attorney is still in force and effect.
 GIVEN under my hand, at Seattle, WA _____ this 08 _____ day of JUN _____ 2010

 R. Kirk Eland, Secretary

A1(052004)

CITY OF CHEHALIS
PUBLIC WORKS BID

PROPOSAL: COAL CREEK WING WALL INSTALLATION

BID PRICE: \$ 134,850⁰⁰

SALES TAX: \$ 10,653¹⁵

TOTAL BID: \$ 145,503¹⁵

Bid bond
7,300⁰⁰

TOTAL BID (in writing): one hundred forty five thousand
five hundred three and ¹⁵/₁₀₀ dollars

(BIDDER'S COMPANY NAME)

BY: [Signature] for Dulin Construction
(AUTHORIZED OFFICIAL SIGNATURE)

PRINTED NAME: Marc J. Dulin

STREET ADDRESS: box 38 Centerville WA 98537

CITY, STATE, ZIP: _____

DULIN CONSTRUCTION INC

AN EQUAL OPPORTUNITY EMPLOYER

phone 360-736-9225, fax 360-736-2293

PO box 38 Centralia WA98531 wa lic DULINC*321NE

6.8.10

City of Chehalis

Coal creek Wing walls

1	Mobe	10,500.00
2	Traffic control	38,520.00
3	Dewater	28,710.00
4	Excavation	8,770.00
5	Structural concrete	26,240.00
6	backfill	11,660.00
7	restore Guardrail and ACP	6,750.00
8	Rip rap and stream restoration	3,700.00

total bid 134,850.00

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REMITTER




WEST COAST BANK
Lake Oswego, Oregon
1-800-895-3345

411298

96-8/1232

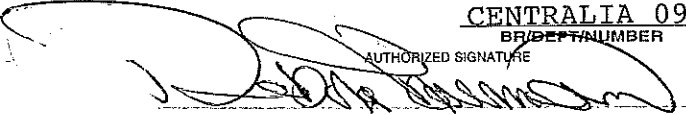
DULIN CONSTRUCTION

JUNE 8, 2010

PAY TO THE ORDER OF * * * * * CITY OF CHEHALIS * * * * * ** *\$7,300.00* **
* * * * * SEVEN THOUSAND THREE HUNDRED & 00/100 * *
DOLLARS  Security Features Detail on Back

This document has a multi-color background and a micro-print signature line. Absence of these features will indicate a copy.

CASHIER'S CHECK


CENTRALIA 096
BR/DEPT/NUMBER
AUTHORIZED SIGNATURE

⑈411298⑈ ⑆123200088⑆ 0000030016⑈

Johnson + Maddox
Const. Co, Inc.

CITY OF CHEHALIS
PUBLIC WORKS BID

PROPOSAL: COAL CREEK WING WALL INSTALLATION

BID PRICE: \$ 42,000⁰⁰

SALES TAX: \$ 3,318⁰⁰

TOTAL BID: \$ 45,318⁰⁰

TOTAL BID (in writing): forty five thousand three hundred ^{eighteen}

Johnson + maddox Const. Co. Inc.
(BIDDER'S COMPANY NAME)

BY: Larry G. Johnson
(AUTHORIZED OFFICIAL SIGNATURE)

PRINTED NAME: Larry G. Johnson

STREET ADDRESS: 2209 93rd Ave s.w.

CITY, STATE, ZIP: Olympia, wa. 98512



Merchants Bonding Company (Mutual)

HOME OFFICE
2100 FLEUR DRIVE
DES MOINES, IA 50321-1158
(515) 243-8171 • (515) 243-0344 FAX

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we **Johnson & Maddox Construction Company, Inc.**

as Principal, hereinafter called the Principal, and

Merchants Bonding Company (Mutual)

a corporation duly organized under the laws of the State of **Iowa**

as Surety, hereinafter called the Surety, are held and firmly bound unto **City of Chehalis**

as Obligee, hereinafter called the Obligee, in the sum of

Five Percent (5%) of the Total Amount Bid----- Dollars (_____)

for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for

Coal Creek Wing Wall Installation Project

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and materials furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect

Signed and sealed this **8th** day of **June**, 2010.

PRINCIPAL:

Johnson & Maddox Construction Company, Inc.

Rachel L. Stamm

Witness

By: Raura A. Johnson, Sec. -Treas.

SURETY:

Merchants Bonding Company (Mutual)

Karen J. Leaf

Witness **Karen J. Leaf**

By: Marie Poulin Attorney-in-Fact


MERCHANTS
BONDING COMPANY
POWER OF ATTORNEY

Know All Persons By These Presents, that the MERCHANTS BONDING COMPANY (MUTUAL), a corporation duly organized under the laws of the State of Iowa, and having its principal office in the City of Des Moines, County of Polk, State of Iowa, hath made, constituted and appointed, and does by these presents make, constitute and appoint

Michael R. Highsmith, Marie Poulin, Elizabeth A. Whitt, Guida McClain

of Tacoma and State of Washington its true and lawful Attorney-in-Fact, with full power and authority hereby conferred in its name, place and stead, to sign, execute, acknowledge and deliver in its behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

TWO MILLION DOALLARS (\$2,000,000.00) DOLLARS

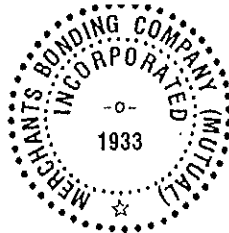
and to bind the MERCHANTS BONDING COMPANY (MUTUAL) thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the MERCHANTS BONDING COMPANY (MUTUAL), and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following Amended Substituted and Restated By-Laws adopted by the Board of Directors of the MERCHANTS BONDING COMPANY (MUTUAL) on November 16, 2002.

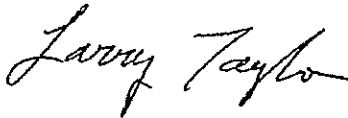
ARTICLE II, SECTION 8 - The Chairman of the Board or President or any Vice President or Secretary shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

ARTICLE II, SECTION 9 - The signature of any authorized officer and the Seal of the Company may be affixed by facsimile to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed.

In Witness Whereof, MERCHANTS BONDING COMPANY (MUTUAL) has caused these presents to be signed by its President and its corporate seal to be hereto affixed, this 1st day of April, 2009.



MERCHANTS BONDING COMPANY (MUTUAL)

By 
President

STATE OF IOWA
COUNTY OF POLK ss.

On this 1st day of April, 2009, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL), the corporation described in the foregoing instrument, and that the Seal affixed to the said instrument is the Corporate Seal of the said Corporation and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.

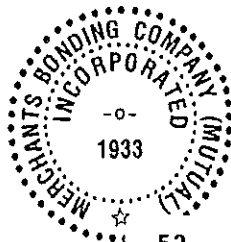


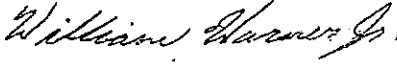

Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss.

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL), do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said MERCHANTS BONDING COMPANY (MUTUAL), which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Company on this 8th day of June, 2010.




Secretary

CITY OF CHEHALIS
AGENDA REPORT

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: June 8, 2010
SUBJECT: Interlocal Agreement between the City and Lewis County for Technical Services

ISSUE

Lewis county, and it's cities that are located within a floodplain, have received draft floodplain map revisions from FEMA that propose significant alterations to the regulatory floodway. FEMA has not provided the data needed by the local governments in order to verify that the assumptions used by FEMA are accurate. It is critically important for the county and the city to provide detailed technical analysis of FEMA floodplain/floodway mapping.

DISCUSSION

The administration has been working with the county and our other partners on issues related to the FEMA floodplain draft maps. 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 local governments have a statutory right to propose alternatives to the floodplain and floodway maps produced by FEMA, based on technical hydraulic data. Until FEMA provides the technical data that the city needs to review their work, it is impossible to determine what alternatives are appropriate and the accuracy of the mapping & modeling. Unfortunately, FEMA has not been forthcoming with the required data to provide the city and the county with an opportunity for timely review.

The administration, along with the Lewis County Prosecuting Attorney's Office, feels it would be in the best interest of both the city and the county to consolidate resources to retain the services of technical experts experienced in FEMA-related issues. These experts would be able to provide the required technical arguments to aid in the FEMA mapping comment and appeal process.

The proposed interlocal agreement for funding professional services has been reviewed by both the city and county administrations, and is being presented for the council's consideration.

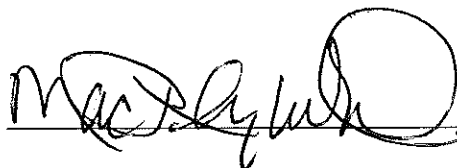
RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council authorize the city manager to execute the proposed interlocal agreement between the city and Lewis County for the purpose of retaining a technical and other critical services relating to the current FEMA floodplain/floodway mapping project.

SUGGESTED MOTION

I move that the council authorize the city manager to execute the attached 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.

Reviewed by: _____



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

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

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: June 10, 2010
SUBJECT: Planning Commission Public Hearing on 2010 Proposed Amendments to the City's Development Regulations.

ISSUE

Every year the city provides an opportunity for its citizens (as well as the administration) to submit requests for changes to the development regulations and engineering standards. The review process includes two public hearings; one before the Planning Commission and one before the City Council.

DISCUSSION

This year the city received one petition to revise the Regulations from a citizen. The administration has submitted twelve requests for changes, including discussion regarding procedural changes regarding two of the engineering standards. These issues are not yet before the Council, but the Planning Commission has scheduled it's public hearing for Tuesday, June 22, 2010, at 6:00 PM at the Community Development Activity Building.

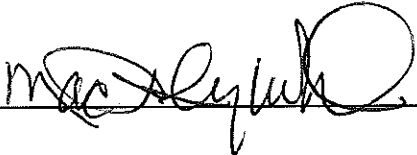
The Commission will review these proposals after its public hearing, and forward a recommendation to the Council. The administration will introduce these proposed changes and the Commission recommendation to the Council at the regular meeting on July 12th. A detailed explanation of these proposals will be included in that presentation.

RECOMMENDATION / COUNCIL ACTION DESIRED

No action is required at this time. This report is presented for information only, and to promote the Planning Commission public hearing.

