

**CHEHALIS CITY COUNCIL AGENDA**  
 CITY HALL  
 350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large  
 Mayor

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

Anthony E. Ketchum Sr., District 3  
 Chad E. Taylor, Position at Large  
 Robert J. Spahr, Position at Large

**Regular Meeting of Monday, March 11, 2019**  
**5:00 p.m.**

1. Call to Order. (Mayor)
2. Pledge of Allegiance. (Mayor)

**SPECIAL BUSINESS**

3. Centralia-Chehalis Chamber of Commerce Update. (Alicia Bull, Executive Director)

**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.

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**CONSENT CALENDAR**

4. <u>Minutes of the Regular City Council Meeting of February 25, 2019.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	6
6. <u>Vouchers and Transfers – Payroll.</u> (City Manager, Finance Director)	APPROVE	7
7. <u>Interlocal Agreement with Lewis County for Backup Building Inspection and Plan Review Services.</u> (City Manager, Community Development Director, Planning & Building Manager)	APPROVE	8
8. <u>Maintenance Agreement with Lewis County Water &amp; Sewer District #4.</u> (City Manager, Public Works Director, Wastewater Superintendent)	APPROVE	12

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<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
9. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. City Manager Update. (City Manager)		
10. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

<b>EXECUTIVE SESSION</b>
11. Pursuant to RCW 42.30.140(4)(b) – Collective Bargaining.

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, MARCH 25, 2019.**

February 25, 2019

The Chehalis city council met in regular session on Monday, February 25, 2019, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Kiley Franz, Acting City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager. Members of the media included Katie Hayes from *The Chronicle*.

**1. Public Hearing – Proposed Amendments to the 2019-2024 Six-Year Transportation Improvement Program.**

Mayor Dawes recessed the regular meeting and opened the public hearing at 5:00 pm. Rick Sahlin stated that at the previous meeting, Councilor Taylor reported that the Lewis County Transportation Strategy Council awarded the city funds for two projects. One was for NE Kresky Avenue, which was on the city's Six-Year TIP for construction in 2022. Staff proposed to move the project to 2019. The other project was for SW Interstate Avenue, which wasn't on the Six-Year TIP. Staff proposed to add the project for construction in 2019. In order to do that, a public hearing must be held to amend the TIP. The city's portion for the Kresky and Interstate projects was estimated to be \$118,125 and \$85,030, respectively. The Interstate project will be a joint project with the county and they will act as the lead agency for the project.

Mayor Dawes asked Mr. Sahlin to explain why these two streets were identified when other streets may be in worse condition. Mr. Sahlin stated that streets have to be on the federal aid route to be eligible and have to be able to be completed in 2019, and funds obligated for construction by October 2019.

Mayor Dawes noted that Market Boulevard from 13<sup>th</sup> Street to the city limits was included for construction in 2023. He asked if it could be done sooner if it qualified for grant funding. He didn't know if the street would last that long without some kind of maintenance. Rick Sahlin explained that depending on the grant funding, doing maintenance sometimes lowers the city's eligibility for funding. Trent Loughheed stated the three phases for Market Boulevard were identified as the downtown core, from Park Street to 13<sup>th</sup>, and from 13<sup>th</sup> to the city limits.

No members of the public commented on the proposed amendments. Mayor Dawes closed the public hearing at 5:07 pm.

Mayor Dawes noted an item was added to the agenda under New Business regarding the purchase of property.

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

- a. Minutes of the regular meeting of February 11, 2019;
- b. February 15, 2019 Claim Vouchers No. 124999-125132 and Electronic Funds Transfer No. 12019 in the amount of \$311,123.09;
- c. Interlocal agreement for equipment use with City of Centralia;
- d. Award bids for rock, gravel, and asphalt;
- e. Resolution No. 3-2019, first and final reading – amending the 2019-2024 six-year transportation improvement program; and
- f. Project partnership agreement with Lewis County for Interstate Avenue paving project.

The motion was seconded by Councilor Lund and carried unanimously.

