

**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, June 24, 2019**  
**5:00 p.m.**

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>PUBLIC HEARING</b>		
3. <u>City's Water Use Efficiency Plan.</u> (City Manager, Public Works Director/City Engineer, Water Superintendent)	CONDUCT PUBLIC HEARING	1

<b>PROCLAMATIONS/PRESENTATIONS</b>
4. <u>Proclamation Declaring June 2019 as General Aviation Appreciation Month in the City of Chehalis.</u>

<b>SPECIAL BUSINESS</b>
5. <u>Chehalis Community Renaissance Team Update.</u> (Annalee Tobey, Executive Director)
6. <u>Lewis EDC Update.</u> (Matt Matayoshi, Executive Director)

<b>CITIZENS BUSINESS</b>
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.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
7. <u>Minutes of the Regular City Council Meeting of June 10, 2019.</u> (City Clerk)	APPROVE	7
8. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	11
9. <u>Public Infrastructure Project at the Discover! Children’s Museum Site – Project and Bid Alternate Closeout.</u> (City Manager/Public Works Director/Airport Operations Manager)	APPROVE	12

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>UNFINISHED BUSINESS</b>		
9. <u>Ordinance No. 998-B, Second and Final Reading – Approving a Non-exclusive Franchise with Puget Sound Energy.</u> (City Manager, Public Works Director/City Engineer, City Clerk)	PASS	14

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
10. <u>Financial Feasibility Study of Potential Annexation of the City of Chehalis into the Lewis County Fire District 6 Service Area.</u> (City Manager/Fire Chief)	APPROVE	34

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

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, JULY 8, 2019.**

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Rick Sahlin, Public Works Director  
Dave Vasilauskas, Superintendent

**MEETING OF:** June 24, 2019

**SUBJECT:** Public Hearing for Preparation of the City's Water Use Efficiency Plan

---

**ISSUE**

A public hearing has been scheduled for this meeting to provide an opportunity for public comment and provide input on data that they would like to see addressed in the City's next Water Use Efficiency Plan (WUE).

**DISCUSSION**

The WUE (WAC 246-290-830) is required by Washington State law to address the increasing demand on the state's water resources. Developing a WUE program is the foundation for using water wisely. Water conservation consists of any beneficial reduction in water losses, waste, or use. The intent of the WUE is to minimize water withdrawals and water use by implementing water saving activities. The last update was done along with the Water System Plan in 2012. An update to the plan is required every 6 years. The city is now requesting input from the public regarding their ideas, concerns, and/or questions about water conservation in order to include the applicable data in the next plan.

The city's current WUE Plan is available online at [www.ci.chehalis.wa.us](http://www.ci.chehalis.wa.us). Attached is the city's 2018 Annual Water Quality Report and the proposed water conservation goal to be included with the WUE Plan update.

**FISCAL IMPACT**

None currently.

**RECOMMENDATION**

It is recommended that the City Council conduct the public hearing and receive public comment for the preparation of the City's Water Use Efficiency Plan.

**SUGGESTED MOTION**

I move that the City Council conduct the public hearing and receive public comment for the preparation of the City's Water Use Efficiency Plan.



## THE CITY OF CHEHALIS ANNUAL WATER QUALITY REPORT 2018



**Water Source:** The North Fork of the Newaukum River is the primary source of water for the City of Chehalis. The intake is located approximately 17 miles from the city and our watershed area encompasses approximately 18 square miles. This area is predominately owned by the Weyerhaeuser Company. A secondary water source is provided by the Chehalis River via a pump station located on Riverside Drive. The city has water rights and certificates to withdraw 3.31 million gallons per day (MGD) from the North Fork of the Newaukum River and 1 MGD from the Chehalis River.

**Water Treatment:** The water treatment plant was constructed in 1961 and can treat up to 4.8 MGD. Drinking water is treated to remove large and microscopic particles and then disinfected with chlorine to kill bacteria. Fluoride is added to promote strong teeth and hydrated lime is used to control the pH of the treated water for taste and corrosion control issues. Plant operators perform lab tests on raw and treated water daily to maintain water quality. The Lewis County Health Department regularly analyzes our raw and treated water to ensure state and federal water quality guidelines are followed and their results are reviewed by the Washington State Department of Health.

**Distribution:** The City of Chehalis has two water reservoirs and 4 storage tanks with a total capacity of 6,734,000 gallons. The water is supplied to the distribution system via gravity. The city also operates and maintains six booster pump stations to provide water to the higher elevations and outlying areas. We have over eighty-two miles of distribution lines that provide drinking water to 2,940 homes and 835 businesses.

**Drinking Water Facts:** Drinking water, including bottled water, may contain small amounts of contaminants, but this does not necessarily create a health risk. Information regarding potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline at 800.426.4791. EPA/CDC (Center for Disease Control) can also provide guidelines to lessen the risk of infection by cryptosporidium and other microbial contaminants. People with compromised immune systems and some elderly and/or infants may be at greater risk. These people should seek advice from their health care providers.

**Water Supply:** The source waters of Chehalis do not contain lead or copper. However, they may leach into drinking water from household plumbing systems. Homes built prior to 1980 are considered "high risk" by EPA's criteria. Infants and children who drink water containing high levels of lead may experience physical or mental developmental delays or slight deficits in attention span and learning abilities. Over many years, adults may develop kidney

problems or high blood pressure. Homes that exceed EPA guidelines should follow recommended flushing procedures (thirty seconds) to reduce the amount of lead in the water.

**Definitions:**

- ✓ MCLG (Maximum Contaminant Level Goal) The level below which there is no known health risk.
- ✓ MCL (Maximum Contaminant Level) The highest level of contaminant allowed in drinking water.
- ✓ SRL (State Reporting Level)
- ✓ N/A (Not Applicable)
- ✓ mg/l (1 parts per million)
- ✓ NTU (Nephelometric Turbidity Unit) A unit of measure for turbidity
- ✓ AL (Action Level) Concentration of a contaminant requiring an action
- ✓ ND (Not Detected)

**Water Clarity:** Turbidity, a measure of water clarity, has no direct health effects but may reduce the effectiveness of disinfection. Since the North Fork watershed is protected, our water normally has very low turbidity.

**EPA's ALLOWABLE LIMITS**

<b>Water Clarity</b>	<b>Lowest % of Samples</b>
Detected Compounds Units SRL MCL	Meeting Turbidity Limits
Clarity/Turbidity NTU 0.1 N/A	100%

The city monitors and measures over 150 additional compounds that are not detected or are below the State Reporting Level (SRL) or EPA's Maximum Contaminant Level (MCL). The following is a list of the compounds most commonly questioned. Water test results are from both the North Fork of the Newaukum and the Chehalis Rivers.

**EPA'S ALLOWABLE LIMIT**

<b>Compound</b>	<b>Units</b>	<b>SRL</b>	<b>MCL</b>	<b>2018 Levels</b>	<b>Source</b>
Arsenic	mg/l	0.002	0.05	NA	Occurs Naturally
Mercury	mg/l	0.0005	0.002	NA	Erosion of natural deposits
Nitrate	mg/l	0.5	10	0.22	Runoff from fertilizer use
Fluoride	mg/l	0.2	4	.61 - .86	Promotes strong teeth

The inorganic chemicals listed below all tested below the MCL.

*Sodium	mg/l	5	n/a	NA
Manganese	mg/l	0.01	0.05	NA
Hardness	mg/l	10	n/a	NA
(CaCO3)				
Iron	mg/l	0.1	0.3	<0.10

\*The EPA recommends 20 mg/l for persons restricting their daily sodium intake.  
(WAC 246-310 pg 93)

**LEAD AND COPPER MONITORING:**

\*Number of Homes

Parameter & Units	SRL	Action Level	90 <sup>th</sup> Percentile	Exceeding Action Level
Lead, ppm	0.001 mg/l	0.015	<0.001	0
Copper, ppm	0.2 mg/l	1.3	0.11	0

\*15 homes tested in 2016 (30 homes will be tested in 2019)

**2016 Distribution System Monitoring Results:**

The following shows several compounds and their levels during tests performed in 2016. All results were below established allowable levels.

Detected Compounds	MCLG	MCL	AVG	Range	Typical
<b>Source</b> Coliform & Microbial Sampling 10 samples per month. % of positive Coliform Samples Taken in 2018	0	5%	ND	n/a	Occurs Naturally
Total Trihalomethanes, ppb	0	80	43.3	33.1 – 54.1	All Disinfection By-Products
Chloroform	unregulated		40	31 – 48	
Bromodichloromethane	unregulated		3.2	2.1 – 5.6	

**Water Use Efficiency Leakage Information:**

Water Use Efficiency Leakage Information for 2018	Million Gallons
Total Water Produced	<b>634</b>
Authorized Consumption	<b>589</b>
Distribution System Leakage	<b>51</b>
Distribution System Losses as Percentage	<b>7.9%</b>

The table above shows the City's water production, authorized consumption and water system loss. This table also shows the city's commitment to conserve and to account for all water produced and eliminate all un-accounted for water.