SUGGESTED MOTION

(None)

Reviewed by  City Manager

CITY OF CHEHALIS
AGENDA REPORT

TO: The Honorable Mayor and City Council

FROM: Bill Hillier, City Attorney
Merlin MacReynold, City Manager
Judy Schave, City Clerk,

DATE: June 8, 2010

SUBJECT: Ordinance No. 857-B, Second Reading - Implementing E-Verify

ISSUE

On September 28, 2009, the council was asked to consider implementing an E-Verify ordinance to deal with issues of illegal immigration. Because the subject was so new, the council decided to wait six months before making any kind of decision to see what other jurisdictions were doing. The six months has since passed and the matter was brought back to the council on May 10 for discussion. At the May 10 council meeting the council gave direction to the administration to develop a draft ordinance implementing an E-Verify system for city employees and contracts for their review and consideration.

DISCUSSION

At the regular meeting of May 24, 2010, the city council reviewed the draft ordinance prepared by the city attorney and administration. The ordinance outlined the conditions for the award of any City contract for public works or other City contract in excess of One Thousand Dollars (\$1,000). Contractor's who meet the conditions set forth in the ordinance shall enroll in the E-Verify program or its successor, and will be required to provide the City documentation affirming its enrollment and participation in the program. These conditions shall not apply to any contract performed outside the United States; contract periods of less than sixty (60) days; or commercially available off-the-shelf items (COTS) as defined by federal law.

Subcontractor's whose work is in connection with the performance of a contract that meets the conditions of the ordinance will have to certify to the contractor that they are registered and are participating in the E-Verify program.

The city will have the right to suspend a contract with any business entity or contractor that is found to be in violation, should the business entity or contractor fail to correct the violation within thirty (30) business days of the violation.

The draft ordinance included a penalty provision under Section 3(C) giving the city authority to forfeit a portion of any retainage held by the City on any contract not to exceed the sum of Five Thousand Dollars (\$5,000) as an added penalty for breach of the compliance requirements of the E-Verify Law; however, after the first reading of the ordinance, it was determined that any penalty provision in a local ordinance may create a

problem with enforcement. Therefore, the ordinance has been amended to exclude Section 3(C) dealing with the forfeiture of retainage.

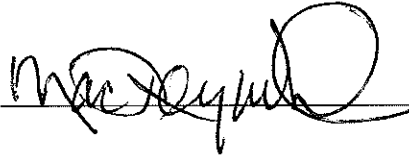
RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends passage of Ordinance No. 857-B, as amended, on second and final reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 857-B, as amended, on second and final reading.

Reviewed by:



City Manager

ORDINANCE NO. 857-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DIRECTING THE CITY'S PARTICIPATION IN THE FEDERAL E-VERIFY PROGRAM; DIRECTING THE VERIFICATION OF NEW HIRE EMPLOYMENT ELIGIBILITY THROUGH THE E-VERIFY PROGRAM; REQUIRING CONTRACTORS AND BUSINESS ENTITIES CONTRACTING WITH THE CITY TO PARTICIPATE IN THE E-VERIFY PROGRAM; DIRECTING THE CITY MANAGER TO CREATE CONTRACTING PROTOCOLS CONSISTENT WITH THE NEW REQUIREMENTS; AND ESTABLISHING AN EFFECTIVE DATE HEREOF.

WHEREAS, the City has an interest in ensuring that those who contract with the City employ only individuals who are employment eligible; and

WHEREAS, "E-Verify", an Internet based system operated by the Department of Homeland Security in partnership with the Social Security Administration, is free and voluntary; and

WHEREAS, "E-Verify" is the best means available for determining employment eligibility of new hires and the validity of their Social Security number; now, therefore,

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. The words herein shall be defined as follows for the purposes of their interpretation in this ordinance:

A. "Business Entity" means any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit, with the City. The term "business entity" shall include, but not be limited to, partnerships, corporations, contractors, and subcontractors doing business with the City.

B. "Contractor", for purposes of this ordinance, means a person, employer, or business entity that enters into a contract or an agreement with the City to perform any service or work or to provide a certain product in exchange for valuable consideration. For purposes of this ordinance, the term "contractor" shall not include government agencies; legal, architectural, and engineering service providers; those whose contracts would be exempt from competitive bidding under City ordinance; those whose contracts issue under City ordinance; those whose supplies and services are purchased under City ordinance; regulated providers of insurance, bonding, banking, or investment services; or public utilities.

C. "E-Verify" shall mean the electronic verification of work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996, Pub. L. No. 104-208, Division C, Title IVY s. 403(a), as amended, and operated by the United States Department of Homeland Security, or a successor electronic verification of work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees pursuant to the Immigration Reform and Contract Act of 1986, Pub. L. No. 99-603.

D. "Unauthorized Alien" means a person who is unauthorized to be lawfully employed in the United States, pursuant to 8 U.S.C. § 1324a(h)(3). The City shall not conclude that a person is an unauthorized alien unless and until an authorized representative of the City has verified with the federal government, pursuant to 8 U.S.C. § 1373(c), that the person is an unauthorized alien.

Section 2. Application of E-Verify Requirements.

A. As a condition for the award of any City contract for public works in excess of One Thousand Dollars (\$1,000) or any other City contract in excess of One Thousand Dollars (\$1,000), the contractor shall enroll in the E-Verify program or its successor, and thereafter shall provide the City documentation affirming its enrollment and participation in the program. The conditions of this section shall not apply to contracts that:

1. Are only for work that will be performed outside the United States;
2. Are for a period of performance of less than sixty (60) days; or
3. Are only for:
 - a. Commercially available off-the-shelf items (COTS) as defined by federal law;
 - b. Items that would be COTS items, but for minor modifications;
 - c. Items that would be COTS items if they were not bulk cargo; or
4. Provide commercial services that are:
 - a. Part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications);
 - b. Performed by the COTS provider; and

c. Are normally provided for that COTS item.

B. Contractors shall be required to continue participation in the E-Verify program throughout the course of their business relationship with the City.

C. If a contractor described in subsection A uses a subcontractor whose work in connection with the performance of the contract would be subject to the requirements of subsection A were the contract to be with the City of Chehalis, the subcontractor shall, as a condition of the contract, certify to the contractor in a manner that does not violate federal law that the subcontractor has registered and is participating in the E-Verify program and will not knowingly employ or contract with an unauthorized alien.

D. The City shall include specific written notice in all requests for bids or proposals subject to this section that contractors may be required to enroll in the E-Verify program pursuant to subsection A as a condition of award. Contractors are exempt from this section if they received requests for bids or proposals not containing such notice.

E. Nothing provided in this section or any City ordinance shall relieve contractors otherwise subject to federal E-Verify requirements from complying with the requirements of federal law.

Section 3. Enforcement of E-Verify Contract Terms.

A. The City Manager or his/her designee shall develop contracting protocols facilitating enforcement of the requirements of this ordinance. The City shall suspend a contract with any business entity or contractor that the United States Attorney General or the Secretary of Homeland Security has found to have been in violation of 8 U.S.C. § 1324a should the business entity or contractor fail to correct the violation within thirty (30) business days of receiving notice of the violation from the United States Attorney General or the Secretary of Homeland Security.

B. The City shall not suspend the contract of any business entity or contractor per subsection A of this section if, prior to the date of the violation, the business entity or contractor verifies the work authorization of any alleged unlawful workers using the E-Verify program and demonstrates the same to the City.

Section 4. Effective Date. The effective date of this ordinance shall be the _____ day of _____, 2010.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2010.

Mayor

Attest:

City Clerk

Approved as to form and for content:

City Attorney

CITY OF CHEHALIS
AGENDA REPORT

DATE: May 26, 2010
TO: The Honorable Mayor and City Council
FROM: Tim Grochowski, Public Works Director
Rick Sahlin, Street/Storm Superintendent
SUBJECT: Adoption of the 2011-16 Six-Year Transportation Improvement Plan

ISSUE

Attached is Resolution No. 10-2010, which includes the recommended 2011-2016 Six-Year Transportation Improvement Plan (STIP). We are presenting this document for the council's review and consideration.

DISCUSSION

As mentioned in the past, a project's inclusion in the Six-Year Transportation Improvement Plan does not, by itself, provide or guarantee funding. However, in order for a project to be eligible for federal or state funding assistance, it must first be listed in our STIP. The state's priorities are not necessarily the same as the city's therefore they may provide funding to lower-rated projects.

The projects listed in the first three years of the STIP should be those that have **secured funding**. The projects noted in the last three years can be projects that an agency plans to do if funds become available.

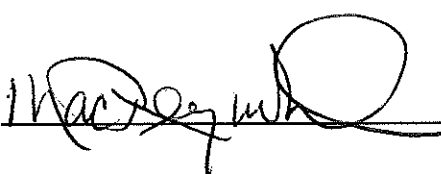
During the May 24 meeting, the updated proposed street portion of the 2010 Capital Improvement Plan was also given to council.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council adopt Resolution No. 10-2010 on first and final reading, approving the projects in the 2011-16 Six-Year Transportation Improvement Plan.

SUGGESTED MOTION

I move that the council adopt Resolution No. 10-2010 on first and final reading.

REVIEWED BY:  _____, CITY MANAGER

RESOLUTION NO. 10-2010

**A RESOLUTION OF THE CITY OF CHEHALIS,
WASHINGTON, ADOPTING THE 2011-2016 SIX-YEAR
TRANSPORTATION IMPROVEMENT PLAN FOR THE
CITY OF CHEHALIS.**

WHEREAS, pursuant to RCW 35.77.010, a public hearing was held by the City Council on the 24th day of May, 2010 to consider the 2011-2016 six-year transportation improvement plan for the city; and

WHEREAS, the City Council is desirous of adopting a six-year transportation improvement plan, now, therefore,

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO
RESOLVE AS FOLLOWS:**

Section 1. The 2011-2016 six-year transportation improvement plan for the city, hereto attached and by this reference incorporated herein, shall be, and the same hereby is, adopted as the 2011-2016 six-year transportation improvement plan for the city effective the calendar year 2010.

