

# PLEASE NOTE SPECIAL MEETING TIME

## CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Anthony E. Ketchum Sr., District 3 Mayor		
Terry F. Harris, District 1, Mayor Pro Tem		Dennis Dawes, Position at Large
Daryl J. Lund, District 2		Chad E. Taylor, Position at Large
Dr. Isaac S. Pope, District 4		Bob Spahr, Position at Large

December 9, 2013

4:45 p.m.

EXECUTIVE SESSION		
1. <u>Executive Session Pursuant to RCW 42.30.140(4)(a) – Collective Bargaining.</u> (City Manager, Human Resources Administrator)	---	

Regular Meeting of Monday, December 9, 2013

5:00 p.m.

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

**CITIZENS BUSINESS**

This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.

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**SPECIAL BUSINESS**

4. Swearing-in of Chehalis Municipal Court Judge Dale McBeth. (City Attorney)

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**CONSENT CALENDAR**

5. Minutes of the Regular Meeting of November 25, 2013. (City Clerk)

APPROVE

1

6. Vouchers and Transfers. (Finance Manager)

APPROVE

6

7. Ordinance No. 922-B, Second and Final Reading – Creating and Establishing an Airport Department. (City Manager)

PASS

8

**ADMINISTRATION AND CITY COUNCIL REPORTS**

8. Administration Reports.

a. National Avenue Salzer Creek Bridge Scour Project Update. (Interim Public Works Director)

INFORMATION ONLY

11

b. Update on annual G.O. bond compliance. (Finance Manager)

INFORMATION ONLY

12

c. Recommendation to cancel December 23, 2013, council meeting. (City Manager)

INFORMATION ONLY

d. Update on city wellness program. (Committee Chair Becky Fox)

INFORMATION ONLY

9. Council Reports.

a. Councilor reports. (City Council)

INFORMATION ONLY

b. Council committee reports. (City Council)

INFORMATION ONLY

**UNFINISHED BUSINESS**

10. <u>Ordinance No. 919-B, Second and Final Reading – Revision of Sewer Rates for Lewis County Water &amp; Sewer District #4 and Napavine for 2014. (City Manager, Interim Public Works Director, Wastewater Superintendent)</u>	PASS	15
11. <u>Ordinance No. 920-B, Second and Final Reading – Amending the 2013 Budget. (City Manager, Finance Manager)</u>	PASS	21

**NEW BUSINESS**

12. <u>Ordinance No. 921-B, First Reading – Amending Right-of-Way Signage Code. (City Manager, Community Development Director)</u>	PASS	27
13. <u>Authorize City Manager to Execute the Interlocal Agreement Between the City and Riverside Fire Authority for the Provision of Functional Consolidation of Fire Suppression, Emergency Medical Services, Rescue, and Prevention Services. (City Manager, Fire Chief)</u>	AUTHORIZE CITY MANAGER TO EXECUTE INTERLOCAL AGREEMENT	30

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON  
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, JANUARY 13, 2014

November 25, 2013

The Chehalis city council met in regular session on Monday, November 25, 2013, in the Chehalis city hall. Mayor Pro tem Harris called the meeting to order at 4:30 p.m. with the following council members present: Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 4:45 p.m. and Mayor Ketchum arrived at 4:52 p.m. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Jim Walkowski, Fire Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Interim Public Works Director/Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Allyn Roe Airport Manager.

**1. Work Session on Regional Fire Authority Planning Committee.** Councilor Dawes, Chair of the Regional Fire Authority Planning Committee, reported over the last couple of years, he and Councilors Lund and Spahr have been meeting with three of the Riverside Fire Authority (RFA) Commissioners to study the potential prospect of annexing the City of Chehalis into the Riverside Fire Authority. He noted the Committee was continuing to review the proposed interlocal agreement, which they hope to take action on at their December meeting. Councilor Dawes stated based on the discussion at the meetings, and his meeting with City Manager MacReynold, he believed they had all of the language in the agreement that was discussed. He noted there were still a couple of loose ends that need to be tied in, the most critical being the dispatch center. Councilor Dawes hoped the Council and Commission will act affirmatively and enter into an agreement that would start January 1.

