

January 8, 2018

The Chehalis city council met in regular session on Monday, January 8, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Tim McGuire, Finance Department; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, and Dave Vasilauskas, Water Superintendent. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Swearing-in of Municipal Court Judge Dale McBeth.** City Attorney Bill Hillier administered the oath of office to Municipal Court Judge Dale McBeth. Judge McBeth's reappointment to a new four-year term was confirmed by the council at the December 11, 2017 regular meeting.

2. **Swearing-in of Re-elected Council Members.** Judge Dale McBeth administered the oaths of office to newly re-elected council members Dawes, Spahr, and Taylor. Each member was reappointed to a four-year term during the November 2017 election.

3. **Election of Mayor and Mayor Pro Tem.** Mayor Dawes opened the floor for nominations for mayor. Councilor Lund nominated Dennis Dawes for mayor. The motion was seconded by Councilor Pope. Mayor Dawes asked if there were any further nominations. Councilor Pope moved to close the nominations. The motion was seconded by Councilor Lund. The motion to elect Dennis Dawes as Mayor carried unanimously.

Mayor Dawes thanked his fellow council members for the honor of serving as mayor. He also thanked the voters of Chehalis for re-electing him to the council, which will probably be his last term. He looked forward to working with the council and staff during the next four years.

Mayor Dawes opened the floor for nominations for mayor pro tem. Councilor Spahr nominated Terry Harris for mayor pro tem. The motion was seconded by Councilor Taylor. Mayor Dawes asked if there were any further nominations. Councilor Pope moved to close the nominations. The motion was seconded by Councilor Lund. The motion to elect Terry Harris as mayor pro tem carried unanimously.

4. **Council Committee/Board Appointments.** Mayor Dawes distributed the list of various council committee/board assignments. He asked that the list be reviewed and confirmed at the next council meeting.

5. **Citizens Business.** Al Meuchel, with the Chehalis Eagles, addressed the council about an abnormal water consumption at the Eagles building. After trying to find the source of the leak, two causes were found and have been repaired. Mr. Meuchel asked for some relief on the water bill. City Manager Anderson advised that the city does have a provision for leak adjustments with documentation that repairs have been made. Rick Sahlin added that commercial accounts can receive two leak adjustments per year. He asked Mr. Meuchel to put something in writing as to what the leak was and what was done to repair it, and bring it to public works.

Councilor Pope noted the Eagles Museum no longer exists, but they are on the city's wayfinding signs. He asked if the museum could be removed from the signs.

Councilor Harris reported that twice this month he has heard from individuals who have had discrepancies on their water bills. They indicated that public works staff basically responded by saying that's what the bill is and it has to be paid. He asked what the process was to speak to other staff for more guidance when there is a huge anomaly in a bill. Rick Sahlin stated they can ask to talk to him, the water superintendent, or the office manager, but he stated that if there is no leak, they cannot make any adjustments to a bill. Councilor Harris suggested that customers be given a handout about options other than they just owe the money. Rick Sahlin stated that when there is a high reading, staff has already rechecked the meter to make sure that the reading was good. In this case, staff met with representatives of the Eagles to try and figure out what the situation was. City Manager Anderson believed that information regarding leak adjustments is provided readily by staff when those instances occur, but she thought the idea of having something in writing was a good one. Mayor Dawes suggested an annual flyer in the utility bills about leak adjustments.

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Councilor Lund credited the water department. He stated he has had several accounts over the years and he has been notified about potential leaks. He would find the leaks, fill out a form, and receive a leak adjustment. Mr. Sahlin noted that was the common procedure.

Mayor Dawes stated that Councilor Taylor reminded him about something that should be acknowledged, and that was the support system councilors have at home. Mayor Dawes and Councilor Taylor introduced their family members who were in attendance.