**3. Recreation Park Renovation Project Update.** City Manager Anderson recognized members of the Chehalis Foundation who were in attendance and acknowledged the significant commitment in funds they have made to the project. City Manager Anderson spoke about the history and importance of Penny Playground to the community, but also noted that the facility was deteriorating. A new structure is being planned for the next generation, and to honor the spirit of the existing facility.

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City Manager Anderson stated some people may wonder why the city was taking on a major park renovation when there are other major things needed, such as a new fire station. She explained that when grant monies are involved, there are specific restrictions on how that money may be used. The grants and donations being received are specifically for the park project and they cannot be used for anything else.

Lilly Wall stated Penny Playground is a regional facility with unlimited value to the community, with ballfields that have impressively served the community for 25+ years. It is a shining example of community involvement and is the result of incredible community effort, specifically the fastpitch complex, but the park is deteriorating due to age and it needs to be upgraded. Project partners include the Chehalis Foundation, the city, and the Penny Playground Strategic Planning Committee. Community members include Chehalis Rotary, local businesses, Lewis County Developmental Disabilities, Twin Cities Rotary, and TransAlta. The goal of the Penny Playground renovation is to create a modern, accessible, inclusive, and upgraded play structure to serve the residents of Chehalis and surrounding communities for generations to come. The ballfield goal is to create a state-of-the-art facility for high school and youth fastpitch programs that will attract teams to the community to play in tournaments, creating an economic driver for local businesses. Walkways and trail design will include upgrading existing walkways and creating a trail around the perimeter of the park that will meet current ADA standards. Ms. Wall reviewed the project budget and funding sources:

Project Budget	\$3,750,000
Ballfield	\$1,864,000
Penny Playground	\$1,350,000
Walkways, trails and drainage	\$ 536,000
Funding Sources	
Secured Funds	\$1,306,000
Pending Funds	<u>\$1,700,000</u>
Total	\$3,006,000
Funding Shortage	\$ 744,000

Ms. Wall stated Chun Saul would speak next about options for the funding shortage. She also outlined the items that would not be included in the project – significant parking upgrades due to BNSF denial of the requested easement; light poles and light fixtures on the main walkway through the park; backstops and dugouts; shade cover in ballfield complex; security cameras for ballfield complex and playground; and concession stand upgrades for cooking.

Councilor Harris suggested that local companies be contacted to see if they would be willing to provide in-kind services/materials to be able to include the items not currently included. Ms. Wall indicated they would certainly consider that as they do community outreach.

Ms. Wall stated that if all funds are secured (grants, fundraising, loans/bonds) the project timeline would have construction begin in August with completion in October 2019. She stated the timeline would need to be adjusted pending funds are not secured.

Councilor Taylor thanked the many people that started the Chehalis Foundation, especially Joanne Schwartz, a former city employee and current member of the Foundation. He thanked all the members of the Foundation for what they have done for the community. Ms. Wall, Mayor Dawes, and Councilor Harris echoed Councilor Taylor's comments.

**4. Financing Options for Recreation Park Renovation Project.** Chun Saul stated the funding gap for the project was \$744,000.

City Manager Anderson stated it was anticipated that the city would secure a loan or council-manic bond, and that the primary source of repayment would be lodging tax dollars, which are restricted monies. The Lodging Tax Advisory Committee has communicated support for this over the course of the last two years and has set aside money in anticipation of the project.

Ms. Saul stated that with the estimated construction timeline outlined by Lilly Wall, the funding would need to be available in mid-September to pay the first pay estimate to the contractor. She provided two financing options through the Office of the State Treasurer:

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LOCAL Program

- Structured as a financing contract (lease)
- Pools various lease agreements across all LOCAL participants and packages them as a security called a Certification of Participation (COP), similar to municipal bonds
- Structured with regular principal and interest payments and sold to investors
- Recreation Park improvement project qualifies as real estate transaction, maximum term of 20 years
- Participation dependent on credit approval.