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 14th day of June, 2010.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney



Six Year Transportation Improvement Program

From **2011 to 2016**

Agency: Chehalis
 Co. No.: 21 Co. Name: Lewis Co.
 City No.: 0190 MPO/RTP: NON/ISWW

Hearing Date: 5/24/2010 Adoption Date: 6/14/2010
 Amend Date: Resolution No.: 10-2010

Functional Class	Priority Number	Project Identification	Improvement Type(s)	Status	Total Length	Utility Codes	Project Costs in Thousands of Dollars										Expenditure Schedule (Local Agency)				Federally Funded Projects Only		
							Phase Start		Federal Funding		State Funds		Local Funds		Total Funds		1st	2nd	3rd	4th Thru 6th	Envir. Type	RW Required Date (MM/YY)	
							8	9	Federal Fund Code	Federal Cost by Phase Code	State Fund Code	State Funds	Local Funds	Local Funds	Total Funds								
14	1	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	4	S	.31	C G T O C W	STP(R)	10	11	12	13	14	15	16	17	18	19	20	21	EA	Yes	4/2008	
		Chamber of Commerce Way from: Louisiana Ave to: State Ave Widen and enhance roadway corridor including signal optimization, 14 on-off street lighting, drainage, and channelization. Construction initiated 8/1/2009 - completion in 2009.	04 06 07 12																				
14	2	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	07	P	1.03																CE	No	
		National Avenue Overlay (JOBS Funding) from: NE Kresky Avenue to: Exhibitor Road Spot repair of deteriorating areas followed by an overlay and replacement of pavement markings and rumble strips.																					
16	3	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	07	P	1.15																CE	No	
		NW Louisiana Avenue Overlay (JOBS Funding) from: Highway 8 to: North 1.15 Miles Spot repair of deteriorating areas followed by an overlay and replacement of pavement markings and rumble strips.																					
17	4	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	07	P	.687																CE	No	
		SW Riverside Drive Overlay (JOBS Funding) from: South City Limits to: Highway 8 Spot repair of deteriorating areas followed by an overlay and replacement of pavement markings.																					
14	5	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	01 06 12 04	S	.71	W T P C G O																	
		Airport Road Extension from: City Limits (Airport Dike) to: Home Depot Extend Airport Rd from the dike to Arkansas (three lanes) and finish five lane road section from Arkansas to Home Depot. New roadway, bike lanes, curb, gutter, sidewalk, storm, sewer, and streetlights.																					
16	6	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	03 06 07 12 22	P	.20	W T S P O G																	
		Downtown Market Boulevard Improvements from: NW Park Street to: Pacific Avenue Planning, design and construction of "Old Downtown" street improvement project, to include multi-modal improvements, illumination, streetscape etc. this project is included in the city's Renaissance Plan.																					
16	7	<p>A. PIN/Federal Aid No.</p> <p>B. Bridge No.</p> <p>C. Project Title</p> <p>D. Street/Road Name or Number</p> <p>E. Beginning MP or Road - Ending MP or Road</p> <p>F. Describe Work to be Done</p>	03 06 07 12	P	1.03																		
		National Avenue Improvement Project from: Kresky Avenue to: Exhibitor Road Grnd. asphalt overlay, guardrail and other related work																					
							Totals																



Six Year Transportation Improvement Program

From **2011 to 2016**

Agency: Chehalis
 Co. No.: 21 Co. Name: Lewis Co.
 City No.: 0190 MPO/RTPO: NON/SWW

Hearing Date: 5/24/2010 Adoption Date: 6/14/2010
 Amend Date: _____ Resolution No.: 10-2010

Functional Class	Priority Number	Project Identification A. PIN/Federal Aid No. B. Bridge No. C. Project Title D. Street/Road Name or Number E. Beginning MP or Road - Ending MP or Road F. Describe Work to be Done	Improvement Type(s)	Status	Total Length	Utility Codes	Project Costs in Thousands of Dollars										Federally Funded Projects Only							
							Phase Start	Phase	Fund Source Information			Expenditure Schedule (Local Agency)					Environ. Type	R/W Required Date (MM/YY)						
									Federal Fund Code	Federal Fund Phase	State Fund Code	1st	2nd	3rd	4th Thru 6th	Total Funds			CE	No				
1	2		4	5	6	7																		
14	8	Louisiana Avenue Improvement Project from: SR-6 to: Chamber Way to: re-align at West Street	03 06 07 12	P	1.44																			
16	9	Chehalis Avenue Improvement from: Pacific Avenue to: Main Street Structural rebuild, new sidewalks, catchbasins, sidewalk/tramps, streetlights and landscaping.	03 05 06 07 12 13	P	.23	O P W																		
17	10	Shively Avenue Improvements from: SW 18th to: SW 20th Planning, design and construction of area for reconstruction & widening, blue lanes, streetlights, sidewalks and other related work.	06 12 03 04	P	.44																			
14	11	Krinsky Avenue Flood Mitigation Project from: NE Exhibitor to: NE Scott Johnson Blvd Project to allow roadway to allow NE Krinsky to remain open during flood events. Roadway to be raised between NE Exhibitor and NE Scott Johnson Blvd (City Limit)	06	P	.25	C G O P T W																		
							Grand Totals for Chehalis																	

Project Start Year	General Description Funding Source	Total Cost	Prior Years	2010	2011	2012	2013	2014	2015	Future
STREET DIVISION - PROJECTS										
2011	Airport Rd Extension extend roadway from dike to I-5 Toyota curb,gutter,streights,storm etc general fund, utilities, grants	\$2,450,000	\$0	\$0	\$245,000	\$2,205,000	\$0	\$0	\$0	\$0
2012	Chamber Way bridge repair repair west abutment wall general fund	\$35,000	\$0	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0
future	Kresky Ave flood mitigation project raise roadway between NE Exhibitor and NE Scott Johnson Blvd general fund	\$2,078,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,078,000
future	Market Blvd - Park to N National Av renaissance streetscape planning utility funds, twin transit	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
future	Snively Ave improvements reconstruct 16th to 20th general fund, utility funds, twin transit	\$2,234,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,234,000
future	Guardrail various location throughout city general fund	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
2010	National Avenue Repairs - (JOBS Funds) spot repair & overlay Kresky to Exhibitor	\$349,000	\$0	\$349,000	\$0	\$0	\$0	\$0	\$0	\$0
2012	National Ave overlay grind, overlay, guardrail etc grants	\$1,118,000	\$0	\$0	\$50,000	\$1,068,000	\$0	\$0	\$0	\$0
2010	SW Riverside Drive repairs - (JOBS Funds) spot repair & overlay city limits to hwy 6	\$126,000	\$0	\$126,000	\$0	\$0	\$0	\$0	\$0	\$0

Project	Start Year	General Description Funding Source	Total Cost	Prior Years	2010	2011	2012	2013	2014	2015	Future
Newaukum Ave improvements future		overlay Hwy 6 to Shorey Rd general fund	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Chamber Way bridge replacement future		replace bridge grants, loans	\$15,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000,000
Kresky Ave improvements future		structural rebuild grants, loans	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Market Blvd - 13th to city limits future		grind/overlay grants, loans	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Front, Pacific, Park Streets improvements future		grind, overlay/utility/frontage improvements general fund, grants, loans	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Louisiana Avenue Repairs 2010		spot repair & overlay Hwy 6 North 1.15 mi.	\$360,000	\$0	\$360,000	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana improvements future		structural rebuild SR-6 to Chamber Way general fund, grants, loans	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Washington Ave - Cascade to National future		structural rebuild general fund, grants, loans	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000

Project Start Year	General Description Funding Source	Total Cost	Prior Years	2010	2011	2012	2013	2014	2015	Future
	Chehalis Ave - Pacific to Main structural rebuild grants, loans	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
	Interstate Ave - Parkland to Bishop structural rebuild future grants, loans	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000
	Salsbury Ave improvements future structural rebuild 21st to Jackson grants, loans	-\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500,000
	Total Street Division - Projects	<u>\$46,025,000</u>	<u>\$0</u>	<u>\$835,000</u>	<u>\$295,000</u>	<u>\$3,308,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$41,587,000</u>

STREET DIVISION - VEHICLES / EQUIPMENT

Pickup 2011	replacement - 1999 Chevrolet Silverado auto/equip reserve fund	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
Backhoe future	replacement - 1986 Case auto/equip reserve fund	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Sweeper 2012	1/2 replacement - 1995 mobile auto/equip reserve fund	\$125,000	\$0	\$0	\$0	\$125,000	\$0	\$0	\$0	\$0
Dump future	replacement - 1995 dump auto/equip reserve fund	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Dump future	replacement - 1997 dump auto/equip reserve fund	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000

Project Start Year	General Description Funding Source	Total Cost	Prior Years	2010	2011	2012	2013	2014	2015	Future
Dump future	replacement - 1995 Ford w/sander/plow auto/equip reserve fund	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000
Dump future	replacement - 1990 dump w/sander/plow auto/equip reserve fund	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
	<u>Total Street Division - Veh./Equip</u>	<u>\$790,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$125,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$640,000</u>
	<u>TOTAL STREET DIVISION</u>	<u>\$46,815,000</u>	<u>\$0</u>	<u>\$835,000</u>	<u>\$320,000</u>	<u>\$3,433,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$42,227,000</u>
	<u>TOTAL PUBLIC WORKS DEPARTMENT</u>	<u>\$85,744,000</u>	<u>\$35,000</u>	<u>\$1,390,000</u>	<u>\$1,330,000</u>	<u>\$5,188,000</u>	<u>\$435,000</u>	<u>\$65,000</u>	<u>\$150,000</u>	<u>\$77,151,000</u>

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: June 9, 2010
SUBJECT: Resolution No. 11-2010; Repealing Resolution No. 01-2007

ISSUE

Resolution No. 01-2007 provides that the city's National Avenue property, as well as other properties, is available for individual wetland mitigation projects. The city is interested in creating a wetland bank on the National Avenue property, and Resolution No. 01-2007 interferes with that process.

DISCUSSION

The city adopted Resolution No. 01-1997 originally to provide a mechanism for local wetland development mitigation projects to proceed using the city's National Avenue property for their mitigation site. That original resolution was then superseded in 2007 when the city adopted Resolution No. 01-2007, which added the city's SR-6 property and about 100 acres of Airport Board property to the approved mitigation project sites.

In 1997, the Corps of Engineers and the State Department of Ecology supported the city's original resolution because it provided a means for wetland enhancement that was clearly defined and achievable. Since about 2008, the Corps and Ecology have changed their philosophy, and will no longer allow individual wetland mitigation projects on any of these sites.

The city now has a proposal to use the National Avenue property as a wetland bank rather than an individual project site. Current discussions with the Corps and Ecology indicate that they support the current proposal for creation of a wetland bank on that site. It is in the city's best interest to address the current proposal, and abandon the prior concept that would no longer be approved by the environmental agencies anyway.