## ADDITIONAL INFORMATION

### **Water Use Efficiency Rule:**

For the protection of water resources, WAC-246-920-830 requires that all public water systems in Washington State adopt a water use efficiency goal and identify the methods necessary to achieve this goal. In 2012 the City of Chehalis adopted the 2012 – 2018 Water Efficiency Goal of a daily average reduction of 25,000 gallons per day (GPD) by 2018.

To meet current State mandated requirements the city will continue with annual citywide system leak surveys, large meter testing, and replacement of aging water meters in our system. Also, the City will continue to support the "Water Wise Program" for fifth graders and provide staff and curriculum for the "Assessments for Human Environment Interactions" class for tenth graders based on the protection of our water sources and various water conservation tips. If you have questions, comments, or are interested in learning more about the City of Chehalis water distribution system or treatment process, please contact Water Superintendent Dave Vasilauskas at 360.748.0238 Ext 2 or [dvasilauskas@ci.chehalis.wa.us](mailto:dvasilauskas@ci.chehalis.wa.us).  
City of Chehalis ID #12250P

**Billing: 2007 NE Kresky Ave. - 360.748.6664**

Water Treatment Plant: 360.748.4955

Washington State Department of Health web site: [www.doh.wa.gov/ehp/dw](http://www.doh.wa.gov/ehp/dw)

Environmental Protection Agency web site: [www.epa.gov/safewater](http://www.epa.gov/safewater)

EPA Safe Drinking Water Hotline email: [hotline-sdwa@epamail.epa.gov](mailto:hotline-sdwa@epamail.epa.gov)

EPA Safe Drinking Water Hotline 800.426.4791

## MISCELLANEOUS WATER CONSERVATION TIPS

Water is essential to our health, our communities and our environment. Depleting reservoirs and groundwater can put water supplies, human health and the environment at serious risk. The average person unknowingly wastes up to 3,504 gallons of water every day - water leaks dripping 60 drops per minute can waste up to 3,504 gallons of water per year.

- ✓ The amount of water old toilets use can be modified by a toilet displacement device or a plastic bottle weighted with pebbles and water gently placed inside the toilet tank – NEVER USE A BRICK – consider replacing the toilet with a new low-flow toilet
- ✓ Don't use the toilet as a wastebasket
- ✓ Check for leaks by using food coloring or a leak detection tablet in the toilet tank – if color appears in the bowl without flushing, there is a leak that requires immediate attention
- ✓ Install low-flow aerators in each faucet and water-efficient showerheads
- ✓ Do not let the water run while brushing your teeth or washing your face and take shorter showers
- ✓ Keep a bottle or pitcher of drinking water in the refrigerator to eliminate the need to let the tap run waiting for the water to get cold
- ✓ Use the dishwasher only when it is full
- ✓ Water the lawn in short repeated intervals for best absorption, especially on slopes or compacted soils - the lawn is getting dry when footprints remain after walking on it
- ✓ Use a shut-off nozzle for outdoor watering, cleaning or washing the car
- ✓ Use a broom to clean walkways and driveways – not the garden hose
- ✓ Use the proper water level, load size selection and water temperature when washing clothes – consider installing a water-efficient washing machine
- ✓ To check for leaks, turn off all indoor and outdoor faucets, check the meter reading, wait 15 minutes, check the meter. If the reading has changed you may have a leak

Your water meter is in a small concrete vault or green plastic box located near the street. For assistance please call 360.748.6664



June 10, 2019

The Chehalis city council held a special training session on Monday, June 10, 2019, at 4:00 pm in the Chehalis city hall. Those in attendance included Mayor Dennis Dawes, and Councilors Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; and Caryn Foley, City Clerk. Morgan Damerow, Washington State Assistant Attorney General provided Public Records Act training for elected officials. The training session concluded at 4:59 pm. Mayor Dawes announced that the council would take a short break before convening into the regular meeting.

The regular meeting of Monday, June 10, 2019, was called to order by Mayor Dawes at 5:06 pm. Additional staff members present included: Ken Cardinale, Fire Chief; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Don Schmitt, Street/Stormwater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*, and Steve George with KMNT Radio.

1. **Recognition of Chehalis Water Department.** Mayor Dawes presented a Silver Certificate of Achievement to the Chehalis Water Department for attaining the filtered water turbidity optimization goal of 0.10 NTU or less for five continuous years, 2014-2018. The certificate was issued by the Office of Drinking Water of the Washington State Department of Health.

2. **Recognition of Rick Sahlin, Public Works Director.** Mayor Dawes read and presented a proclamation and gift honoring Rick Sahlin upon his upcoming retirement after 37 years with the city. Mayor Dawes and City Manager Anderson both spoke very highly of Rick's long career with the city, especially the institutional knowledge that can't be replaced. City Manager Anderson presented Rick's wife, Nikki, with flowers in thanks for her support of Rick's time with the city. An open house will be held on Friday, June 21, from 11:00 a.m. to 2:00 p.m. at the V.R. Lee Community Building to honor Rick and to celebrate his birthday!

3. **Barn Bash and TestIT Mobile App.** Commissioner Edna Fund stated the 2<sup>nd</sup> Annual Barn Bash is June 15 from 7:00 p.m. to 11:00 p.m. at the fairgrounds. Barn Bash is a fundraiser hosted by the SWW Fair Association to raise funds for youth ribbons that are awarded to 4-H kids. Commissioner Fund also announced a new app called TestIT to identify areas with low or no connectivity to help ensure adequate funding for broadband infrastructure across the country. She stated that Lewis County does not have good broadband, and it is estimated that it could cost upwards of \$1.5 million for total connectivity. Documentation is needed to show that the county does not provide access for everyone.

4. **Consent Calendar.** Mayor Dawes noted that Consent Calendar item, "Award bid to Anderson Poolworks for the Shaw Aquatics Center Pool Resurfacing project in the amount of \$285,215.20" would be moved to New Business.

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

- a. Minutes of the regular meeting of May 13, 2019;
- b. May 15, 2019 Claim Vouchers No. 125788-125927 and Electronic Funds Transfer Nos. 52019 and 420191 in the amount of \$1,232,369.41;
- c. May 31, 2019 Claim Vouchers No. 125928-126037 in the amount of \$165,524.98 and voided Check No. 125814 in the amount of \$770.00;
- d. May 31, 2019, Payroll Vouchers No. 40831-40870, Direct Deposit Payroll Vouchers No. 10774-10886, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 239-243 in the amount of \$817,092.33;
- e. Discontinuance of interlocal agreement with the city of Vader for fire investigation services;
- f. Discontinuance of interlocal agreement with the city of Winlock for fire investigation services;
- g. Lewis/Grays Harbor Ambulance Service Consortium Interlocal Agreement;
- h. Lewis/Grays Harbor County Ambulance Service Consortium Ambulance Transport Services Contract;

June 10, 2019

- i. Set June 24, 2019 at 5:00 pm to conduct a public hearing on the city's water use efficiency plan;
  - j. Award engineering services agreement to Skillings Connolly for the Kresky Avenue resurfacing project in the amount of \$66,000;
  - k. Resolution No. 8-2019, first and final reading - set date and time of July 22, 2019 at 5:00 pm for a public hearing on petition to vacate a portion of NW North Street;
  - l. Professional services agreement with Dr. Peter McCahill to provide Lewis County medical program director services;
- and
- m. Appoint City Manager Jill Anderson as the city's voting delegate to the 2019 AWC annual business meeting.

The motion was seconded by Councilor Lund and carried unanimously.

**5. Award Bid to Anderson Poolworks for the Shaw Aquatics Center Pool Resurfacing Project in the Amount of \$285,215.20.** Trent Lougheed stated three bids were received: 1) Cascade Industrial Services – \$186,653.11; Anderson Poolworks – \$285,215.20; and Lee Contractors – \$387,632.99. After careful review of the bids and a cost-benefit analysis, staff was recommending awarding the bid to Anderson Poolworks whose proposal was to plaster the pool instead of epoxy/painting it. Mr. Lougheed noted that plastering is now the preferred method over painting. He explained that plastering the pool was expected to last 15 to 20 years. He stated Anderson Poolworks had very good references and 25 years of experience. He reiterated that plastering is now the preferred method because of the potential of paint failure, having to drain the pool every four years to repaint, and then refilling the pool, which is costly and a loss of resources, as well. Over a 20-year period, plastering would cost about \$511,000, while painting would cost about \$745,000. Mr. Lougheed stated funding for the project would come from the General Fund, Lodging Tax Fund, and Public Facilities Reserve Fund (REET and general reserves). A five percent contingency fund was also being recommended.