Private Placement Financing

- Debt obligation arranged with a single investor (i.e., bank, insurance company, individual), instead of public issue with multiple investors
- Requires City Council approve delegation bond ordinance – outlines the parameters (i.e., max par amount, maturity, interest rate, etc.)
- Engage private placement agent and bond council
- Maximum payment flexibility
- Prepayment flexibility (negotiable)
- Lower legal fees than traditional municipal bonds
- Expedient funding (about 8 weeks)
- 15-year maximum maturity recommended – interest rate is typically lower and there are more bidders. (There are more bank purchasers that can only go out 15 year or less).

Ms. Saul reviewed the pros and cons for each option:

LOCAL Program

Pros: No upfront issuance costs; issuance cost is lower and included in the interest rate

Cons: Timing restriction/application deadlines: 3/22/19 for 6/25/19 funding (not ideal); and 7/15/19 for 10/22/19 funding (potential); prepayment restriction – 10-year no-call period

Private Placement Financing

Pros: City controls financing terms and options; city has control of timing for funding; maximum payment flexibility; prepayment flexibility; takes about 8 weeks to close a deal; potentially slightly better interest rates (bank-qualified financing vs. non-bank qualified); no continuing closure requirement

Cons: Up-front issuance costs, estimated at bond council \$4,500; private placement agent \$8,500-\$12,500

Ms. Saul provided estimated debt service payment scenarios for \$825,000 for both 15 and 20-year terms. She noted that the interest rates used were estimates from the LOCAL, with actual interest rates determined on the day of sale. When the issues non-voted, long-term debt there is a statutory requirement that limits how much the city can issue. The city would be okay with meeting that limitation; however, there is a city policy stating that the annual debt service on all non-voted, long-term obligation debt cannot exceed 3% of general fund revenues. She stated the city's remaining annual debt payment capacity through 2022 is about \$49,753.

Councilor Taylor thought the council had discussed increasing the 3% to 5%. City Manager Anderson stated that since it is council policy and not a state requirement, the council has the right to make an exception, suspend, or revise the policy.

Councilor Lund stated the community has given so much in the past and he was comfortable with the loan amount.

Ms. Saul stated that lodging tax funds have been identified as the resource needed to pay all or most of the payments associated with a bond/loan. The Lodging Tax Advisory Committee has discussed this possibility and conceptually recommended committing \$50,000 a year to pay off a bond/loan for improvements for Recreation Park. There is also a question about how much lodging tax money is available to pay for the annual debt service for this project and whether the LTAC would consider committing more than \$50,000 a year since the project now includes synthetic turf to expand the tournament season.

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Ms. Saul stated that staff was recommending that the City Council approve debt financing in the amount of \$825,000 (not to exceed \$1 million) with a maximum maturity of 15 years, using private placement financing, and that lodging tax funds be used to repay all or most of the debt service payments (minimum of \$50,000 up to 100% of annual debt service estimated at \$69,000 to \$71,000).

Councilor Pope moved that the City Council approve a council-manic debt issue of not to exceed \$1 million, for a maximum maturity term of 15 years through a private placement process. The motion was seconded by Councilor Lund.

Councilor Harris stated the Lodging Tax Advisory Committee has been extremely wonderful in supporting other parks projects and tourism projects. The ballfields are responsible for bringing the second largest amount of tourism into the community. In 2017, the LTAC agreed to reserve \$50,000 in 2018 for the project, and did the same in 2018 for 2019, so there is already \$100,000 in restricted funds for the project. He stated the committee could meet at any time to consider the project further.

The motion carried unanimously. Mayor Dawes thanked everyone involved in the project and encouraged anyone with questions to contact staff.

5. **Purchase of Property for Future Water Line.** City Manager Anderson stated that late Friday, the city received a notice from Lewis County offering a piece of property that had previously been identified as a location for a new water line, which staff would like to purchase for \$1,200.

Dave Vasilauskas stated the 2019 budget included money to look at replacing some of the Chehalis River pump line. The existing alignment is under I-5, the railroad tracks, and Millett Field. There is a possibility of relocating the line and the property for sale could be used for the new replacement line to the water plant.

Councilor Spahr moved to approve the purchase of property, parcel tax number 005272002000 in an amount not to exceed \$1,200. The motion was seconded by Councilor Pope and carried unanimously.