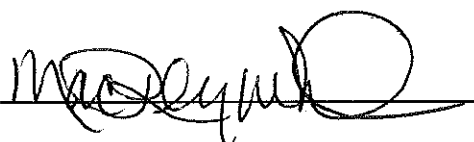
Repealing the prior resolution does not affect any current projects that are vested on any of those properties. It just means that the Development Review Committee would no longer accept individual mitigation projects on any of the sites, and would refer any such projects to the wetland bank for application and processing.

RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council adopt Resolution No. 11-2010 that would repeal Resolution No. 01-2007.

SUGGESTED MOTION

I move that the council adopt Resolution No. 11-2010 on first and final reading.

Reviewed by  City Manager

RESOLUTION NO. 11-2010

A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, REPEALING RESOLUTION NO. 01-2007, AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS, The owns a 66 acre parcel of property commonly known as the National Avenue property; and

WHEREAS, Resolution No. 01-1997 established said property as a wetland mitigation project site; and

WHEREAS, Resolution No. 01-2007 superseded Resolution No. 01-1997 by adding additional properties to the list of approved mitigation sites; and

WHEREAS, Individual wetland mitigation project sites are no longer favored by environmental agencies as the preferred method of wetland mitigation; and

WHEREAS, The city desires to create a wetland mitigation bank on said property; and

WHEREAS, Said prior Resolutions are not conducive to creation of a wetland mitigation bank on said property; now, therefore,

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. Resolution No. 01-1997, adopted on the 10th day of February, 1997, and Resolution No. 01-2007, adopted on the 12th day of February, 2007, shall be, and the same hereby are, repealed.

Section 2. The effective date of this Resolution shall be immediately upon its adoption.

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof on this 14th day of June, 2010.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: June 9, 2010
SUBJECT: Proposal for Creating a Wetland Mitigation Bank on the City's National Avenue Property

ISSUE

The city has received a proposal from WCEI, LLC. to create a wetland mitigation bank on the city's National Avenue property. Creation of a wetland bank involves complex regulatory control by the state and federal environmental agencies. A contractual relationship must be established between WCEI and the city to provide for the identified mutual benefits.

DISCUSSION

Last fall, the administration was approached by WCEI, LLC. with the concept of creating a wetland mitigation bank on the city's National Avenue property. The administration and the city attorney's office has been communicating with the proponent of the project through their attorney, Mr. Dan Mackesey, and has reached an agreement amenable to both the city and WCEI.

In order to proceed with the feasibility study on the property, WCEI will need the assurances contained in the agreement to identify the site conditions, and to negotiate with the regulatory agencies. The administration has reviewed the proposed agreement, and suggest that this agreement is in the city's best interest for the use of the property. There will likely be minor 'housekeeping' type revisions to the attached proposal as the project progresses, and the level of detail of the project becomes known.

Many questions will undoubtedly arise at the council meeting next Monday. Mr. Dan Mackesey is scheduled to attend the council meeting to represent WCEI, and to be able to answer specific questions from the council. Further explanation of the concept and how the property might be used will be presented at the meeting.

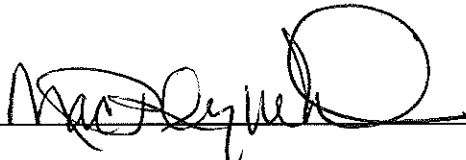
Creation of wetland banks involve complex scientific evaluations of functions and values established by the state and federal agencies. Some information relating to how the state reviews wetland bank proposals is attached. Considerable information is available on the internet regarding this subject.

RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council authorize the city manager to execute the attached agreement for creation of a wetland bank on the city's National Avenue property.

SUGGESTED MOTION

I move that the council authorize the city manager to execute the attached agreement to create a wetland bank on the city's National Avenue property.

Reviewed by  City Manager

MITIGATION BANK DEVELOPMENT AGREEMENT

THIS MITIGATION BANK DEVELOPMENT AGREEMENT (this "Agreement") is made between Owner and Sponsor as of the "Effective Date" defined in Section 1 below.

1. **Defined Terms**. When used in this Agreement, the following capitalized terms shall have the indicated meanings:

"Bank Instrument":

A document, approved by governmental officials pursuant to the Regulations, governing the establishment, development, operation and use of a Mitigation Bank on the Property, or other comparable documentation required by regulatory officials in connection with an Other Mitigation Project. A Bank Instrument is not final until Regulatory Approval occurs.

"Credit":

A unit representing the accrual or attainment of aquatic, habitat, or other functions released to the Sponsor pursuant to the Bank Instrument or in accordance with the Regulations, regardless of whether denoted as a "credit."

"Credit Fair Market Value":

With respect to a particular type of Credit, the average of the Credit price of comparable Credits in the last three (3) sales transactions of comparable Credits from the Mitigation Project at the time of an applicable Noncash Transaction. If three (3) such sales transactions have not occurred at such time, then the Credit Fair Market Value shall be the fair market value of the applicable Credit(s), which, if the parties cannot agree upon such value, shall be determined pursuant to the provisions of Section 27 if the parties cannot agree.

"Due Diligence Period":

The period commencing on the Effective Date and ending at 11:59 p.m. on the one hundred and twentieth (120th) day thereafter.

<u>“Effective Date”</u> :	The date set forth as such under the parties’ signatures.
<u>“Hazardous Materials”</u> :	As defined in Section 8.3.
<u>“Maintenance and Monitoring Obligations”</u> :	The obligation to maintain and monitor the Property after completion of the Site Work (or, if the Mitigation Project is completed in phases, after completion of the Site Work for the applicable phase) in the manner prescribed by the Bank Instrument and consistent with the Site Protection Instrument.
<u>“Maintenance and Monitoring Period”</u> :	The period that the Bank Instrument requires the Sponsor to maintain and monitor the Property.
<u>“Mitigation Bank”</u> :	A site, or suite of sites, established on all or part of the Property as a “Mitigation Bank” pursuant to the Regulations, where resources (e.g., wetlands, streams, riparian areas, and/or habitats) are restored, established, developed, enhanced, and/or preserved for the purpose of providing compensatory mitigation for impacts upon corresponding resources.
<u>“Mitigation Project”</u> :	A Mitigation Bank and/or Other Mitigation Project.
<u>“Noncash Transaction”</u> :	The assignment or other transfer of a Credit to Owner, Owner’s affiliates, Owner’s designee, or at Owner’s request for consideration that is in whole or in part non-monetary. (This definition shall not be construed to limit Sponsor’s rights under Section 3.4.)
<u>“Other Mitigation Project”</u> :	Any project on the Property which results in a Credit that is not from a Mitigation Bank,

e.g., a “turnkey” mitigation project for a single end user.

“Owner”:

City of Chehalis, Washington.

“Owner Wetlands Credits”:

As defined in Section 4.1.

“Prior Mitigation Projects”:

Prior mitigation projects for the benefit of Providence Hospital and the Port of Chehalis that designated portions of the Property for mitigation.

“Proceeds”:

Monetary consideration received in respect of the assignment or other transfer of Credits, any other form of mitigation credit, transferable development rights, or grants of easements or rights to use the Property in connection with the development of (but not necessarily derived from) the establishment of a Mitigation Project. Proceeds shall not include proceeds of sale of a fee simple interest in the Property or tax savings.

“Project Account”:

The account established pursuant to Section 4.2 in which all Proceeds shall be deposited.

“Property”:

That certain real property located in Chehalis, Washington, known as the National Avenue Property or National Wetlands Property, and more particularly described Exhibit A.

“Regulations”:

33 CFR Part 322 (Compensatory Mitigation for Losses of Aquatic Resources), 40 CFR 230, Subpart J (Compensatory Mitigation for Losses of Aquatic Resources), and other applicable federal, state or local regulations or statutes.

“Regulatory Approval”:

Final approval of a Bank Instrument for an Other Mitigation Project or pursuant to 33 CFR Sec. 332.8, 40 CFR 230.98 and/or other applicable Regulations.

“Site Protection Instrument”:

An encumbrance on the Property in the form required by the Bank Instrument, placing certain permanent restrictions or requirements on the use of the Property to uses permitted or required by the Bank Instrument. The Site Protection Instrument shall be executed by Owner and recorded in the land records of the jurisdiction(s) in which the Property is located.

“Site Work”:

Any and all work performed on the Property to restore, establish, develop, enhance, and/or preserve wetland and other resources of the Property in accordance with the Bank Instrument and consistent with the Site Protection Instrument.

“Site Work Costs”:

All hard and soft costs of performing the Site Work, including, but not limited to design and engineering costs incurred by Sponsor and payable to a Subcontractor, but excluding profit and overhead of Sponsor or Sponsor’s Affiliates.

“Sponsor”:

WCEI Chehalis Mitigation Bank, LLC, a North Carolina limited liability company

“Subcontractor”:

A third-party contractor, engineer, consultant or other person engaged or retained by Sponsor to perform all or any part of the Sponsor’s duties and obligations including, but not limited to, a feasibility analysis, Site Work, and/or Maintenance and Monitoring Obligations.

“Surviving Provisions”:

Sections 1, 4, 8, 9, 12, 13, 14, 15, 16, 18-30.

“Wetlands Credit”:

A one acre wetlands credit provided for and released in accordance with the Bank Instrument. In the case of an Other Mitigation Project each acre of wetland mitigation credited to an end user shall be deemed a “Wetlands Credit.” A Wetlands Credit is one type of “Credit.”

Other capitalized terms shall have the meanings ascribed to them elsewhere in the Agreement.

2. **Agreement.** Owner hereby grants Sponsor the exclusive right to create a Mitigation Project on the Property and perform tasks related thereto, on the terms and for the consideration provided in this Agreement.

3. **Sponsor Services.**

3.1 **Regulatory Approval.** In the event that Sponsor determines, in its sole discretion, that development of a Mitigation Project on the Property is economically and ecologically feasible, Sponsor shall, subject to Sponsor's rights under Sections 5.2 and 5.3 hereof, take such reasonable steps as are necessary to obtain Regulatory Approval for such Mitigation Project, including (i) conducting negotiations with regulatory officials, (ii) preparing a draft Bank Instrument and the Site Protection Instrument; and (iii) negotiating the terms of the Bank Instrument and the Site Protection Instrument with governmental officials.

3.2 **Site Development.** Sponsor will be responsible for causing to be completed all Site Work required pursuant to the Bank Instrument. Sponsor shall be responsible for procuring, through a contractor's bond or otherwise, the financial assurances required under the Bank Instrument for performance of the Site Work.