Councilor Spahr asked about the durability of plaster and guarantees. Mr. Lougheed stated plastering used to not be the preferred method, but new technology, such as binders and fibers, makes it the preferred method. He noted the contractor had to meet the warranties included in the bid specifications.

Councilor Pope asked what the existing pool had now. Mr. Lougheed stated it was paint on top of concrete, which has failed.

Councilor Taylor asked about the bid process used. Mr. Lougheed stated staff used a request for proposal process, so bidders were not required to bid on a specific scope of work.

Councilor Ketchum expressed appreciation for the review and recommendation of staff. Mayor Dawes echoed Councilor Ketchum's comments. He asked that the project be monitored after completion to ensure the process holds up and staff is on top of it, to make sure that any needed work is taken care of under the warranty.

Councilor Lund asked if there were plans to set up a fund to begin setting aside funds for the next time the project needs to be done. Mr. Lougheed stated setting aside \$10,000 per year would provide \$150,000 in 15 years.

Councilor Ketchum moved to award the bid for the Shaw Aquatics Center Pool Resurfacing Project to Anderson Poolworks in the amount of \$285,215.20; to authorize a project contingency of \$14,261; and to authorize the City Manager to execute change orders not to exceed the total project budget including, the contingency allocation. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Pope asked if the Chehalis Foundation had a maintenance fund for the pool. City Manager Anderson stated that was her understanding, but the city did not request funds for this project.

Councilor Harris thanked the Lodging Tax Advisory Committee for their support of the project.

June 10, 2019

6. **Ordinance No. 998-B, First Reading – Granting a Non-exclusive Franchise to Puget Sound Energy.** Rick Sahlin stated the current franchise expired in 2012. Staff has been working with PSE since 2013 to get to this point. The new agreement has a 15-year term and the ability to extend another five years at the discretion of the council. There were no huge changes to the agreement. Insurance language was updated after review by the Washington Cities Insurance Authority and the city attorney. Beyond that, the only other changes related to grammatical corrections and updated contact information. Mr. Sahlin noted staff thought the agreement was put to rest in 2017, but never heard anything from PSE until recently, in response to the city withholding a right-of-way permit from PSE in hopes of getting the agreement taken care of. He noted one minor correction to the ordinance that would be correct for second reading.

Councilor Harris stated that in section 6 – Records Installation and Planning – it refers to “reasonable request.” He asked what that meant. City Attorney Hillier stated it referred to the scope of the question.

Councilor Ketchum moved to pass Ordinance No. 998-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

7. **Resolution No. 6-2019, First and Final Reading – Adopting the 2020-2025 Six-Year Transportation Improvement Program.** City Manager Anderson stated a full report was provided at the May 13 council meeting. City Manager Anderson provided follow-up to discussion during the meeting. Maintenance at 13<sup>th</sup> and Market is scheduled, along with traffic improvements at the crosswalk at 16<sup>th</sup> and Market. Staff is also looking at potential project costs for a roundabout at Airport and West, along Louisiana, as well as trying to get some additional information from WSDOT on their plans for widening the freeway.

Councilor Taylor moved to adopt Resolution No. 6-2019 on first and final reading. The motion was seconded by Councilor Harris and carried unanimously.

8. **Resolution No. 7-2019, First and Final Reading – Accepting Federal STP(US) Grant for NE Kresky Avenue Repaving Project.** Don Schmitt stated the resolution is needed as part of the grant process for the project.

Councilor Spahr moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Harris and carried unanimously.

Councilor Spahr moved to adopt Resolution No. 7-2019 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

9. **Urban Growth Area (UGA) Expansion Request from Raindrop Properties.** Hillary Hoke stated the city received an application to transfer lands currently located in the city of Centralia's UGA to Chehalis' UGA. The application was submitted by Raindrop Properties in March and was forwarded to the Lewis County Planned Growth Committee for initial review. That review resulted in a request for additional information and analysis. The petitioner's consultant submitted an analysis response last week and if council directs staff to continue with the process, along with the additional staff comments and review, that report would be submitted to the Planned Growth Committee at their June 19 meeting.

Ms. Hoke stated the 2017 Chehalis Comprehensive Plan estimates a population increase of 11,320 people by the year 2040. Analysis of existing available lands for development estimates a deficit for residential land uses at 230 acres in order to accommodate that projected population increase. The current proposal to add approximately 677 acres to the current UGA boundary will offset that deficit. The land is located between Kresky Avenue and Centralia-Alpha Road and contains 10 parcels and a total of 677 acres. It contains steep slopes and other environmentally sensitive areas, so the entire 677 acres would not be open to development but what is available for development would more than offset the 230-acre deficit. Preliminary analysis showed the extension and upgrade of City of Centralia service systems would be substantially more difficult than extending Chehalis services. Required services may be adequately provided with upgrades to the city's systems, and those upgrades would be at the expense of the petitioner. Ms. Hoke stated staff was requesting council direction on whether to proceed with the review process.

Councilor Ketchum asked what kind of services were necessary. Ms. Hoke stated it would be water and sewer services. Councilor Ketchum recalled that information was provided that the city may not have enough water service to provide. Trent Loughheed stated staff met with the State Department of Ecology and was in the process of applying for an additional point of withdrawal on its Newaukum water rights, which would allow the city to utilize its entire water right even when the river levels

June 10, 2019

of the Newaukum get low. The city could take the water out of the Chehalis River, which would allow the city to a new water treatment plant and reservoir.

Councilor Harris moved to direct staff to continue to process and review the requested UGA expansion application through the Planned Growth Committee process and provide a formal recommendation to the City Council regarding the proposed UGA boundary amendment at a future City Council meeting. The motion was seconded by Councilor Taylor and carried unanimously.

**10. Administration Reports.**

b. **City Manager Update.** City Manager Anderson encouraged everyone to conserve water as it was been a pretty dry winter. She thanked the council for recognizing Rick Sahlin upon his upcoming retirement, and again thanked Rick for his 37 years of service.

Mayor Dawes stated he didn't want people to think the city was running short of water at this point in time.

**11. Councilor Reports/Committee Updates.**

a. Councilor Taylor stated Twin Transit would be holding their meetings at Centralia College for the remainder of the year. They will be meeting in the Walton Science Center. He stated the new director, Joe Clark, was doing a great job his first month in. A golf tournament was scheduled for June 29 at 9:00 am at Riverside Golf Club to benefit The Human Response Network.

c. Mayor Dawes attended a Business After Hours at Chehalis Coworks; the unveiling of the Penny Playground time capsule; a ribbon cutting celebrating the 15<sup>th</sup> year of the Chehalis Farmers Market; and the monthly mayors' meeting.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 5:54 pm.

---

Dennis L. Dawes, Mayor

---

Caryn Foley, City Clerk

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

**CITY OF CHEHALIS CITY COUNCIL  
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:** June 24, 2019

**SUBJECT:** Vouchers and Transfers

---

**ISSUE**

City Council approval is requested for Vouchers and Transfers dated June 14, 2019.

**DISCUSSION**

The June 14, 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. 126038-126185 and Electronic Funds Transfer No. 520191 in the amount of \$341,446.21 dated June 14, 2019, which includes the transfer of:

- \$ 153,509.98 from the General Fund
- \$ 35,001.80 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 10,066.00 from the Transportation Benefit District Fund
- \$ 1,740.80 from the Public Facilities Reserve Fund
- \$ 2,659.31 from the Automotive Equipment Fund
- \$ 691.49 from the Garbage Fund
- \$ 51,014.16 from the Wastewater Fund
- \$ 44,879.20 from the Water Fund
- \$ 9,570.11 from the Storm & Surface Water Utility Fund
- \$ 32,313.36 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the June 14, 2019 Claim Vouchers No. 126038-126185 and Electronic Funds Transfer No. 520191 in the amount of \$341,446.21.

**SUGGESTED MOTION**

I move that the City Council approve the June 14, 2019 Claim Vouchers No. 126038-126185 and Electronic Funds Transfer No. 520191 in the amount of \$341,446.21.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Brandon Rakes, Airport Operations Coordinator

**MEETING OF:** June 24, 2019

**SUBJECT:** Public Infrastructure Project at the Discover! Children’s Museum Site – Project and Bid Alternate Closeout

---

**ISSUE**

The work related to the installation of public infrastructure at the site designated for the Discover! Children’s Museum Project is complete. This project also included a bid alternate that included constructing nine additional parking stalls, curbing, and pavement markings.