6. **Introduction of Scouts.** Mayor Dawes recognized Scouts that were in attendance to earn one of their merit badges in citizenship in the Nation. Emmie Prock and Thomas Prock from Chehalis introduced themselves.

## 7. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson stated a strategic planning session was scheduled for March 7, and would highlight the changes from the last update in December. She reviewed the city's mission statement and three-year goals.

### Maintain and Enhance Financial Stability

- Rich Development lease approved by City Council 11/13/2018
- City Council provided direction in January to proceed with annexation process
- City Council approved contract with FCS Group 1/28/2019 for updated rate study

### Enhance and Modernize Technology

- Vendor payment program will require additional software at a cost of \$6,000
- Process to accept credit card and on-line payments; plan to acquire cashiering software with this option expanded to include utility billing system; considering costs and evaluating systems to integrate into city's financial system to present in June 2019.

### Increase and Optimize Staffing Levels

- New employee recognition program will be revisited in the future; other HR matters and mixed informal feedback has postponed this item.
- Professional development program for managers/supervisors successful. New supervisor hires will attend 3-day building supervisory skills training through WCIA's training program. City's three new supervisors completed all or most of training classes. Additional supervisors are planning to take one or more classes in 2019.

February 25, 2019

Improve and Maintain Infrastructure

- Completed design of sanitary sewer force main improvement project; bid April 2019 for construction this summer.
- Incorporated Transportation Benefit District Implementation Plan into TIP; revisit objective during next workshop.
- City Council appointed committee to Chehalis Beautification Plan; first meeting to be held March 1.

Enhance and Maintain Facilities

- Recreation Park project progressing positively; success in receiving grants.
- 911 Dispatch – working jointly with Centralia and RFA to determine options for this service; Lewis County has expressed interest in exploring using Thurston County 911, as well.
- Re-evaluate current Fire Station; ongoing issue; provided City Council structural concerns about building; continuing to work with Lewis County Fire District #6 on annexation option and longer term rent of their station; District #6 is expected to present new lease terms in the next month.

City Manager Anderson stated that the core values that we want to demonstrate in both word and deed while working through these objectives include Ethical Behavior; Honesty and Integrity; Professionalism; Reliability; Dedication and Hard Work; Collaboration and Teamwork; Service to the Community. She stated the next planning session will be held March 7 in the council chambers beginning at 8:15 am.

**8. Councilor Reports/Committee Updates.**

a. Councilor Taylor reported that the Twin Transit Board is meeting frequently. They plan to try and hire a new manager on their own without using a search firm. Several resumes have already been received.

b. Councilor Lund reported he attended a council parks committee meeting. He thanked Public Works for alerting the steam train that they had an unusually large water consumption.

c. Mayor Dawes and City Manager Anderson attended a meeting with the Corps of Engineers; the Corp Colonel of this region will attend the April 5 mayors' meeting. On February 15, he testified on a bill that deals with the Firemen's Pension Fund. Mayor Dawes also attended another meeting with the Corp held recently in Centralia, and a ribbon cutting at the new Village Concepts facility for seniors. He passed along comments he had received about the Community Development Department that staff is very easy to work with and is very accommodating. The annual Firemen's Pension Board meeting was held February 20 to set the annual rates for the three remaining pre-LEOFF firefighters, and he attended the chamber's Business After Hours held at the Boys and Girls Club, and the EDC banquet.

There being no further business to come before the council, the meeting was adjourned at 6:31 pm.

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Dennis L. Dawes, Mayor

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Caryn Foley, City Clerk

Approved:  
Initials: \_\_\_\_\_

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director  
Michelle White, Accounting Tech II

**MEETING OF:** March 11, 2019

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Vouchers and Transfers dated February 28, 2019.

**DISCUSSION**

The February 28, 2019 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 125133-125228 in the amount of \$173,694.96 dated February 28, 2019, which includes the transfer of:

- \$ 60,387.93 from the General Fund
- \$ 3,582.26 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 1,113.00 from the Public Facilities Reserve Fund
- \$ 54,520.56 from the Wastewater Fund
- \$ 11,305.58 from the Water Fund
- \$ 1,369.31 from the Storm & Surface Water Utility Fund
- \$ 30,321.62 from the Airport Fund
- \$11,094.70 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the February 28, 2019 Claim Vouchers No. 125133-125228 in the amount of \$173,694.96.