3.3 **Maintenance.** After completion of the Site Work, Sponsor shall be responsible for the Maintenance and Monitoring Obligations during the Maintenance and Monitoring Period. Sponsor shall be responsible for procuring the financial assurances required by the Bank Instrument with respect to the Maintenance and Monitoring Obligations. Any costs incurred in performing the Maintenance and Monitoring Obligations shall be paid by Sponsor from Proceeds as described in Section 4.2. In the event that the Property is conveyed, donated to, or otherwise encumbered by a grant to a governmental or nonprofit entity that is prepared to assume all or a part of the Maintenance and Monitoring Obligations, Owner shall cooperate with Sponsor in facilitating the assumption of the Maintenance and Monitoring Obligations and shall thereafter release Sponsor of its obligations under this Section 3.3 to the extent of such assumption.

3.4 **Credit Sales.** Sponsor shall be responsible for and have the sole authority for negotiating with governmental officials and seeking Regulatory Approval of the number and types of Credits, as well as the release schedule for Credits. Sponsor shall be

responsible for and have the sole authority for identifying potential purchasers of Credits, negotiating and closing the sale or other transfer of Credits, facilitating governmental approval of Credit sales and transfers, and fulfilling the reporting requirements under the Bank Instrument and the Regulations.

4. Consideration; Credit Sale Proceeds and Other Interests.

4.1 Wetlands Credits to be Allocated to Owner. Owner shall be allocated and granted three (3) Wetlands Credits from the Mitigation Project at no cost to Owner (the "Owner Wetlands Credits").

4.2 Allocation of Proceeds. Proceeds shall be deposited by Sponsor in a segregated account (the "Project Account") and each disbursement of Proceeds shall be allocated and disbursed according to the following:

(i) One hundred percent (100%) of the Proceeds from the first twelve (12) Wetlands Credits sold shall be allocated and disbursed exclusively to Sponsor;

(ii) Twenty percent (20%) of the Proceeds from the thirteenth (13th) up to and including the seventeenth (17th) Wetlands Credits sold shall be allocated and disbursed to Owner and eighty percent (80%) of such Proceeds shall be allocated and disbursed to Sponsor;

(iii) Thirty-five percent (35%) of the Proceeds from all additional Wetlands Credits sold shall be allocated and disbursed to Owner and sixty-five percent (65%) of such Proceeds shall be allocated and disbursed to Sponsor; and

(iv) Thirty-five percent (35%) of all remaining Proceeds e.g., from Credits other than Wetlands Credits, shall be allocated and disbursed to Owner and sixty-five percent (65%) of such Proceeds shall be allocated and disbursed to Sponsor; *provided, however*, if the Mitigation Project does not generate at least twenty (20) Wetlands Credits, then such other Proceeds shall be equitably allocated and disbursed so as to provide Sponsor and Owner with approximately the same respective shares of Proceeds as they would have received if all Proceeds had been in respect of Wetlands Credits.

For purposes of allocating Proceeds pursuant to this provision, regardless of the terms of any Bank Instrument or any agreement between Sponsor and an end user providing for Wetlands Credits, if payments made by an end user are made in lump sum installments, the first installment(s) shall be allocated to the first Wetlands Credits sold until 17 Wetlands Credits are deemed sold. For example, if an end user entered into an agreement to pay Three Million Dollars (\$3,000,000) in three installments of One Million Dollars (\$1,000,000) for thirty (30) Wetland Credits, for purposes of this provision the entire initial installment would be allocated to the initial ten (10) Wetlands Credits, with the result that the entire initial installment would be allocated and disbursed to Sponsor, regardless of whether the agreement with the end user explicitly provided that the initial installment was a partial payment for all thirty (30) Wetlands Credits.

Notwithstanding the foregoing, in the case of any Noncash Transaction, Sponsor shall be entitled to receive from the next available Proceeds that would otherwise be payable to Owner, or from Owner if sufficient available Proceeds are not anticipated within the next six (6) months (and only to the extent Owners have received Proceeds), Sponsor's applicable percentage (as determined pursuant to this Section 4.2) of the Credit Fair Market Value of the subject Credits; *provided, however*, Sponsor shall not be entitled to receive the Credit Fair Market Value in respect of Owner's Wetlands Credits, no further consideration (other than performing Owner's obligations under this Agreement) being payable to Sponsor in respect thereof.

4.3 Disbursement of Proceeds. Proceeds shall be allocated and disbursed within thirty (30) days of receipt. Sponsor shall not disburse its share of any Proceeds from the Project Account before disbursing Owner's corresponding share of such Proceeds. Owner's share of Proceeds shall be disbursed by check or wire transfer in accordance with the wire transfer instructions attached hereto as Schedule 4.3.

4.4 Project Account. The Project Account shall be a segregated account in a federally insured bank or banks. All interest earned on such Project Account shall be allocated twenty-five (25%) percent to Owner and seventy-five percent (75%) to Sponsor and disbursed annually to Owner and Sponsor. All accrued fees, costs and expenses incurred in

connection with maintaining the Project Account shall be paid by Sponsor. Only Sponsor shall have signature authority over the Project Account.

4.5 Accounting. Sponsor shall be responsible for complying with all accounting and reporting requirements relating to the sale or other transfer of Credits, as required by the Bank Instrument or the Regulations. In addition, Sponsor shall provide Owner with periodic accountings, no less often than quarterly, showing Credits sold and Credits remaining to be sold, and the allocation and disbursement of Proceeds.

5. Termination Rights.

5.1 Owner's and Sponsor's Right to Terminate if Regulatory Approval Not Obtained. In the event that Regulatory Approval does not occur on or before the second (2nd) anniversary of the Effective Date for any reason, Owner and Sponsor shall each have the right, in each party's sole and absolute discretion, to terminate this Agreement by giving written notice thereof to the other, whereupon both parties shall be released from all liabilities or obligations arising under this Agreement except for the Surviving Provisions, which shall survive such termination. Notwithstanding the foregoing and for avoidance of doubt, neither party shall have the right to terminate this Agreement *after* Regulatory Approval occurs.

5.2 Sponsor's Right to Terminate during Due Diligence Period. Sponsor shall have the right, if it determines in its sole and absolute discretion, that the Mitigation Project is not environmentally, economically, regulatorily or otherwise feasible from Sponsor's perspective, to terminate this Agreement by giving written notice at any time *prior* to the expiration of the Due Diligence Period, whereupon both parties shall be released from all liabilities or obligations arising under this Agreement except for the Surviving Provisions, which shall survive such termination. In the event of such termination, Sponsor shall deliver to Owner (a) copies of third party studies, analyses and tests, if any, received by Sponsor in connection with its due diligence, and (b) copies of the most recent draft of any prospectus or Bank Instrument, if any, prepared by Sponsor, or at Sponsor's request, with respect to the Property.

6. Entry on the Property / Insurance. Sponsor, its employees, agents, servants, and Subcontractors, may enter on the Property from time to time to perform due diligence, obtain Regulatory Approval, complete the Site Work, and perform Maintenance and Monitoring Obligations as well as any other work Sponsor deems necessary or appropriate in

connection with the Mitigation Project. Owner acknowledges that the Bank Instrument will require Sponsor to cause Site Work to be completed on the Property and that Subcontractors may be using heavy equipment to complete such Site Work on the Property. Owner shall allow entry upon the Property to any governmental authorities engaged in the Regulatory Approval or otherwise monitoring any aspect of the Mitigation Project. Sponsor and Owner shall obtain and maintain, and Sponsor shall cause each Subcontractor who is engaged in site development work on the Property to obtain and maintain, the insurance in accordance with the requirements specified in Schedule 6 attached to this Agreement.

7. **Property.** Sponsor, in its sole and absolute discretion, shall determine which portion of the Property, if not the entire Property, shall be subject to the Bank Instrument and Site Protection Instrument. In the event that less than the entirety of the Property becomes subject to the Bank Instrument and Site Protection Instrument, any reference to "Property" in this Agreement shall be deemed to include only that portion of the Property that is the subject of the Bank Instrument and Site Protection Instrument. A metes and bound description of the Property shall be proposed in connection with the preparation of the Bank Instrument.

8. **Representations and Warranties of Owner.** Subject to the exceptions specified in Schedule 8 hereto, Owner hereby represents and warrants to Sponsor that to the best of Owner's knowledge:

8.1 **No Changes.** There is no proposed or pending condemnation, change in zoning, or roadway construction or construction or allocation of utilities affecting any portion of the Property.

8.2 **No Interests in Property.** There is no legal or equitable interest in the Property owned or claimed by any party or entity other than Owner (including, but not limited to, any mortgages or deeds of trust) and there are no proffers or agreements with governmental authorities or private parties which affect any portion of the Property.

8.3 **Environmental.** The Property (including surface and subsurface soil, surface water, ground water, and improvements, if any) is free of any substantial amounts of waste or debris and is free of all flammable or explosive materials, petroleum or petroleum products, natural gas or synthetic gas usable for fuel, radioactive materials, asbestos, radon, PCBs or any other toxic wastes or substances, including, without limitation, any substances now or

hereafter defined or included in the definition of "Hazardous Substances," "Hazardous Materials," "Toxic Materials" or "Toxic Substances" under any federal, state or local governmental law or regulation (all of the foregoing are collectively referred to herein as "Hazardous Materials"), and that there are no graveyards lying within the Property, nor any special or unusual environmental condition affecting any portion of the Property (such as a landfill). The Property has not been used to generate, manufacture, refine, transfer, treat, store, handle or dispose of Hazardous Materials and Owner has not received any written or oral communications from governmental authorities concerning, nor is Owner otherwise aware of, the possible presence of Hazardous Materials on or in the vicinity of the Property. There is no item or site of archaeological or historical interest on the Property.

8.4 Litigation. There is no pending or threatened litigation arising from or in any way related to the Property or that could materially, adversely affect Owner. There are no unpaid, outstanding judgments for damages against Owner or matters which, with the passage of time, could become a judgment against Owner.

8.5 No Leases. No party has a leasehold interest in the Property.

8.6 Authority. Owner has full right, power and authority to enter into, execute, acknowledge and deliver this Agreement and to perform Owner's obligations hereunder.

8.7 No Adverse Circumstances. There are no circumstances which exist, or with the passage of time may exist, that would prevent or impede Sponsor from exercising Sponsor's rights hereunder, or Sponsor and Owner from performing their respective obligations under this Agreement.

9. Representations and Warranties of Sponsor. Sponsor hereby represents and warrants to Owner that Sponsor has full right, power and authority to enter into, execute, acknowledge and deliver this Agreement and to perform Sponsor's obligations hereunder.