**DISCUSSION**

In April of 2016, the City of Chehalis entered into a grant agreement with Lewis County, which allocates State .09 funds available to Distressed Counties for the purpose of economic development. The name of the project was “Discover! Children’s Museum” and was for \$300,000 worth of investment at the site designated for the Museum. The City added additional parking stalls and related work to the project as a Bid Alternate and designated Airport funds to pay for the extra work.

In September 2018, the City of Chehalis entered into a contract with Sterling Breen Crushing, Inc. to construct a total of 17 parking stalls, 1,030 LF of new 4” electrical conduit, sidewalk, curbing, and lighting.

The work has since been completed and all required documentation has been received.

**FISCAL IMPACT**

The cost of this project including engineering is \$321,948.19. Airport funds were designated to fund the difference between the \$300,000 in grant funded work in the base bid and the bid alternate work that included the additional parking stalls.

**RECOMMENDATION**

The administration recommends that the City Council accept the Discover! Children’s Museum Project as complete and authorize release of retainage after all statutory requirements have been met.

**SUGGESTED MOTION**

I move that the City Council accept the Discover! Children’s Museum Public Infrastructure Project as complete and authorize release of retainage after all statutory requirements have been met.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Public Works Director/City Engineer  
Caryn Foley, City Clerk

**MEETING OF:** June 24, 2019

**SUBJECT:** Ordinance No. 998-B, Second and Final Reading – Granting a Non-exclusive Franchise to Puget Sound Energy

---

**ISSUE**

The current franchise agreement with Puget Sound Energy, Inc., expired December 13, 2012. A new franchise agreement has been prepared and was presented on first reading at the June 10, 2019 City Council meeting. The second and final reading are scheduled for action at this meeting.

**DISCUSSION**

The City entered into a franchise agreement with Washington Natural Gas in December 1987 by passage of Ordinance No. 374-B to construct, install, maintain, repair, renew and operate a natural gas distribution system and accessories. The agreement provided for a term of 25 years which expired in December 2012. During the term of the agreement Washington Natural Gas was acquired by Puget Sound Energy, Inc.

The administration has been working with Puget Sound Energy Inc., to update the agreement. Changes include:

- General grammatical corrections, and updated formatting and contact information.
- Updated insurance language.
- A 15-year term with an additional 5-year term at the sole discretion of the City Council upon written request of PSE.

The agreement has been reviewed by the City Attorney and the Washington Cities Insurance Authority.



**FISCAL IMPACT**

There is no fiscal impact. Pursuant to RCW 35.21.860, the city may not impose a franchise fee; however, the city may recover actual administrative expenses from PSE, such as the expense of publishing the ordinance in its entirety.

**RECOMMENDATION**

It is recommended that the City Council pass Ordinance No. 998-B on second and final reading.

**SUGGESTED MOTION**

I move that City Council pass Ordinance No. 998-B on second and final reading.

**ORDINANCE NO. 998-B**

**AN ORDINANCE GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, LAY, CONSTRUCT, EXTEND, SUPPORT, ATTACH, CONNECT, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE FRANCHISE AREA TO PROVIDE FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS AND SUCH OTHER SERVICES AS MAY BE PROVIDED BY SUCH FACILITIES.**

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

**Section 1. Definitions.**

Where used in this franchise (the "Franchise") the following terms shall mean:

1.1 "PSE" means Puget Sound Energy, Inc., a Washington corporation, and its successors and assigns.

1.2 "City" means the City of Chehalis, a code city of the State of Washington, and its successors and assigns.

1.3 "Franchise Area" means any, every and all of the City-owned roads, streets, avenues, alleys, and highways of the City as now laid out, platted, dedicated or improved; and any, every and all City-owned roads, streets, avenues, alleys, and highways that may hereafter be laid out, platted, dedicated or improved within the present limits of the City and as such limits may be hereafter extended.

1.4 "Facilities" means, collectively, any and all natural gas distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures and communication systems; and any and all other equipment, appliances, attachments, appurtenances and other items necessary, convenient, or in any way appertaining to any and all of the foregoing, whether the same be located over or under ground.

1.5 "Ordinance" means Ordinance No. 998-B, which sets forth the terms and conditions of this Franchise.

1.6 "Public Improvement" means any capital improvement or repair within the Franchise Area that is undertaken by or on behalf of the City and is funded by the City, either directly with its own funds or with other monies obtained by the City.

## **Section 2. Facilities Within Franchise Area.**

2.1 The City does hereby grant to PSE the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of gas and gas services.

2.2 This Franchise shall not convey any right to PSE to install Facilities on or to otherwise use City-owned or leased properties or easements outside the Franchise Area. Likewise, this Franchise shall not govern or apply to Facilities located on PSE-owned or leased properties or easements (whether inside or outside of the Franchise Area, whether granted by a private or public entity, and whether now existing or hereafter acquired) and such Facilities are not, and will not be deemed to be, located pursuant to rights derived from this Franchise or pursuant to rights otherwise granted by the City.

2.3 Existing Facilities installed or maintained by PSE in accordance with prior franchise agreements on public grounds and places within the City (but which are not a part of the Franchise Area as defined by this Franchise) may be maintained, repaired and operated by PSE at the location where such Facilities exist as of the effective date of this Franchise for the term of this Franchise; provided, however, that no such Facilities may be enlarged, improved or expanded without the prior review and approval of the City pursuant to the provisions of any applicable City codes, ordinances, regulations, standards, procedures and/or permits, as now exist or as may be hereafter amended or superseded, provided that such provisions are not in conflict or inconsistent with the express terms and conditions of this Franchise.

2.4 PSE specifically agrees to comply with the provisions of any applicable City codes, ordinances, regulations, standards or procedures, as from time to time amended and shall obtain all necessary permits and approvals for its activities authorized by this Franchise; provided, however, that in the event of a conflict or inconsistency between any such provisions and this Franchise, the express terms and conditions of this Franchise shall govern. The express terms and conditions of the Franchise constitute a valid and enforceable contract between the Parties.

2.5 Upon the effective date of this Ordinance and acceptance of such Ordinance and Franchise by PSE, all prior franchises between the City and PSE, or its predecessors in interest, which it has acquired for the distribution and sale of gas shall be deemed repealed.

## **Section 3. Noninterference of Facilities.**

3.1 PSE's Facilities shall be maintained within the Franchise Area so as not to unreasonably interfere with the free passage of traffic, both vehicular and pedestrian, and in accordance with the laws of the State of Washington. PSE shall exercise its rights within the Franchise Area in accordance with applicable City codes and ordinances governing use and occupancy of the Franchise Area; provided, however, in the event of any conflict or inconsistency of such codes and ordinances with the terms and conditions of this Franchise, the terms and conditions of this Franchise shall govern and control; provided, further, nothing herein

shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded PSE by such City codes and ordinances.

3.2 PSE shall provide the City, upon the City's reasonable request, copies of available drawings in use by PSE showing the location of its Facilities at specific locations within the Franchise Area. As to any such drawings so provided, PSE does not warrant the accuracy thereof and, to the extent the location of Facilities are shown, such Facilities are shown in their approximate location. Further, upon the City's reasonable request in connection with the City's design of a Public Improvement within the Franchise Area, PSE shall provide field markings of its underground Facilities within the Franchise Area, if such Facilities can be so marked with reasonable accuracy. Nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

#### **Section 4. Relocation of Facilities.**

4.1 Whenever the City causes a Public Improvement to be undertaken within the Franchise Area, and such Public Improvement requires the relocation of PSE's then existing Facilities within the Franchise Area (for purposes other than those described in paragraph 4.2 below), the City shall:

4.1.1 provide PSE, within a reasonable time prior to the commencement of such Public Improvement, written notice requesting such relocation; and

4.1.2 provide PSE with reasonable plans and specifications for such Public Improvement.

After receipt of such notice and such plans and specifications, PSE shall relocate such Facilities within the Franchise Area at no charge to the City. If the City requires the subsequent relocation of any Facilities within five (5) years, the five (5) year time period shall be calculated starting from the most recent date of relocation of such Facilities pursuant to this Section 4.1, the City shall bear the entire cost of such subsequent relocation.

4.2 Whenever (i) any public entity not a party to this Ordinance or private development within the Franchise Area, other than a Public Improvement, requires the relocation of PSE's Facilities within the Franchise Area to accommodate such development; or (ii) the City requires the relocation of PSE's Facilities within the Franchise Area for the sole benefit of any person or entity other than the City, then in such event, PSE shall have the right as a condition of such relocation, to require such developer, person or entity to make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities.

4.3 Any condition or requirement imposed by the City upon any person or entity, other than PSE, that requires the relocation of PSE's Facilities shall be a required relocation for purposes of paragraph 4.2 above (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

4.4 Nothing in this Section 4 "Relocation of Facilities" shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities then existing pursuant to easement or such other rights not derived from this Franchise.