**SUGGESTED MOTION**

I move that the City Council approve the February 28, 2019 Claim Vouchers No. 125133-125228 in the amount of \$173,694.96.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director  
Betty Brooks, Payroll Accountant

**MEETING OF:** March 11, 2019

**SUBJECT:** Payroll Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated February 28, 2019.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 40720-40755, Direct Deposit Payroll Vouchers No. 10462-10564, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 224-228 dated February 28, 2019 in the amount of \$786,365.64, which include the transfer of:

- \$526,170.01 from the General Fund
- \$7,032.45 from the Arterial Street Fund
- \$94,177.23 from the Wastewater Fund
- \$98,037.50 from the Water Fund
- \$26,422.29 from the Storm & Surface Water Utility Fund
- \$32,444.16 from the Airport Fund
- \$2,082.00 from the Firemen's Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the February 28, 2019 Payroll Vouchers No. 40720-40755, Direct Deposit Payroll Vouchers No. 10462-10564, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 224-228 in the amount of \$786,365.64.

**SUGGESTED MOTION**

I move that the City Council approve the February 28, 2019, Payroll Vouchers No. 40720-40755, Direct Deposit Payroll Vouchers No. 10462-10564, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 224-228 in the amount of \$786,365.64.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent J. Lougheed, P.E., Community Development Director  
Hillary Hoke, Planning & Building Manager

**MEETING OF:** March 11, 2019

**SUBJECT:** Interlocal Agreement with Lewis County for Building Inspection and Plan Review Services

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**ISSUE**

Proposal to maintain building inspection and plan review services when the Chehalis inspector is out of the office for an extended period of time.

**DISCUSSION**

Historically, Lewis County has provided a building inspector/plan reviewer for services when the Chehalis inspector is out of the office for two or more consecutive days. Generally, this only happens a few times a year for training and vacations. A total of approximately two weeks of service time is anticipated per year. The Interlocal Agreement formalizes this service for a 5-year term.

**FISCAL IMPACT**

In 2018, \$412.19 was remitted to Lewis County for such services. It is anticipated the amount will not fluctuate much from this amount.

**RECOMMENDATION**

It is recommended that the City Council approve the Interlocal Agreement as written.

**SUGGESTED MOTION**

I move the City Council approve the Interlocal Agreement with Lewis County to provide building inspection and plan review services on an as-requested basis.

## INTERLOCAL AGREEMENT

This Interlocal Agreement is made and entered into between the City of Chehalis (hereinafter referred to as "City") and Lewis County (hereinafter referred to as "County"), both political subdivisions of the State of Washington. This Agreement is entered into pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW. This Agreement is intended to provide reliable building inspection and construction plan review services to the residents of the City of Chehalis and the Chehalis Urban Growth Area of Lewis County on an as requested basis.

**WHEREAS**, it is appropriate that in order to implement such an arrangement an Interlocal Agreement (Agreement) must be executed between the parties setting forth the conditions and terms of that arrangement.

**NOW THEREFORE**, in consideration of the terms and conditions contained herein, the City and the County agree as follows:

1. **Purpose.** This Agreement is intended to ensure building inspection and construction plan review services to the residents of the City of Chehalis and the Chehalis Urban Growth Areas of Lewis County during times when the current Chehalis building inspector is out of the office for an extended period of time.
2. **Means of Joint Undertaking.** No separate legal entity shall be created to implement the terms of this Agreement. The Director of Community Development for the County and the Director of Community Development for the City shall provide joint oversight to administer this Agreement.
3. **Term.** The term of this Agreement and the performance thereof shall be limited to five years, beginning January 1, 2019 and expires on December 31, 2024. This Agreement may be extended or renegotiated upon mutual agreement between the parties hereto and pursuant to the terms and conditions of this Agreement.
4. **Services and Responsibilities of the County.** The scope of services provided by the County within the designated areas addressed by this Agreement shall be as specified below:
  - a. Perform requested residential, commercial, industrial, etc. inspections for compliance with the currently adopted International Building Code, International Residential Code, International Mechanical Code, Uniform Plumbing Code, International Fire Code, Washington State Energy Code, and any other adopted code as referenced in the Chehalis Municipal Code, Title 17, Appendix Chapter E.
  - b. Provision for the on-call availability of a properly trained, experienced and equipped certified residential and commercial building inspector and certified residential and commercial plans examiner.