10. Covenants of Owner. Owner hereby covenants to Sponsor that from and after the Effective Date and so long as this Agreement is in effect:

10.1 Cooperation. Owner shall cooperate with Sponsor, Sponsor's employees, agents and contractors and any governmental officials in connection with: (a) Sponsor's efforts to obtain Regulatory Approval (including, but not limited to, acknowledgement

and representation of Sponsor as the "Sponsor" under the Regulations); (b) performance of Sponsor's due diligence, the Site Work and the Maintenance and Monitoring Obligations; and (c) performance of all obligations under the Bank Instrument and Site Protection Instrument. Owner shall make available to consult with Sponsor, Owner's employees who are knowledgeable about the Property, and, shall provide Sponsor access to all files, records, and studies in its possession or control relating to the physical characteristics of the Property and the ecology of it, drainage of the Property and adjacent properties, location of utilities on the Property, Prior Mitigation Projects on the Property and/or the establishment of wetlands on the Property during the Due Diligence Period and thereafter.

10.2 No Further Encumbrance. Owner shall not permit or place further encumbrances against the Property without the prior written consent of Sponsor.

10.3 Use. Owner shall not permit the Property to be used for any purpose that is inconsistent with, or would impede, delay, or make more costly, the development and operation of a Mitigation Project, or after the Site Protection Instrument is recorded, would be inconsistent with the Site Protection Instrument.

10.4 Notices. Owner shall provide prompt written notice to Sponsor of any threatened or potential lawsuits, condemnation, lien or encumbrance, violation of any laws or regulations, or governmental action that is in any way related to the Property or could materially adversely affect Sponsor or Owner and of which Owner receives notice or has knowledge.

10.5 Contacting Regulatory Authorities. Owner shall not contact and shall not authorize, encourage or permit others to contact, any regulatory authorities regarding the Mitigation Project or Regulatory Approval, unless consented to in writing by Sponsor.

10.6 Site Protection Instrument. Owner shall execute and permit Sponsor to record the Site Protection Instrument in the proper jurisdiction(s) after request by Sponsor; provided, however, that Owner shall not be required to execute nor permit the recordation of the Site Protection Instrument prior to the occurrence of Regulatory Approval. Owner shall comply with all provisions and restrictions of the Site Protection Instrument; provided, however, that the Maintenance and Monitoring Obligations shall be the responsibility

of Sponsor pursuant to, and to the extent required under, the Bank Instrument. Notwithstanding the foregoing, Owner shall not cause or, to the extent within Owner's reasonable control, permit circumstances to exist that would result in (i) a violation of the Site Protection Instrument, (ii) an increase in the costs of complying with the provisions of the Bank Instrument, or (iii) an adverse effect on the availability or aggregate value of Credits from the Property.

11. Covenants of Sponsor. Sponsor hereby covenants to Owner that:

11.1 Fulfillment of Obligations of Sponsor. Sponsor shall fulfill the obligations of the "sponsor" of the Mitigation Bank under the Bank Instrument and the Regulations including, but not limited to, completion of Site Work and completion of Maintenance and Monitoring Obligations during the Maintenance and Monitoring Period in accordance with Section 3 above.

11.2 Utility Accommodation. Sponsor acknowledges that there are certain utilities on the Property that Sponsor will have to work around (or relocate, at Sponsor's cost, subject to Owner's consent).

11.3 Prior Mitigation Projects. Sponsor shall have the right to reaffirm, modify, terminate or clarify any agreements, commitments or arrangements relating to the Prior Mitigation Projects. Owner shall cooperate with Sponsor in connection therewith. The parties acknowledge that the consent of regulatory authorities may be required for any such action.

11.4 Mechanic's Lien. Sponsor shall not knowingly permit any mechanics', laborers', or materialmen's lien on account of labor or materials furnished by or at the direction of Sponsor to encumber the Property without complying with the remainder of this Section 11.4. In the event the Property becomes subject to any such lien, Sponsor shall have the right to contest such lien and in connection therewith shall take such actions, e.g., posting a bond, as are reasonably required in the applicable jurisdiction to assure that Owner's interest in the Property is not jeopardized.

11.5 Notices. Sponsor shall keep Owner reasonably apprised of the status or completion of Regulatory Approval, Site Work and performance of due diligence and Maintenance and Monitoring Obligations.

12. Default.

12.1 Limitation on Damages. IN NO EVENT SHALL EITHER PARTY, ITS EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.2 Limitation on Remedies. Subject to the limitation on damages in Section 12.1 above and the notice and cure requirements of Section 12.3 below, if either party (a "Defaulting Party") defaults in the performance of its obligations under this Agreement or breaches its representations or warranties hereunder (any such default or breach being a "Default"), the exclusive remedies of the other party (the "Non-defaulting Party") shall be limited to (i) terminating this Agreement, and (ii) seeking to recover damages for such Default from the Defaulting Party; provided, however, Sponsor, as a Non-defaulting Party, shall also have the right to seek equitable relief, including, but not limited to, a temporary restraining order, preliminary injunction and/or permanent injunction in respect of any Default by Owner in performing its covenants hereunder. The rights of a Non-defaulting Party are cumulative. In the event of a termination of this Agreement in respect of a Default, both parties shall be deemed released from all further liabilities and obligations accruing under this Agreement after the date of termination except for any Surviving Provisions.

12.3 Notice. Notwithstanding the provisions of Sections 12.1 and 12.2 above, the Non-defaulting Party shall not exercise any remedies in respect of a Default unless and until the Non-defaulting Party has given notice to the Defaulting Party of such Default, and the Defaulting Party has failed to cure such Default within thirty (30) days after the giving of such notice, or if the same is not amenable to cure within thirty (30) days, begins to cure such Default within such thirty (30) day period and thereafter diligently pursues such cure.

13. Litigation. Notwithstanding the provisions of Section 12, if any party resorts to litigation to enforce its rights under this Agreement, any judgment awarded to the prevailing party shall include all reasonable litigation expenses of the prevailing party, including, without limitation, reasonable attorney's fees and costs and experts' fees.

14. **Multiple Owners.** [Intentionally Deleted]

15. **Notices.** All notices hereunder shall be in writing and shall be deemed given when delivered on a business day by facsimile with confirmation of receipt, or when delivered by hand, or one business day after mailing by national overnight delivery service to the parties hereto at their respective facsimile numbers and/or addresses set forth below, or at such other numbers or addresses of which either party may notify the other parties in accordance with the provisions hereof:

As to Owner:

Fax: _____

With a copy to:

Fax: _____

As to Sponsor:

WCEI Chehalis Mitigation Bank, LLC
c/o Womble Carlyle Ecology Innovations, LLC
8065 Leesburg Pike
Vienna, Virginia 22182
Attn. Robert D. Sokolove
Fax: (703) 918-2268

With a copy to:

Womble Carlyle Sandridge & Rice, PLLC
8065 Leesburg Pike
Fourth Floor
Vienna, Virginia 22182
Attn. Daniel R. Mackesey, Esquire
Fax: (703) 918-2242

16. Indemnification.

16.1 Indemnification Obligations of Owner. Subject to the limitations of Section 12.1 of this Agreement, Owner shall indemnify and hold harmless Sponsor, its members, officers, employees, affiliates and agents against any claims, damages, liabilities, losses, fines, penalties, and costs (including reasonable attorney's fees) arising out of (a) any environmental condition or Hazardous Materials on the Property not caused by or occurring as a result of the actions of Sponsor, its employees, agents or contractors, and (b) any Default of Owner.

16.2 Indemnification Obligations of Sponsor. Subject to the limitations of Section 12.1 of this Agreement, Sponsor shall indemnify and hold harmless Owner, its members, officers, employees and agents against any claims, damages, liabilities, losses, fines, penalties, and costs (including reasonable attorney's fees) arising out of (a) any environmental condition or Hazardous Materials on the Property caused by or occurring as a result of the actions of Sponsor, its employees, agents or contractors, and (b) any Default of Sponsor; provided, however, the foregoing indemnity shall not apply to the mere discovery of any environmental condition or Hazardous Materials on the Property.

17. Time. Time is of the essence of all matters set forth in this Agreement.

18. Exhibits and Schedules. Each of the exhibits and schedules attached to this Agreement is incorporated herein by reference. Any exhibit not available at the time this Agreement is executed shall be agreed upon, initialed, and attached by the parties as soon after execution as is practicable, but failure to attach any exhibit shall not affect the validity of this Agreement unless the parties are in material disagreement as to the contents thereof.

19. Entire Agreement. Except as provided in Section 18 hereof, this Agreement contains the entire agreement between the parties hereto and is intended to be an integration of all prior or contemporaneous agreements, conditions or undertakings between them; there are no promises, agreements, conditions, undertakings, warranties or representations (whether oral or written, express or implied) between them other than as herein set forth.

20. Modification in Writing. No change or modification of this Agreement shall be valid unless in writing signed by both Owner and Sponsor; and no purported or alleged

waiver of any provision hereof shall be valid or effective unless in writing signed by the party against whom it is sought to be enforced.

21. Binding on Successors; Assignment. This Agreement shall run with the Property and shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns. This Agreement shall not be assigned by Sponsor without the prior written consent of Owner, such consent not to be unreasonably delayed, withheld or conditioned provided that the successor party assumes the obligations of the assigning party under the Agreement.

22. Memorandum of Agreement. Simultaneously with its execution hereof, Owner and Sponsor have executed a certain Memorandum of Mitigation Bank Development Agreement (the "Memorandum") substantially in the form attached hereto as Schedule 22. Sponsor may cause the Memorandum to be recorded in the applicable land records of the jurisdiction(s) in which the Property is located at Sponsor's expense, and if it does so, shall cause the Memorandum to be released of record within 60 days after (i) the earlier to occur of undisputed (or fully adjudicated) termination of this Agreement or recordation of the Site Protection Instrument and (ii) the giving of notice from Owner requesting that the Memorandum be released of record. Owner shall cause all holders of interests in the Property as of the Effective Date, if any, including, but not limited to, lenders and trustees under deeds of trust, to subordinate their respective interests to the rights of Sponsor under this Agreement by consenting to this Agreement in writing and executing the Memorandum.

23. Limitation on Use of Property. Owner acknowledges that recordation of the Site Protection Instrument will restrict the usage of the Property to only the uses set forth in such Site Protection Instrument.