6. **Citizens Business.** Randy Mueller updated the council on Port activities:

- Maurin Road industrial construction project
- Increase transparency as an organization
- New website
- Allied Mineral looking at a relocation to Port property
- Looking at selling Port rail line to the Chehalis-Centralia Railroad & Museum
- Buying a 10,000 sq. ft. building from the Industrial Commission near the natural gas power plant to build inventory
- Working with CCRT on the Chehalis Co-Works site in downtown
- Interested in city discussions to address water needs for commercial, industrial, and residential users
- Update of Port's comprehensive plan

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

- a. Minutes of the regular meeting of December 11, 2017;
- b. December 15, 2017 Claim Vouchers No. 121084-121214 and Electronic Funds Transfer No. 1120171 in the amount of \$245,627.51; and December 29, 2017 Claim Vouchers No. 121215-121320 in the amount of \$449,637.65; and
- c. December 29, 2017, Payroll Vouchers No. 40026-40070, Direct Deposit Payroll Vouchers No. 9009-9106, and Electronic Federal Tax Payment No. 179 in the amount of \$845,592.46.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Presentation on City Water Availability.** City Manager Anderson stated that as the council prepares for its strategic planning process on January 19, it would be good to have an update on this subject. She stated Trent Lougheed would be making the presentation, but noted Rick Sahlin and Dave Vasilauskas provided support in preparation of the presentation.

Trent Lougheed provided a presentation on Chehalis water rights and water availability, including a history and status of water rights and demands.

History

North Fork Newaukum River:

- Certificated Water Right – 10 cfs (6.46 mgd); no annual limit – Priority Date of 2/6/1923
- Water Right Claim – 4.34 cfs (2.80 mgd); 3,136 ac-ft/yr (10,218 MG/yr) – Priority Date of 7/27/1997
- Water first put to use: 1914 – pre-dates “Section 39, Chapter 137, Session Laws 1917”)

Chehalis River:

- Certificated Water Right – 11.6 cfs (7.48 mgd); 980 ac-ft/yr (319.3 MG/yr) – Priority Date of 11/26/1957
- Water first put to use: 1957
- Previous Rights – 15.0 cfs (9.7 mgd); no annual limit
- Rights reduced by DOE in 2008 to current level – Proof of Appropriations process

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Problems

Newaukum:

- Water Rights vs. Water Availability
 - Water Rights = 10 cfs (4,488 gpm) = 6,460,000 gpd
 - Plant Capacity = 7.42 cfs (3,333 gpm) = 4,800,000 gpd
 - River Capacity = 4.01 cfs (1,800 gpm) = 2,595,000 gpd
- Limiting Factor: seasonal low river flows (capacity)
- Nitty-Gritty: Have more rights than we can draw from the river

Chehalis:

- Water Rights vs. Water Availability
 - Water Rights = 11.6 cfs (5,206 gpm) = 7,494,000 gpd
 - = 980 ac-ft/yr (608 gpm continuous)
 - Plant Capacity = 7.42 cfs (3,333 gpm) = 4,800,000 gpd
 - River Capacity = ?
- Limiting Factor: Annual water withdrawal (rights)
- Nitty-Gritty: Need more water rights for annual withdrawal

Supply and Demand

- Highest system demand typically coincides with lowest water availability in the Newaukum (seasonal low flow):
 - Seasonal available water in Newaukum = 1,800 gpm (2,592,000 gpd)
 - Existing peak-day demands exceed 2,000,000 gpd
 - Existing peak-hour demands exceed water available in river
- Demands result in withdrawal from Chehalis River
 - Cost to pump and treat Chehalis River water is higher (pumping required and turbidity/chemical composition differences)
 - Temporary plant modifications required each time raw water source is changed

Alternatives to Consider

- Raw Water Impoundment on Newaukum
 - Land, design, and construction costs
 - Environmental/permitting issues
- Add second treatment plant dedicated to Chehalis River Water
 - Land, design, and construction costs
 - O&M costs of new plant
 - Need additional water rights for system sized for future growth with continuous operation
 - Force main replacement and pump station upgrades

Councilor Lund asked about drilling wells. Mr. Lougheed stated it could be done, but because we are in a closed basin, you would have to be able to obtain water rights through someone who had groundwater rights. It could also require a lot of treatment.

Councilor Pope asked about the wells on the poplar plantation property. Mr. Lougheed believed those were only groundwater monitoring wells.

Councilor Lund asked if someone like National Frozen Foods could drill a well and take some of the pressure off the system. Mr. Lougheed stated anyone would have to go through a process with the Department of Ecology and other studies.