- c. Any operational concerns should initially be raised with the City's representative designated under Section 2. In addition, if regular meetings are deemed necessary by the County to discuss issues regarding building inspection and construction plan review services, they will be arranged by representatives of the County Department of Community Development and City Department of Community Development.
5. **Services and Responsibility of the City.** The City agrees to meet the following responsibilities under this Agreement:
- a. The City shall grant to the County Community Development Department personnel assigned to provide building inspection and plan review services the authority to enforce the provisions of each code reference in Section 4(a) and each development condition as written in each individual permit.
  - b. The City shall provide to the County Community Development Department personnel, assigned to building inspection and plan review services, the assistance of the City Community Development Department and associated personnel necessary to assist the County in providing such referenced services.
  - c. Provide for timely payments for the services provided for in this Agreement upon receipt of a properly constituted and prepared billing by the County. The estimated total dollar amount of all work performed by the County for the City under this Agreement shall not exceed \$10,000 annually without prior written approval by the City.
  - d. The City shall furnish and supply all necessary supplies, paperwork, forms and administrative services as necessary to maintain a proper level of building inspection and plan review services. Administrative services shall include, but are not limited to, the filing and storage of inspection reports; providing all necessary research and history information as necessary to properly conduct the requested services; and responding to public disclosure requests thereto.
6. **Assignment and Subcontracting.** No portion of this Agreement may be assigned or subcontracted to any other individual, firm, entity without express and prior written approval of the City's Community Development Director.
7. **Modification.** Either party may request changes in this Agreement. Any and all agreed modifications shall be in writing, signed by each of the parties.
8. **Termination for Public Convenience.** The City Manager, City Director of Community Development, County Director of Community Development or County Manager may terminate this Agreement upon 90 days written notice whenever either party determines, at either party's sole discretion, that such termination is in the interest of the City or the County.
9. **Defense and Indemnity Agreement.** Each party shall hold the other, its officials, employees and agents, harmless and shall indemnify the other, its officials, employees



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Rick Sahlin, Public Works Director  
Patrick Wiltzius, Wastewater Superintendent

**MEETING OF:** March 11, 2019

**SUBJECT:** Maintenance Agreement with Lewis County Water & Sewer District #4

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**ISSUE**

The city has had a maintenance agreement with Lewis County Water & Sewer District #4 (LCSD4) for many years. The most recent agreement on file is dated 1/24/2000. The administration believes it would be beneficial for both parties to sign an updated agreement. A new agreement is attached for council review and approval.

**DISCUSSION**

Because LCSD4 has no staff, they entered into a maintenance agreement with the city for the maintenance of their sewage collection system and sewage lift station. The maintenance provided by the city for LCSD4 generally includes regular inspection of the lift station, repair of the lift station as required, occasional cleaning of sewer lines and emergency response with the city's jet truck to clear blocked sewer lines. LCSD4 is billed monthly for these services utilizing hourly rates (including benefits) for the city staff, costs for all parts and materials used, and sewer jet truck costs.

A new agreement has been prepared. The only changes from the old agreement are the addition of a 10% administration fee added to the monthly billing and the addition of a five-year term with the option for two five-year renewals. The commissioners for LCSD4 have reviewed the updated agreement and have indicated they will approve it if the City Council approves it.

**FISCAL IMPACT**

The fiscal impact of the updated maintenance agreement with LCSD4 is a slight increase in wastewater utility revenue because of the added administration fee.

**RECOMMENDATION**

The administration recommends that the City Council approve the updated maintenance agreement with LCSD4 and authorize the City Manager to sign the agreement.

**SUGGESTED MOTION**

I move that the City Council approve the maintenance agreement with LCSD4 and authorize the City Manager to sign the agreement.