24. Waiver of Jury Trial. OWNER AND SPONSOR HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATING TO THIS AGREEMENT. THE INCLUSION OF THIS PROVISION SHALL NOT LIMIT THE EFFECT OF SECTION 27 HEREOF.

25. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one Agreement.

26. **Severability.** If any term, provision covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ a valid, legal, nonvoid and enforceable alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

27. **Dispute Resolution.** In the event of any dispute arising under or related to this Agreement, the parties shall first attempt to resolve it informally among themselves. If after ten (10) days following written notification of a dispute, the parties should be unable to resolve the dispute among themselves, the parties shall mediate the dispute through a mutually acceptable party within thirty (30) days after the end of the 10-day informal resolution period above. If the parties should still be unable to resolve the dispute through mediation, then such dispute shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. In the event of arbitration, the arbitrator shall have authority to grant full legal and equitable relief, including specific performance of this Agreement. Any mediation or arbitration under this Section 27 shall take place at a mutually acceptable location in the State of North Carolina, with the disputing parties sharing the cost thereof. Judgment on an award rendered by an arbitrator may be entered in any court having competent jurisdiction for enforcement. Subject to the provisions of Section 13 hereof, each party shall be responsible for its own attorneys' fees incurred in connection with any mediation or arbitration pursuant to this Section.

28. **Applicable Law.** The laws of the State of North Carolina shall govern the validity, performance and enforcement of this Agreement, without reference to the conflicts of law principles of the State of North Carolina.

29. **Confidentiality.** [Intentionally Deleted]

30. **Acknowledgements and Disclosures.**

30.1 Potential Conflict of Interest Disclosure. The Disclosure attached hereto as Schedule 30.1 is hereby incorporated herein by reference. By executing this Agreement, Owner acknowledges that Owner has read and understands the disclosure contained in Schedule 30.1, its consent to the roles of Sponsor and Womble Carlyle Sandridge & Rice, PLLC as described in Schedule 30.1, and its agreement that it has had a reasonable opportunity to consult with independent counsel.

30.2 Owner's Present Intention. Owner is entering into this Agreement in connection with its continued ownership of the Property and has no present intention of selling or otherwise transferring the Property or its interest in the Mitigation Project.

30.3 No Assurance of Regulatory Approval. The necessary Regulatory Approval may not be issued on a timely basis or at all, or governmental authorities may impose unanticipated or unfavorable terms and conditions which could cause abandonment of the Mitigation Project or a material adverse effect on the allocation and disbursement of Proceeds to Owner and to Sponsor.

30.4 No Assurance of Credit Sales or Prices. Sponsor may not be able to sell sufficient Credits at prices necessary to permit the distribution of substantial cash to Owner or Sponsor. The price of Credits is market driven and various factors including the availability of other competing Credits in the service area of the Mitigation Project or the lack of demand for Credits may affect the amount and timing of Proceeds available for allocation and disbursement to Owner and to Sponsor.

30.5 Unanticipated Site Condition or Site Work Costs. The Site Work may be more expensive than anticipated or there may be unanticipated environmental or archaeological conditions that increase the cost of or delay completion of the Site Work, with the result that the Sponsor may not be able to complete the Site Work within the timeframe anticipated or required by regulatory authorities or may not be able to complete the Site Work at all, which could cause abandonment of the Mitigation Project or a material adverse effect on the amount or timing of distributions of Proceeds to Owner and to Sponsor under this Agreement.

30.6 No Forward-Looking Projections. Sponsor shall not be deemed to have made to Owner any representation or warranty with respect to any projections, estimates or budgets or other forward-looking information heretofore delivered or made available

to Owner concerning the amount or timing of the allocation and disbursement of Proceeds or other revenues to Owner, Site Work Costs or other expenses, or results of operations or the financial condition of the Mitigation Project.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned parties have duly executed this Agreement under seal on the dates indicated beneath their respective signatures below.

BY EXECUTING THIS AGREEMENT, OWNER ACKNOWLEDGES THAT IT INTENDS TO BE LEGALLY BOUND BY THIS AGREEMENT, THAT OWNER HAS READ AND UNDERSTANDS THE DISCLOSURE CONTAINED IN SCHEDULE 30, ITS CONSENT TO THE ROLES OF SPONSOR AND WOMBLE CARLYLE SANDRIDGE & RICE, PLLC AS DESCRIBED IN SCHEDULE 30, AND ITS AGREEMENT THAT IT HAS HAD A REASONABLE OPPORTUNITY TO CONSULT WITH INDEPENDENT COUNSEL.

WITNESS/ATTEST:

OWNER:

City of Chehalis, Washington

By: _____

Merlin G. MacReynold, City Manager

SPONSOR:

WCEI Chehalis Mitigation Bank, LLC, a North Carolina limited liability company

By: _____

Robert D. Sokolove, President

Effective Date: Owner and Sponsor hereby agree that the "Effective Date" of this Agreement is _____.

Schedules

- 4.3 Wire Instructions of Owner
- 6 Insurance Requirements
- 8 Exceptions to Representations and Warranties of Owner
- 22 Memorandum of Mitigation Bank Development Agreement
- 30.1 Disclosure

DRAFT

EXHIBIT A

Property Description

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SCHEDULE 4.3

WIRE INSTRUCTIONS OF OWNER

_____ Bank

Routing No.: _____

Account Name: _____

Account No.: _____

Note: Payment from _____

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SCHEDULE 6

INSURANCE REQUIREMENTS

Sponsor

Sponsor shall maintain commercial general liability insurance with environmental professional coverage of not less than \$3 million per occurrence and in the aggregate so long as site development work is continuing. Sponsor shall provide Owner with a certificate of insurance evidencing its compliance with its obligations under this provision and naming Owner as an additional insured thereunder. Sponsor shall cause each and every Subcontractor that enters onto the Property to obtain and maintain insurance coverage specified in this Schedule 6 hereto prior to their entry onto any Property.

Subcontractors

Subcontractors shall obtain and maintain the following insurance:

- Comprehensive General Liability: \$1,000,000 combined single limit for bodily injury and property damage each occurrence and \$2,000,000 annual aggregate.
- Comprehensive Automobile Liability: \$1,000,000 combined single limit for property damage and personal injury. The coverage shall apply to all owned, hired and non-owned vehicles.

Owner and Sponsor must be named as Certificate Holder and as an additional insured under the General Liability and Automobile Liability Insurance Policies.

- Workers Compensation:

Workers Comp: statutory limits

Upon consultation with and consent by Owner, the insurance coverage specified in Schedule 6 hereto may be adjusted from time to time to take into account circumstances including, among other matters, the type of service performed by a Subcontractor. Sponsor shall cause copies of Subcontractor's insurance certificates to be provided to Owner

SCHEDULE 8

EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES OF OWNER

Owner hereby discloses the existence of the following matters as exceptions to the indicated representations and warranties provided in Section 8 of the Agreement:

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SCHEDULE 22

MEMORANDUM OF MITIGATION BANK DEVELOPMENT AGREEMENT

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Schedule 30.1

DISCLOSURE

(a) WCEI Chehalis Mitigation Bank, LLC ("Sponsor") discloses to Owner that Sponsor is affiliated with the law firm Womble Carlyle Sandridge & Rice, PLLC ("WCSR"). WCSR indirectly owns a majority interest in Sponsor. While the Mitigation Bank Development Agreement (this "Agreement") between Sponsor and the City of Chehalis, Washington ("Owner") in which this Disclosure is incorporated by reference does not create an attorney-client relationship between Owner and WCSR, Sponsor may retain WCSR to provide services to Sponsor in connection with the transaction and matters described in this Agreement. In addition, Owner may engage WCSR directly to provide legal services to Owner in connection with the transaction described in this Agreement or in connection with any other matter. Any such engagement of WCSR by Owner must be pursuant to and subject to a separate written agreement between WCSR and Owner.

(b) Since WCSR may ultimately provide legal services to Owner in connection with the Mitigation Project described in this Agreement, your attention is directed to Rule 1.8(a) of the ABA Model Rules of Professional Conduct, which provides as follows:

A lawyer shall not enter into a business transaction with a client or knowingly acquire an ownership, possessory, security or other pecuniary interest directly adverse to a client unless:

1. the transaction and terms on which the lawyer acquires the interest are fair and reasonable to the client and are fully disclosed and transmitted in writing in a manner that can be reasonably understood by the client;
2. the client is advised in writing of the desirability of seeking and is given a reasonable opportunity to seek the advice of independent legal counsel on the transaction; and
3. the client gives informed consent, in a writing signed by the client, to the essential terms of the transaction and the lawyer's role in the transaction, including whether the lawyer is representing the client in the transaction.

(c) The following is general summary of the terms of this Agreement:

1. If Sponsor determines to proceed with a mitigation project, which may include a mitigation bank, on the property described on Exhibit A to this Agreement (the "Property"); such a mitigation project being referred to herein as the "Mitigation Project" and such a mitigation bank. Sponsor shall (i) seek regulatory approval of a bank instrument establishing the Mitigation Project (the "Bank Instrument"); (ii) be responsible for construction of all site improvements required as a condition of regulatory approval in connection with a Mitigation Project; (iii) be responsible for all maintenance and monitoring obligations of site improvements

after completion of them, as required; and (iv) be responsible for and have the sole authority for identifying potential purchasers of "Credits" (as defined in Section 1 of the Agreement), negotiating and closing the sale or other transfer of Credits, and facilitating governmental approval of Credit sales and transfers, all as more specifically provided in Section 3 of this Agreement.

2. Sponsor shall be responsible for all costs of establishing, developing and maintaining and monitoring the Mitigation Project as described in Section 3 of this Agreement.

3. Owner shall be allocated and granted three (3) wetlands credit acres without charge ("Owner Wetlands Credits") as consideration for entering into this Agreement.

4. Consideration received in respect of the transfer of Credits, or grants of easements or rights to use the Property in connection with (but not necessarily derived from) the establishment of a Mitigation Project ("Proceeds") shall be allocated and disbursed in the following order:

(i) One hundred percent (100%) of the Proceeds from the first twelve (12) Wetlands Credits sold shall be allocated and disbursed exclusively to Sponsor;

(ii) Twenty percent (20%) of the Proceeds from the thirteenth (13th) up to and including the seventeenth (17th) Wetlands Credits sold shall be allocated and disbursed to Owner and eighty percent (80%) of such Proceeds shall be allocated and disbursed to Sponsor;

(iii) Thirty-five percent (35%) of the Proceeds from all additional Wetlands Credits sold shall be allocated and disbursed to Owner and sixty-five percent (65%) of such Proceeds shall be allocated and disbursed to Sponsor; (iv)

(iv) Thirty-five percent (35%) of all remaining Proceeds e.g., from Credits other than Wetlands Credits, shall be allocated and disbursed to Owner and sixty-five percent (65%) of such Proceeds shall be allocated and disbursed to Sponsor; *provided, however,* if the Mitigation Project does not generate at least twenty (20) Wetlands Credits, then such other Proceeds shall be equitably allocated and disbursed so as to provide Sponsor and Owner with approximately the same respective shares of Proceeds as they would have received if all Proceeds had been in respect of Wetlands Credits.