Summary

- Existing peak demands utilize all water available on the Newaukum (seasonally)
- Water availability limiting commercial/industrial development for high water users
 - Both Port of Chehalis and EDC have had to reject interested parties due to water availability

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- Existing 2004 ILA with Lewis County Water Sewer District 5 commits water for 20 years starting at a future date tied to the Comp Plan Amendment designating the District as an UGA
- Request to increase UGA to include 635 acres north of the city limits
- EDC has offered to pay legal fees for initial analysis of water rights attorney
- Possible Solutions
 - Attempt to obtain additional water rights
 - Install second plant (water right limitations)
 - Raw water storage
 - Reclaimed water

Councilor Pope asked if the city was still supplying water to areas outside of the city limits. Rick Sahlin indicated the city does supply water to three areas outside of town.

Mayor Dawes stated the area is not going to be able to grow without additional water rights and the other possible solutions discussed.

Councilor Taylor asked about the status of the agreement with Lewis County Water Sewer District 5. City Attorney Hillier stated Lewis County made the decision that the area should not be a new Urban Growth Area (UGA) because of their inability to provide appropriate roads, schools, etc. However, the city still has a 2004 agreement with the district to provide wholesale water. The agreement connected two studies – one by the district and the other by the city. The water rights at that time were what they were going to use as a basis for allowing them to have whatever amount of water they were seeking, but it was never determined exactly how much they wanted. The district was waiting until they got permission from the county to start the development. Mr. Hillier noted the district was already connected to the Onalaska sewer district for sewer, but they have never needed city water because they had their own wells that have been enough to take care of the first phase of the project. He stated it was recognized back in 2009 or 2010 that the city needed to get out of the agreement because it cannot provide what they need. An attorney was hired to begin the process of terminating the agreement, which went to mediation, but didn't go anywhere. As a result, the city entered into a tolling agreement with the district in 2013, which put the issue on hold. He advised that the next step is to terminate the tolling agreement.

City Manager Anderson stated that as far as water availability and rights, as different options are explored, some of the possible solutions will be translated into strategic planning objectives. At this time, staff has been looking at options and solutions and then we can proceed when those options are narrowed down. She believed the best place to start is to look at water rights.

Mr. Lougheed stated the 635 acres of property wanting to be in our UGA is currently in Centralia's UGA, so if Centralia has surface water rights on the Chehalis and they are removing the 635 acres it would make sense to transfer the water rights associated with those acres.

9. Administration Reports.

a. **City Manager Update.** City Manager Anderson congratulated Mayor Dawes and Councilors Spahr and Taylor on their re-elections, and also to Mayor Dawes and Mayor Pro Tem Harris for being elected to another two-year term as mayor and mayor pro tem.

City Manager Anderson introduced Chun Saul, the city's new finance director. Ms. Saul stated she comes from the city of Lacey with 13 years of experience. She stated she is settling into her new role, including printing of the 2018 adopted budget, which has been distributed to the council. Tim McGuire, interim finance manager, will stay on board for a few more months during the transition.

City Manager Anderson reminded the council about the January 19 strategic planning meeting.

10. Councilor Reports/Committee Updates.

a. Councilor Lund thanked Trent Lougheed for his report of water rights and availability. He congratulated his fellow council members on their re-elections. He also thanked Randy Mueller for his work at the Port of Chehalis.

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b. Councilor Pope met with a subcommittee of the Chehalis Foundation this morning and they are planning a gala with all emphasis on civic projects. The gala is March 31 at the Jester Auto Museum. They would like project ideas from the city.

c. Mayor Dawes attended the following: ribbon cutting at Thorbecke's; mayors meeting; meeting with reps from Congresswoman Herrera-Beutler's office regarding sewer issues; and ribbon cutting at Woodland Village. He noted that January 9 is National Law Enforcement Appreciation Day and everyone is encouraged to do something in support of law enforcement. He stated first responders have a difficult job and we should let them know that we support them. Mayor Dawes stated his thoughts and prayers go out to Officer Daniel McCartney's family. Deputy McCartney was with the Pierce County Sheriff's Office and killed in the line of duty on January 8.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 6:15 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 1/22/2018

Initials: cf