## AGREEMENT

**THIS AGREEMENT** is made and entered into under authority of RCW 39.34.080 this \_\_\_\_ day of \_\_\_\_\_. 2019, by and between the **CITY OF CHEHALIS, WASHINGTON, a municipal corporation**, hereinafter referred to as the "City," and **LEWIS COUNTY SEWER DISTRICT NO. 4, a special purpose district**, hereinafter referred to as the "District."

IT IS HEREBY COVENANTED AND AGREED as follows:

1. The District requests that the City provide routine operation and maintenance inspections, including all incidental telemetry controls located at the Chehalis Wastewater Treatment Plant for the Logan Hill Pump Station, together with all underground pipelines, manholes, and other sewer line improvements owned by the District. Said pump station is located approximately five hundred feet south of the Creekside Event Center on Jackson Highway. Said inspections and routine maintenance shall be on an as needed basis with the City having full control of the maintenance schedule.

2. The District hereby agrees to reimburse the City for all use of vehicles and equipment and employee hours at the approved wage rate for each position as those positions are established from time to time by the City. A minimum increment of one-half hour shall be used for charging and billing purposes for the above rates. Further, the District shall reimburse the City for all labor, materials, equipment costs, and maintenance costs on a monthly billing basis. These costs shall be itemized at the going City rate for manpower and equipment. Materials and parts shall be reimbursed at the City's costs for said items. An administrative fee of ten percent (10%) of the invoice amount shall be assessed on each invoice generated by the City and forwarded to the District.

3. The District certifies and warrants that it has the legal authority to contract with the City for this service.

4. It is understood and agreed that the services as provided for hereto shall be accomplished only and if such does not interfere with the Public Works Department's regular schedule.

5. The City shall defend, indemnify and save harmless the District, its officers, employees and agents from any and every claim and risk and all losses, damages, demands, suits, judgments, and attorney fees, and other expenses of any kind on account of injury to or death of any and all persons and/or on account of all property damage of any kind, whether tangible or intangible including loss of use resulting therefrom, in connection with the work performed under this contract, or caused or occasioned in whole or in part by reason of the presence of the City or its subcontractors, or their property, employees, or agents, upon or in proximity to the property of the District, or any other property upon which the City is performing any work called for or in connection with this contract, except only for those losses resulting solely from the negligence of the District, its officers, employees, and agents.

6. The term of this Agreement shall be for a period of five (5) years, commencing on April 1, 2019, and ending on March 31, 2024. This Agreement may be renewed for two (2) additional five (5) year periods, or less, at the option of the parties, upon the same terms and



conditions herein. The parties may terminate this Agreement prior to the end of a current term only as set forth below or upon mutual agreement in writing.

7. An administrative fee of ten percent (10%) of the invoice amount shall be added to each invoice

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.25.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the City and the District, its members, officers, employees, and agents, the City's liability hereunder shall be only the extent of the City's negligence. It is further specifically expressly understood that the indemnification provided herein constitutes the City's waiver of immunity under industrial insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

If a lawsuit arises in respect to this hold harmless provision, the City shall appear and defend that lawsuit at its own cost and expense, and if judgment is rendered or settlement made requiring payment of damages by the District, its officers, agents, employees, and volunteers, the city shall pay the same.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals the date and year first above written.

**CITY OF CHEHALIS, Washington,  
a municipal corporation**

**LEWIS COUNTY SEWER DISTRICT  
NO. 4, a special purpose district**

**By:** \_\_\_\_\_  
Jill Anderson  
Its City Manager

**By:** \_\_\_\_\_  
\_\_\_\_\_  
Its Commissioner

**Attest:** \_\_\_\_\_  
Caryn Foley  
Its City Clerk

**By:** \_\_\_\_\_  
\_\_\_\_\_  
Its Commissioner

Approved as to form and content:

**By:** \_\_\_\_\_  
\_\_\_\_\_  
Its Commissioner

**By:** \_\_\_\_\_  
William T. Hillier  
Its City Attorney

Approved as to form and content:

**By:** \_\_\_\_\_  
Erin L. Hillier  
Its Attorney