#### **Section 5. Restoration/Removal Obligations.**

5.1 PSE shall, after installation, construction, relocation, maintenance, removal or repair of any of PSE's Facilities within the Franchise Area, restore the surface area of the Franchise Area and any other City property within the Franchise Area which may be disturbed or damaged by such work, to at least the same condition as it was immediately prior to any such work. The City shall have final approval of the condition of the Franchise Area after restoration pursuant to the provisions of applicable City codes, ordinances, regulations, standards and procedures, as now exist or as may be hereafter amended or adopted, provided that such provisions are not in conflict or inconsistent with the express terms and conditions of this Franchise.

5.2 Before undertaking any of the work authorized by this Franchise, PSE shall furnish a bond executed by PSE and a corporate surety authorized to do surety business in the State of Washington in a sum to be mutually agreed upon by PSE and the City. PSE may meet the obligations of this Section with one or more bonds acceptable to the City. In lieu of a separate bond for routine individual projects involving work in the Franchise Area, PSE may satisfy the City's bond requirements under this Section by posting a single on-going performance bond; provided that PSE provides written notice prior to December 31 each year confirming that such bond is in place for the following calendar year. In the event that a bond issued pursuant to this Section is canceled by the surety, PSE shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this Section.

5.3 Except as otherwise provided in this Section 5.3, in the event PSE permanently ceases use of any of its gas Facilities within the Franchise Area, PSE shall, within one hundred eighty (180) days after such permanent cessation of use, or such additional time as is agreed to between the parties, remove such Facilities at its sole cost and expense. However, with the express written consent of the City, PSE may leave such facilities in place subject to the conditions set forth in this section. Any such facilities to be left in place shall be made inert by purging all natural gas from such Facilities (including displacement of natural gas with an appropriate inert gas) and disconnecting and sealing such Facilities, all in compliance with applicable regulations and industry standards. The City's consent shall not relieve PSE of the obligation and/or costs to subsequently remove or alter such Facilities in the event the City reasonably determines that such removal or alteration is necessary or advisable for the health and safety of the public, in which case PSE shall perform such work at no cost to the City. The obligations contained in this Section 5.3 shall survive the expiration, revocation or termination of this Franchise.

5.4 In the event that PSE's work to restore the surface area or other City property under this Section 5 fails within five (5) years of PSE's completion of such work, but only to the extent such failure is caused by PSE and not by the City or any third party, PSE will repair, at its sole expense, that surface area or City property in accordance with City standards and in a manner that conforms to generally accepted customs, standards and practices in the industry.

The obligations contained in this Section 5.4 shall survive the expiration, revocation or termination of this Franchise.

**Section 6. Records of Installation and Planning.**

6.1 Upon the City's reasonable request, PSE shall provide to the City copies of any plans prepared by PSE for potential improvements, relocations and conversions to its Facilities within the Franchise Area; provided, however, any such plans so submitted shall be for informational purposes only and shall not obligate PSE to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

6.2 Upon the City's reasonable request, PSE shall provide to the City electronic copies of available drawings in use by PSE showing the location of its Facilities at specific locations within the Franchise Area. As to any such drawings so provided, PSE does not warrant the accuracy thereof and, to the extent the locations of Facilities are shown, such Facilities are shown in their approximate location.

6.3 Upon the City's reasonable request, in connection with the design of any Public Improvement, PSE shall verify the location of its underground Facilities within the Franchise Area by excavating (e.g., pot holing) at no expense to the City. In the event PSE performs such excavation, the City shall not require any restoration of the disturbed area in excess of restoration to the same condition as existed immediately prior to the excavation.

6.4 Any drawings and/or information concerning the location of PSE's Facilities provided by PSE shall be used by the City solely for management of the Franchise Area. The City shall take all prudent steps reasonably necessary to prevent disclosure or dissemination of such drawings and/or information to any Third Party, without the prior express consent of PSE, to the extent permitted by law.

6.5 Upon the City's reasonable request, PSE will make available for review and inspection, PSE's annual maintenance, safety and inspection plans and records concerning or related to PSE's natural gas facilities located in Chehalis.

6.6 Upon the City's reasonable request, PSE will make available for review and inspection by the City or City's representatives, copies of reports or notices filed with WUTC of Federal Offices of Pipeline Safety concerning or related to the integrity or safety of PSE's natural gas Facilities located in the City of Chehalis.

6.7 Upon the City's reasonable request, PSE will provide concurrent notice to the City of any application by PSE for waiver of any state or federal gas safety rule applicable to the integrity or safety of PSE's natural gas Facilities located in the City of Chehalis.

6.8 Upon the City's reasonable request, PSE will provide updates to the City relative to its system services and delivery to the Chehalis community. Such updates to the City may include presentations of upcoming capital and ongoing system improvements.

6.9 Notwithstanding the foregoing, nothing in this Section 6 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

**Section 7. Shared Use of Excavations.**

In the event either PSE or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation so long as such joint use does not unreasonably delay the work of the party causing such excavation, and such joint use is arranged and accomplished upon terms and conditions reasonably satisfactory to the party causing such excavation.

**Section 8. Reservation of Easement in Event of Vacation.**

In the event the City vacates any portion of the Franchise Area during the term of this Franchise, the City shall, in its vacation procedure, reserve and grant an easement to PSE for PSE's Facilities within the vacated portion of the Franchise Area.

**Section 9. Indemnification.**

9.1 PSE shall indemnify, defend against and hold the City, its agents, officers or employees harmless from any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all reasonable costs and attorneys' fees, made against the City on account of injury, harm, death or damage to any person or property, to the extent such injury, harm, death or damage is caused by the willfully tortious, or negligent acts of negligent omissions of PSE, its agents, servants, employees, contractors or subcontractors in exercising the rights granted to PSE in this Franchise.

9.2 It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, PSE waives its immunity under RCW Title 51; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees. This waiver has been mutually negotiated by the Parties.

9.3 In the event any claim or demand subject to this indemnification provision is presented to or filed with the City, the City shall promptly notify PSE thereof, and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand. In the event any suit or action is begun against the City based upon any such claim or demand, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.

9.4 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance of PSE's indemnification obligations. Said indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

9.5 The provisions of this Section 9 shall survive the expiration, revocation or termination of this Franchise with respect to any claim, demand, suit or action for which indemnification is provided under Section 9.1 and which is based on an act or omission that occurred during the term of the Franchise.

**Section 10. Insurance.**

10.1 PSE shall maintain the following liability insurance coverages, insuring PSE and, as additional insureds, the City, and its elected and appointed officers, officials, agents, employees, representatives, engineers, consultants, and volunteers against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges, and authority granted to PSE:

10.1.1 Commercial General Liability insurance to include excess/umbrella liability insurance, as necessary, with limits no less than five million dollars (\$5,000,000) per occurrence and in the aggregate and providing coverage for (a) bodily injury (including death); (b) property damage including loss of use; (c) premises-operations, (d) explosion, collapse and underground hazards (XCU), and (e) products – completed operations.

10.1.2 Automobile liability for owned, non-owned and hired vehicles with a combined single limit of \$5,000,000 for bodily injury and property damage.

10.1.3 Worker's compensation as required by the Industrial Insurance laws of the State of Washington.

10.2 The liability insurance described herein shall be maintained by PSE throughout the term of this Franchise, and such other period of time during which PSE is operating its Facilities within the Franchise Area without a franchise, or is engaged in the removal of its Facilities from the Franchise Area. Payment of deductibles and self-insured retentions shall be the sole responsibility of PSE. Coverage under this policy shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The City shall be named as an additional insured under PSE's Commercial General Liability insurance policy. Any insurance or self-insurance maintained by the City, its officers, officials, employees, consultants, agents, and volunteers shall be in excess of PSE's insurance or self-insurance and shall not contribute with it.

10.3 The liability insurance described herein, and any subsequent replacement policies, shall not be cancelled or materially changed so as to be out of compliance with these requirements without PSE first providing thirty (30) days written notice to the City. If the insurance is cancelled or materially altered so as to be out of compliance with the requirements of this subsection within the term of this Franchise, PSE shall provide evidence of a replacement or renewal policy(ies) prior to cancellation or material change. PSE agrees to maintain continuous uninterrupted insurance coverage, in at least the amounts required for the duration of this Franchise and, in the case of the Commercial General Liability, for at least three (3) years after expiration of the term of this Franchise. Any lapse in the required insurance coverage shall be cause for termination of this Franchise.



10.4 In lieu of the insurance requirements set forth in this Section 10, PSE may self-insure against such risks in amounts as are consistent with prudent utility practice. Upon the City's request, PSE shall provide the City with a financial statement that provides evidence of PSE's capacity to respond to claims within any self-insured retention level.