5. Owner or Sponsor may terminate this Agreement in the event that final regulatory approval of the Mitigation Project does not occur on or before the second (2nd) anniversary of the effective date of the Agreement by giving written notice thereof to Sponsor. Sponsor may terminate this Agreement prior to the expiration of the Due Diligence Period, if it determines in its discretion, that the Mitigation Project is not environmentally, economically, regulatorily or otherwise feasible by giving written notice thereof to Owner.

6. The general terms described above are subject to the further terms and provisions of this Agreement, all of which are binding on Owner and Sponsor, and Owner is directed to read all of the terms and conditions of this Agreement carefully.

The terms of this Agreement were negotiated primarily by Robert Nacht, Community Development Director, and William Hillier, City Attorney, on behalf of Owner and

Daniel Mackesey, Chair of the Management Committee of Sponsor, on an arms length basis. Owner acknowledges that it has read and understands the above summary of terms of this Agreement.

(d) The following applies if WCSR is currently or becomes legal counsel for Owner. One of the concerns addressed by Rule 1.8(a) is that a lawyer's legal skill and training, together with the relationship of trust and confidence between lawyer and client, create the possibility of overreaching when the lawyer participates in a business, property or financial transaction with the client. The parties believe this transaction is fair to Owner and that this Agreement sets forth the terms of the transaction in a manner which Owner understands. Nevertheless, if Owner ever perceives a conflict of interest arising as a result of the role of WCSR and/or its relationship to Sponsor, the parties agree to take appropriate steps to resolve that conflict in a manner that is consistent with WCSR's ethical obligations, which resolution may include using a different legal services provider other than WCSR if either Owner or WCSR deem appropriate.

(e) Owner is advised to seek independent legal counsel in connection with entering into this Agreement as well as the role of Sponsor and WCSR in connection with the Mitigation Project and their relationship to each other. Owner acknowledges that it has consulted with William Hillier, a licensed attorney practicing in the state of Washington, in connection with this issue.

Wetland bank approved by state

Vancouver Lake lowlands site will sell credits to port, others

By Erik Robinson

Columbian staff writer

Tuesday, March 2, 2010

An old cattle pasture in the Vancouver Lake lowlands will become an ecologically rich wetland — income for the private company transforming the 154-acre property at the Port of Vancouver.

State environmental regulators on Monday certified the wetland mitigation bank proposed by Habitat Bank.

The land once was farmed by the late Elmer Rufener.

Habitat Bank, doing business locally as Clark County Mitigation Partners, expects to plow about 50 acres and planting native vegetation and securing various legal and financial assurances. The bank will have other filling wetlands elsewhere.

“There’s a lot of upfront costs,” said Victor Woodward, a partner in Habitat Bank.

There’s a big upside, too.

By the time the bank sells its last credit after 10 years, it expects to generate something on the order of \$1 million.

Woodward said the company expects to charge \$190,000 per credit, although it has already agreed to sell credits to the port at a discounted price of \$50,000 per credit. The port figures it will need to offset wetland loss at a 3-acre industrial site.

In fact, Woodward said he expects government agencies will be the bank’s biggest customers in the region.

“The reality is, most of the users of these (wetland mitigation banks) are public infrastructure projects,” Woodward said. “Those things are impacted by the economy, but not so much as commercial projects.”

State officials have in recent years emphasized the benefits of wetland mitigation banking as a better alternative to traditional projects.

As often as not, those on-site mitigation projects amount to weed-covered ditches ringed with cyclopses, which are ineffective in offsetting the loss of natural wetlands that filter pollutants, corral flood waters and provide habitat.

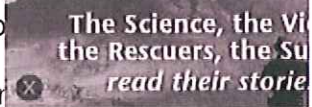
Instead, state officials believe large wetland mitigation banks offer a better alternative.

The wetland mitigation bank works basically like this: The “banker” spends money upfront to create a service area. Next, state and federal environmental regulators certify the bank and establish a service area. Wetlands within that service area may offset the damage by buying “credit” from the bank.

The bank is then monitored and maintained forever through conservation easements stamped to

“You may be losing wetland functions in one area, but you’re replacing them with valuable wetlan
the state Department of Ecology. “What we’re trying to look at here is, no

The new Columbia River Wetland Mitigation Bank is the first approved ur

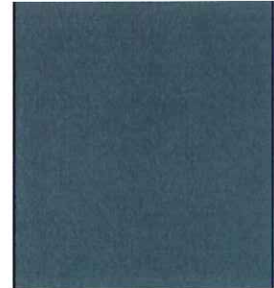


Its service area ranges along the Washington side of the Columbia River, from Bonneville Dam to
certified by the Army Corps of Engineers and the state Department of Ecology, is expected to be
Agency later this week.

Erik Robinson: 360-735-4551 or erik.robinson@columbian.com.

Habitat Bank

Mitigation Banking for Washington State



[Home](#) | [Snohomish Basin Bank](#) | [LWSW BANK](#) | [Southwest WA Banks](#) | [Using the Banks](#) | [MB Overview](#) | [Co](#)

WASHINGTON DEPARTMENT OF ECOLOGY/COASTAL TRAINING PROGRAM MITIGATION BANK CREDITS"



Habitat Bank and Mitigation Banking

Habitat Bank develops and operates wetland mitigation banks in Washington State. In August 2008, Habitat Bank became the first company to have a wetland mitigation bank approved through the Washington State Department of Ecology program. The **Snohomish Basin Mitigation Bank (SBMB)** was approved by the Department of Ecology and Snohomish County. The SBMB serves the Snohomish, Snoqualmie and Skykomish watersheds. Wetland mitigation credits available for sale.

Current Mitigation Banking Projects

Snohomish Basin Mitigation Bank

Serving the Snohomish, Skykomish and Snoqualmie drainage basins, the Snohomish Basin Mitigation Bank has credits available for sale for critical area impacts within it's service area. Please contact Habitat Bank for more information, credit availability and pricing.

Columbia River Mitigation Bank

Habitat Bank has partnered with the Port of Vancouver to develop the 162 acre Columbia River Mitigation Bank. This bank will service the Columbia River floodplain in Clark, Cowlitz and Skamania Counties. Credits will be available in early 2010. [CLICK HERE TO DOWNLOAD THE COLUMBIA RIVER BROCHURE.](#)

Lake Washington-Sammamish Watershed Bank

The Lake Washington-Sammamish Watershed Bank will serve King and Snohomish Counties, WRIA 8 and the Lake Washington and Sammamish watershed. The proposal is currently being evaluated by the Mitigation Bank Review Team.

East Fork Lewis Mitigation Bank

The East Fork Lewis Bank will restore approximately 100 acres of wetland habitat and provide mitigation credits for the rapidly developing East Fork Lewis Watershed, including portions of Battleground, Ridgefield and La Center including drainages such as Gee, Allen and the upper end of Mill Creek. Credits should be available in 2010.

Battle Ground Mitigation Project

Located in the City of Battle Ground, the Battle Ground Mitigation Project will restore approximately 60 acres of wetland habitat and provide credits for important projects within the City.

Recent News

[Columbia River Mitigation Bank to provide wetland mitigation options to southwest Washington](#)
[New Federal Rule on compensatory mitigation released](#)

Snohomish Basin Mitigation Bank Summer Pictu



SBMB Relative to the Snoqualmie River



Phase 2 Emergent Wetland



Phase 2 early spring



Rana aurora (red legged frog) Phase 1 Forested Wetland



new willow recruits phase 2



Cinnamon Teal early spring



Phase 1 (foreground) Phase 2 (background)



Eagle using perch pole to hunt (phase 1)



Phase 2 emergent wetlands



Aquatic bed and emergent habitat (phase 2)



Blue Heron, fishing in late summer



Bald Eagle Phase



immature bald eagle learning to hunt



fish weir to Pearson Eddy and Snoqualmie River



Canadian Geese



Shrub scrub hummocks



phase 1 foreground, phase 2 background

Additionally, Habitat Bank is studying the feasibility of other bank sites in the North parties and public entities to evaluate the potential of a number of properties for w

Please [contact us](#) if you would like any more information on purchasing credits, or talk to us about partnering on a wetlands or habitat conservation bank project.

HABITAT BANK LLC.


<http://www.ecy.wa.gov>

Wetland Mitigation Banking

[Wetlands home](#) > Wetland Mitigation Banking home

What is wetland mitigation banking?

The concept of wetland mitigation banking (banking) has been around since the '70's. Basically, mitigation banking creates an economic incentive for restoring, creating, enhancing and/or preserving wetlands.

Mitigation banks typically involve the consolidation of many small wetland mitigation projects into a larger, potentially more ecologically valuable site. Such consolidation encourages greater diversity of habitat and wetland functions. It also helps create more sustainable systems. Mitigation banks provide a greater likelihood of success, since the banks are up and running before unavoidable damage occurs to a wetland(s) at another site. With proper implementation, mitigation banking has the potential to increase ecological benefits, save money for project applicants, and improve efficiencies in application and permitting processes.

The [wetland mitigation bank rule \(WAC 173-700\)](#) identifies the criteria necessary for implementing an environmentally sound banking system in Washington State.

Where are banks located?

We have numerous banks across the state. Click on the map in the right hand column to see more details.

How do I...

- Become a [bank sponsor](#)?
- [Use a bank](#)?
- [Learn more](#) about banking?

General Banking Information

- [Program updates](#)
- Sign up for Ecology's Wetland Mitigation [Banking Listserv](#)
- Contact wetland mitigation [banking staff](#)

General Wetland Information

- Sign up for Ecology's [Wetlands Listserv](#)
- Contact other [wetland staff](#)
- Contact other Ecology [regional staff](#)?



Map of Mitigation Banks in Washington

Updated March 2010

NEW! TRAINING

How to Use
Wetland Bank Credits
for Mitigation

NEW! BANKING RULE

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