10.5 PSE's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of PSE to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

10.6 PSE shall provide evidence, such as a Self Insurance Warranty and/or Certificate of Insurance and additional insured endorsement, that it has obtained coverage as required by this Section 10 within 15 days of its acceptance of this Franchise. PSE shall provide such evidence prior to policy expiration confirming that the insurance required by this Section 10 is in place for the following policy term.

#### **Section 11. Default.**

If PSE shall fail to comply with the provisions of this Franchise, the City may serve upon PSE a written order to so comply within sixty (60) days from the date such order is received by PSE. If PSE is not in compliance with this Franchise after expiration of said sixty (60) day period, the City may, by ordinance, declare an immediate forfeiture of this Franchise; provided, however, if any failure to comply with this Franchise by PSE cannot be corrected with due diligence within said sixty (60) day period (PSE's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control), then the time within which PSE may so comply shall be extended for such time as may be reasonably necessary and so long as PSE commences promptly and diligently to effect such compliance.

#### **Section 12. Dispute Resolution.**

12.1 If there is any dispute or alleged default with respect to performance under this Franchise, the party alleging that there has been non-compliance or default (the "First Party") shall notify the other party (the "Second Party") in writing, stating with reasonable specificity the nature of the dispute or alleged default. Within seven (7) days of its receipt of such notice, the Second Party shall provide written response to the First Party that shall acknowledge receipt of such notice and state the Second Party's intentions with respect to how it will respond to such notice. The Second Party shall further have thirty (30) days (the "cure period") from its receipt of such notice to:

A. Respond to the First Party, contesting the First Party's assertion(s) as to the dispute or any alleged default and requesting a meeting in accordance with Section 12.2, or:

B. Resolve the dispute or cure the default, or;

C. Notify the First Party that the Second Party cannot resolve the dispute or cure the default within thirty (30) days, due to the nature of the dispute or alleged default. Notwithstanding such notice, the Second Party shall promptly take all reasonable steps to begin to resolve the dispute or cure the default and notify the First Party in writing and in detail as to

the actions that will be taken by the Second Party and the projected completion date. In such case, the First Party may set a meeting in accordance with Section 12.2.

12.2 If any dispute is not resolved or any alleged default is not cured or a meeting is requested or set in accordance with Section 12.1, then the First Party shall promptly schedule a meeting between itself and the Second Party to discuss the dispute or any alleged default. The First Party shall notify the Second Party of the meeting in writing and such meeting shall take place not less than ten (10) days after the Second Party's receipt of notice of the meeting. Each Party shall appoint a representative who shall attend the meeting and be responsible for representing the Party's interests. The representatives shall exercise good faith efforts to resolve the dispute or reach agreement on any alleged default and/or any corrective action to be taken. Any dispute (including any dispute concerning the existence of or any corrective action to be taken to cure any alleged default) that is not resolved within ten (10) days following the conclusion of the meeting shall be referred by the Parties' representatives in writing to the senior management of the Parties for resolution. In the event senior management is unable to resolve the dispute within twenty (20) days of such referral (or such other period as the Parties may agree upon), each Party may pursue resolution of the dispute or any alleged default through other legal means consistent with Section 13 of this Franchise. All negotiations pursuant to these procedures for the resolution of disputes shall be confidential and shall be treated as compromise and settlement negotiations for purposes of the state and federal rules of evidence.

12.3 If, at the conclusion of the steps provided for in Section 12.1 and 12.2 above, the Parties are unable to settle the dispute or agree upon the existence of a default or the corrective action to be taken to cure any alleged default, either Party may:

A. Take any enforcement or corrective action provided for in City code, as from time to time amended; provided such action is not otherwise in conflict with the provisions of this Franchise, and/or;

B. Demand arbitration, pursuant to Section 13 below, for disputes arising out of or related to Sections 2, 3, 4 and 5 of this Franchise (the "Arbitrable Claims"), and/or;

C. In the case of the City, by ordinance, declare an immediate forfeiture of this Franchise for a breach of any material, non-arbitrable, obligations under this Franchise and/or;

D. Take such other action to which it is entitled under this Franchise or any applicable law.

12.4 Unless otherwise agreed by the City and PSE in writing, the City and PSE shall, as may reasonably be practicable, continue to perform their respective obligations under this Franchise during the pendency of any dispute.

### **Section 13. Arbitration.**

13.1 The Parties agree that any dispute, controversy, or claim arising out of or relating to the Arbitrable Claims, shall be referred for resolution to the American Arbitration Association

in accordance with the rules and procedures in force at the time of the submission of a request for arbitration.

13.2 The arbitrators shall allow such discovery as is appropriate to the purposes of arbitration in accomplishing a fair, speedy and cost-effective resolution of the dispute(s). The arbitrators shall reference the Washington State Rules of Civil Procedure then in effect in setting the scope and timing of discovery. The Washington State Rules of Evidence shall apply in total. The arbitrators may enter a default decision against any Party who fails to participate in the arbitration proceedings.

13.3 The arbitrators shall have the authority to award compensatory damages, including all direct damages. Such damages may include, but shall not be limited to: all costs and expenses of materials, equipment, supplies, utilities, consumables, goods and other items; all costs and expenses of any staff; all costs and expenses of any labor (including, but not limited to, labor of any contractors and/or subcontractors); all pre-arbitration costs and expenses of consultants, attorneys, accountants, professional and other services; and all taxes, insurance, interest expenses, overhead and general administrative costs and expenses, and other costs and expenses of any kind incurred in connection with the dispute. The arbitrator may award equitable relief in those circumstances where monetary damages would be inadequate.

13.4 Any award by the arbitrators shall be accompanied by a written opinion setting forth the findings of fact and conclusions of law relied upon in reaching the decision. The award rendered by the arbitrators shall be final, binding and nonappealable, and judgment upon such award may be entered by any court of competent jurisdiction.

13.5 Except as provided in Section 13.7 below, each Party shall pay the fees of its own attorneys, expenses of witnesses and all other expenses and costs in connection with the presentation of such Party's case including, without limitation, the cost of any records, transcripts or other things used by the Parties for the arbitration, copies of any documents used in evidence, certified copies of any court, property or City documents or records that are placed into evidence by a Party.

13.6 Except as provided in Section 13.7 below, the remaining costs of the arbitration, including without limitation, fees of the arbitrators, costs of records or transcripts prepared for the arbitrator's use in the arbitration, costs of producing the arbitrator's decision and administrative fees shall be borne equally by the Parties.

13.7 Notwithstanding the foregoing Sections 13.5 and 13.6, in the event either Party is found during the term of this Franchise to be the prevailing party in any two (2) arbitration proceedings brought by such Party pursuant to this Section 13, then such Party shall thereafter be entitled to recover all reasonably incurred costs, fees and expenses, including attorney fees, for any subsequent arbitration brought by them in which they are found to be the prevailing party.

13.8 In the event a Party desires to make a copy of the transcript of an arbitration proceeding for its use in writing a post-hearing brief, or a copy of an arbitration decision to append to a lawsuit to reduce the award to judgment, etc., then that Party shall bear the cost thereof, except to the extent such cost might be allowed by a court as court costs.

**Section 14. Alternative Remedies.**

No provision of this Franchise shall be deemed to bar the right of the City or PSE to seek or obtain judicial relief from a violation of any provision of the Franchise or any rule, regulation, requirement or directive promulgated thereunder for non-Arbitrable Claims. Neither the existence of other remedies identified in this Franchise nor the exercise thereof shall be deemed to bar or otherwise limit the right of the City or PSE to recover monetary damages for such violations by the other Party, or to seek and obtain judicial enforcement of the other Party's obligations by means of specific performance, injunctive relief or mandate, or any other remedy at law or in equity.

**Section 15. Nonexclusive Franchise.**

This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with PSE's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

**Section 16. Emergency Management.**

16.1 Annually, upon request of the City, PSE will meet with City Emergency Response Personnel to coordinate emergency management operations and, at least once a year, at the request of the City, PSE personnel will actively participate in emergency preparedness drills.

16.2 In the event of any emergency in which PSE's Facilities located in or under the Franchise Area break or are damaged, or if PSE's Facilities within the Franchise Area are otherwise in a condition as to immediately endanger the property, life, health or safety of any individual, PSE shall, upon learning of such a dangerous condition, immediately notify the City and take all reasonable actions to correct the dangerous condition.

**Section 17. Franchise Term.**

This Franchise is and shall remain in full force and effect for a period of fifteen (15) years from and after the effective date of the Ordinance; provided, however, PSE shall have no rights under this Franchise nor shall PSE be bound by the terms and conditions of this Franchise unless PSE shall, within thirty (30) days after the effective date of the Ordinance, file with the City its written acceptance of the Ordinance. This Franchise may be renewed, at the sole discretion of the Chehalis City Council, for one additional five (5) year period upon the written request of PSE, such request to be submitted not more than two (2) years nor less than one-hundred-eighty (180) days prior to the expiration of the initial fifteen (15) year term.

**Section 18. Assignment.**

PSE shall have the right, with the consent of the City, which consent shall not be unreasonably withheld, to assign its rights, benefits and privileges in and under this Franchise. Any assignee shall, within thirty (30) days of the date of any assignment, file written notice of the assignment with the City together with its written acceptance of all terms and conditions of

this Franchise. Notwithstanding the foregoing, PSE shall have the right, without such notice or such written acceptance, to mortgage its rights, benefits and privileges in and under this Franchise for the benefit of bondholders.

#### **Section 19. Recovery of Costs.**

As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon PSE. However, as provided in RCW 35.21.860, the City may recover from PSE actual administrative expenses incurred by the City that are directly related to: (i) receiving and approving a permit, license or this Franchise, (ii) inspecting plans and construction, or (iii) preparing a detailed statement pursuant to Chapter 43.21C RCW. With respect to its payment of such administrative expenses, the City shall submit statements specifying the amounts due to PSE. PSE shall make payment to the City in reimbursement for such expenses within thirty (30) days of its receipt of such statements.

#### **Section 20. Changes in Law.**

20.1 If, during the term of this Franchise, there becomes effective any change in federal or state law and such change results in a PSE tariff which conflicts or is inconsistent with any provision of this Franchise; then, in such event, either party may, within ninety (90) days of the effective date of the such change, notify the other party in writing that such party desires to commence negotiations to amend this Franchise. Such negotiations shall only encompass the specific term or condition affected by such change in federal or state law and neither party shall be obligated to reopen negotiations on any other term or condition of this Franchise. For purposes of this Section, a change in law does not include a change in any tariff filed by PSE with the Washington Utilities & Transportation Commission ("WUTC") except to the extent that such tariff change is necessary to comply with federal or state law.

20.2 Within thirty (30) days from and after the other party's receipt of written notice to so commence such negotiations, the parties shall, at a mutually agreeable time and place, commence negotiations to amend this Franchise as described in Section 20.1 above. The parties shall thereafter conduct such negotiations at reasonable times, in a reasonable manner, in good faith and with due regard to all pertinent facts and circumstances. In the event the parties are unable, through negotiation, to reach mutual agreement on the terms and conditions of such amendment, then either party may (1) by written notice to the other party, demand that the parties seek to arrive at such agreement through mediation, with a mutually agreed-to mediator, or (2) if no such mediation demand has previously been submitted, terminate this Franchise upon not less than ninety (90) days prior written notice to the other party.

20.3 Pending the negotiations, mediation and/or termination described in this Section 20, this Franchise, with the exception of any portion thereof which is in conflict or inconsistent with a change in federal or state law, shall remain in full force and effect.

20.4 PSE shall, in connection with any application for changes in its tariffs that would be in conflict or inconsistent with the provisions of this Franchise or would modify the rights or responsibilities of either party under this Franchise, notify the City in writing of the application promptly after it is filed with the WUTC. Further, PSE shall ensure that the City is notified

(either directly or through the WUTC proceeding) of the final adoption by the WUTC of changes in applicable PSE tariffs resulting from any such application of PSE.

**Section 21. Miscellaneous.**

21.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

21.2 This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation, Section 5 above) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

21.2.1 references this Franchise; and

21.2.2 states that it supersedes this Franchise to the extent it contains terms and conditions that change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

21.3 This Franchise is subject to the provisions of any applicable tariff on file with the Washington Utilities Transportation Commission or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff, the provisions of such tariff shall control. PSE shall, when making application for any changes in tariffs affecting the provisions of the Franchise, notify the City in writing of the application and provide the Public Works Director with a copy of the submitted application within five (5) days of filing with the WUTC. PSE shall further provide the Public Works Director with a copy of any approved tariff change affecting the provisions of this Franchise.

21.4 During the term of this Franchise, each party shall notify and keep the other party apprised of its local address for the service of notices by mail. All notices and other communications given or required to be given under this Franchise shall be sent postage prepaid to such respective address and notices shall be effective upon receipt. The City and PSE may change their respective addresses at any time by written notice to the other party. As of the effective date of this Franchise:

PSE's notice address shall be:

Puget Sound Energy  
10885 N.E. 4<sup>th</sup> Street  
P.O. Box 97034  
Bellevue, WA 98009-9734  
Attention: Director, Community Services

City's notice address shall be:

Legal Notices:  
City Clerk  
City of Chehalis  
350 North Market Blvd.  
Chehalis, WA 98532

Informational Notices:  
Public Works Director  
City of Chehalis  
2007 NE Kresky Avenue  
Chehalis, WA 98532

21.5 During the term of this Franchise, PSE shall also provide the City (and maintain current) a written list showing the names and telephone numbers of the specific departments and (if applicable) individuals within PSE that may be contacted by the City to identify and address problems and issues that arise under this Franchise. PSE shall ensure that the list includes contact information for addressing emergency support and technical support issues (with emergency support being available 24 hours per day), and shall ensure that the names and telephone numbers appearing on the list in those areas have the expertise and authority (or access to the same) needed to address the problem or issue promptly and effectively. PSE shall use all reasonable efforts to respond to requests from the City promptly, to work diligently with the City in resolving any problems or issues identified by the City, and to actively communicate with the City regarding each problem or issue from the time it is first identified by the City until the time it is resolved. Upon reasonable request by the City, PSE shall update the list to ensure that it remains current and shall give written notice of the change to the City.

21.6 PSE and the City shall, as reasonably requested by the other party from time to time, discuss and coordinate their activities with respect to construction which may affect the public ways in any manner in an effort to minimize public inconvenience, disruption or damages.

21.7 This Franchise shall be binding upon the parties hereto and their permitted successors and assigns.

21.8 Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.

21.9 The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the right of such party thereafter to enforce the same. Nor shall the waiver by a party of any breach of any provision hereof by the other party be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

21.10 This Franchise shall be governed by and construed in accordance with the laws of the State of Washington. The venue and jurisdiction over any dispute over non-Arbitrable Claims related to this Franchise shall be with the Lewis County Superior Court.

21.11 If either party brings any action in Superior Court to enforce any provision of this Franchise other than the Arbitrable Claims set forth in Section 12 or defends any action brought by the other party with respect to this Franchise, and in the further event that one party shall prevail in such action, the other party shall, in addition to all other payments required therein, pay all of the prevailing party's reasonable costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

21.12 This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral negotiations between the parties.

**Section 22. No Third Party Beneficiary.**

Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the City and PSE. No action may be commenced or prosecuted against either the City or PSE by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either the City or PSE.

**Section 23. Franchise Fee.**

The parties understand that the restrictions of RCW 35.21.860 forbid the imposition of a franchise fee. If at any time the restrictions of this statute should be removed or modified, the City may seek to amend this Franchise in accordance with this Subsection 21.2 above.

**Section 24. Effective Date.**

This ordinance shall become effective five days after its passage and publication as required by law.

Signed and approved by the Mayor on the \_\_\_\_\_ day of \_\_\_\_\_, 2019.



\_\_\_\_\_  
Dennis L. Dawes, Mayor

ATTEST:

\_\_\_\_\_  
Caryn Foley, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
William T. Hillier, City Attorney

Date: \_\_\_\_\_



**HONORABLE MAYOR AND CITY COUNCIL  
CITY OF CHEHALIS, WASHINGTON**

In the matter of the application of Puget Sound Energy, Inc., a Washington corporation, for a franchise to construct, operate and maintain facilities in, upon, over under, along, across and through the franchise area of the City of Chehalis Washington

Franchise Ordinance No. 998-B

**ACCEPTANCE**

WHEREAS, the City Council of the City of Chehalis, Washington, has granted a franchise to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, by enacting Ordinance No. \_\_\_\_\_, bearing the date of \_\_\_\_\_, 2019; and

WHEREAS, a copy of said Ordinance granting said franchise was received by the Puget Sound Energy, Inc. on \_\_\_\_\_, 2019, from said City of Chehalis, Lewis County, Washington.

NOW, THEREFORE, Puget Sound Energy, Inc., a Washington corporation, for itself, its successors and assigns, hereby accepts said Ordinance and all the terms and conditions thereof, and files this, its written acceptance, with the City of Chehalis, Lewis County, Washington.

IN TESTIMONY WHEREOF said Puget Sound Energy, Inc. has caused this written Acceptance to be executed in its name by its undersigned \_\_\_\_\_ thereunto duly authorized on this \_\_\_\_ day of \_\_\_\_\_, 2019.

**ATTEST**

**PUGET SOUND ENERGY, INC.**

\_\_\_\_\_

By: \_\_\_\_\_

Copy received for City of Chehalis, 2019

By: \_\_\_\_\_  
City Clerk

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Ken Cardinale, Fire Chief

**MEETING OF:** Monday, June 24, 2019

**SUBJECT:** Financial Feasibility Study of Potential Annexation of the City of Chehalis into the Lewis County Fire District #6 Service Area

---

**ISSUE**

The City of Chehalis and Lewis County Fire District #6 are in process of evaluating the feasibility of the annexation of the City of Chehalis into Lewis County Fire District #6 in order to improve service in both areas in the short-term and create economies of scale to reduce costs over the long-term. A scope of work to complete the financial analysis needed to determine the related budget impacts of a potential annexation.

**DISCUSSION**

Attached is the Scope of Work from William Cushman, the Financial Consultant, to explore the financial feasibility of the possible annexation. The consultant will produce a series of proprietary financial models that will be used to support the financial and organizational analysis of this proposed annexation of the City of Chehalis Fire Department by Lewis County Fire District #6.

Mr. Cushman comes highly recommended by LCFD #6 based on previous financial models that he developed for the District that have proven very beneficial. The investment in this type of analysis is needed so that both organizations have accurate financial data to consider during the decision-making process.

**FISCAL IMPACT**

The fiscal impact for this study is estimated to be between \$11,250 and \$13,500, which is based on an hourly rate of \$150 and estimated time to complete the project is between 75 and 90 hours. In addition to the hourly rate, travel expenses of \$.53 a mile will be assessed in addition to the hourly rate. This cost of the study is to be equally shared between the City of Chehalis and Lewis County Fire District #6, which has approved the project. The City's portion of the project cost is not budgeted and may require a budget amendment to the City's General Fund budget.

**RECOMMENDATION**

It is recommended that the City Council approve the allocation of funds up to \$8,000 to proceed with the contract for the Scope of Work for the Financial Feasibility Study to be completed by William Cushman, Financial Consultant.

**SUGGESTED MOTION**

I move that the City Council authorize the City Manager to execute a contract with William Cushman, Financial Consultant for a Fire Service Annexation Feasibility Study and approve the expenditure of up to \$8,000 for the project.

**Lewis County FD6 / City of Chehalis**

Seven Year Strategic Financial Plan

**Financial and Organizational Analysis of the Annexation of the  
Chehalis Fire Department into Lewis County Fire District 6**

Seven Year Strategic Financial Plan

2019	-	2025
------	---	------

Prepared by:  
Bill Cushman  
Strategic Financial Planning  
[gullharborwrc@outlook.com](mailto:gullharborwrc@outlook.com)  
425-754-0730

# Lewis County 6/City of Chehalis Annexation

Strategic Financial Planning  
Models and Worksheets

## SCOPE OF WORK

The following Financial Planning Models are provided to, and for the exclusive use by, Lewis County FD 6 and the City of Chehalis under license from William Cushman, dba *Strategic Financial Planning* at gulfharborwrc@outlook.com, 425-754-0730. The models, in their entirety, are protected under copyright and may not be duplicated or reproduced in any form without the written consent of the author. The *Chief Officers' Summary Report* and the *Commissioners / Council Summary Report* may be printed on paper and distributed as "handouts" without restriction.

Start of Financial Planning: January 17, 2019  
Project Duration: 6 Months  
Scheduled Completion: June \_\_\_\_\_, 2019

### 1 Assessed Value Model

- A. History of AV
- B. Future Outlook for AV
- C. User alternative growth patterns for basic revaluation
- D. User alternative growth patterns for new construction
- E. AV values chart

### 2 Operating Revenue Model

- A. Sources
- B. Current Amounts
- C. User alternative growth patterns
- D. Revenue Chart

### 3 Property Tax Revenue Model

- A. Link to Assessed Value Model
- B. Fire Levy
  - 1 Current Fire Levy Rate
  - 2 Current Fire Levy Taxes
  - 3 Outlook for Levy Rates 2019-2025
  - 4 Outlook for Levy Taxes 2019-2025
  - 5 Levy Rate Chart
  - 6 Levy Taxes Chart
- C. EMS Levy
  - 1 Current EMS Levy Rate
  - 2 Current EMS Levy Taxes
  - 3 Outlook for Levy Rates 2019-2025
  - 4 Outlook for Levy Taxes 2019-2025
  - 5 Levy Rate Chart
  - 6 Levy Taxes Chart
- D. Levy Lid Lift/Banked Capacity Options
- E. Property Tax Transfers to Reserves

### 4 Transfers to Reserves Model

- A. Emergency Reserve Model
  - 1 Current Cash Balance
  - 2 Reserve Future Target Cash Balance
  - 3 Annual Contributions
  - 4 Annual Withdrawals
  - 5 Cash Balance Chart
- B. Apparatus Reserve Model
  - 1 Current Cash Balance
  - 2 Reserve Future Target Cash Balance
  - 3 Annual Contributions
  - 4 Annual Withdrawals
  - 5 Cash Balance Chart
- C. Equipment Reserve Model
  - 1 Current Cash Balance
  - 2 Reserve Future Target Cash Balance
  - 3 Annual Contributions

- 4 Annual Withdrawals
- 5 Cash Balance Chart
- D. **Project/Facilities Reserve Model**
  - 1 Current Cash Balance
  - 2 Reserve Future Target Cash Balance
  - 3 Annual Contributions
  - 4 Annual Withdrawals
  - 5 Cash Balance Chart
- E. **Retirement Reserve Model**
  - 1 Current Cash Balance
  - 2 Reserve Future Target Cash Balance
  - 3 Annual Contributions
  - 4 Annual Withdrawals
  - 5 Cash Balance Chart
- F. **Total Reserve Cashflow Summary**

## 5 Operating Expenses Model

- A. **Create Program Budgets**
  - 1 Administration
  - 2 Legislative
  - 3 Operations
  - 4 EMS
  - 5 Training
  - 6 Facilities
  - 7 Capital
  - 8 Debt Service
- B. **BARS line-item expenses by Program**  
Assign inflation factors to line items
- C. **Outlook for expense growth 2019-2025**
- D. **Link to Employee Database for Wages and Benefit expenses**
- E. **Staffing Options 2019-2025**
  - 1 Assign all personnel to programs
  - 2 Automatic labor cost entry
  - 3 Alter staffing headcounts by rank and by year
- F. **Expense chart 2019-2025**

## 6 Employee Database Model

- A. **Employee anonymous name**
- B. **Rank**
- C. **Rank Code**
- D. **Paypoint**
- E. **Base Pay**
- F. **Specialty Pay(s)**
- G. **Longevity Pay**
- H. **Education Pay**
- I. **Gross Pay**
- J. **Retirement Contributions**
- K. **L&I Benefit**
- L. **Unemployment Ins. Benefit**
- M. **Deferred Comp Benefit**
- N. **Medical Ins. Premium Benefit**
- O. **Dental Ins. Premium Benefit**
- P. **Overtime Provision**
- Total Cost of Compensation (TCC)**
- Payroll Analysis by:**
  - 1 Rank
  - 2 Affiliation
    - a. Elected
    - b. Appointed
    - c. Union
    - d. Civilian
  - 3 Rank
    - a. Chief
    - b. Asst/Dep Chief
    - c. Bat Chief
    - d. Inspector



- e Captain
- f Lieutenant
- g Paramedic
- h Firefighter
- i Support Staff

#### **7 Chief Officers' Budget Summary Report**

- A. Annual fund balance
- B. Property tax revenues
  - 1 Assessed Value
  - 2 Levy Rates
- C. Operating revenues
- D. Reserve transfers
- E. Expenses by program
  - 1 Wages
  - 2 Benefits
  - 3 Line-Item expenses
- F. Reserve cash balances
- G. Reserve Contributions
- H. Reserve Expenses

#### **8 Commissioners' Summary Report**

- A. Annual fund balance
- B. Property tax revenues
  - 1 Assessed Value
  - 2 Levy Rates
- C. Operating revenues
- D. Reserve transfers
- E. Expenses by program
  - 1 Labor expenses
  - 2 Operating expenses
- F. Reserve summary

#### **Written Summary Report**

At the conclusion of the analysis encompassed by this financial plan, both the Commissioners of Lewis County FD 6 and the Council of the City of Chehalis, will receive a written report describing the financial and operational components parts of the annexation of the Chehalis Fire Department by Lewis County FD6.

The respective governing bodies of each jurisdiction may utilize this report and its accompanying models during their deliberations on the feasibility of the annexation and their decision as to when and if the proposal is placed before the voters for final approval or disapproval.