Fire Chief Jim Walkowski provided a brief overview of the two phases: Phase 1 – Functional Consolidation of the two entities; and Phase 2 – Annexation of the city of Chehalis fire department into the Riverside Fire Authority, which will require city council and voter approval. (Riverside would not vote on it because they're already a fire authority.)

Chief Walkowski reported the functional consolidation allows the two entities to continue to exist separately, but combines certain functions into a common resource, or division. He noted they believe the functional consolidation will segue into greater levels of cooperation and will provide the framework for Phase 2, which would combine the two entities into one. Chief Walkowski stated the functional consolidation will be accomplished through the interlocal cooperation agreement between the two entities.

Chief Walkowski reported on the status of the various workgroups, as follows:

Completed workgroups:

- Hose evolutions and hose loads
- Tender operations
- Compressed air foam systems
- Monthly training requirements
- Ground ladder evolutions
- Apparatus standardization (engines)

Workgroups nearing completion (anticipated completion by end of 2013):

- Incident management system
- Radio communications/MDC
- ERS records management
- Deployments
- BLS/ALS integration

Workgroups to be completed during 1<sup>st</sup> Quarter 2014:

- Aerial ladder operations
- Special operations/Technical rescue
- Apparatus standardization (Aerial ladders)
- Joint fire investigation
- Company level inspections

November 25, 2013

Chief Walkowski reported the RFA Planning Committee has approved the draft language for the functional consolidation Interlocal Agreement. He stated it's anticipated that the functional consolidation would take place on January 1, 2014, with operational deliverables being implemented when appropriate, pending approval from both bodies of elected officials.

Councilor Spahr brought up the issue of being able to communicate with other departments when responding together, noting in the past that didn't seem to be a big deal. Chief Walkowski stated there are a lot of rules they have to follow now, one being you have to work under an integrated incident management system.

Chief Walkowski reported most of the fire districts in Lewis County participated in the fire training, so they're all on the same system now. He noted Olympia and West Thurston Fire Authority follow this same system which is a huge success.

Councilor Lund stated he was glad Chief Walkowski mentioned that they all use the same system now, adding that was great to see.

Mayor Ketchum closed the work session at 4:55 p.m. and announced the council would be in recess for five minutes before opening the regular meeting at 5:00 p.m.

2. **Update on the Gail and Carolyn Shaw Aquatic Center Project.** Chehalis Foundation President Tim Saylor thanked everyone involved for getting them to this point. He noted the Foundation was very excited as well, and looked forward to starting construction of the new facility.

3. **Continue Public Hearing on the 2014 Proposed Budget and Revenue Sources, Taxes and Levies.** City Manager MacReynold reported there were no proposed tax increases in the proposed 2014 budget. He noted, over the years, the administration and the council budget committee have continued to work hard to make our financial situation better.

Finance Manager Eva Lindgren briefly explained two minor adjustments made to the proposed budget since first reading. She noted the first change was the addition of the airport budget, and the second was a request from Chief Walkowski to have the money for the bay floor repairs moved to the 2014 budget. Ms. Lindgren reported the money for the repairs would be removed from the 2013 budget in the upcoming budget amendment.

Ms. Lindgren followed up on a question from Councilor Spahr regarding the EMS levy rate. She stated, in comparing this year to last year, there was a slight difference for the general levy and if you add the two together, it's the exact same amount. She noted it was just a rounding difference in the calculation.

Councilor Dawes asked where the 22.5 cents was contained for the firemen's pension fund. Ms. Lindgren reported it was blended into the general levy. She noted we're not allowed to separate it out for purposes of issuing the levy. Ms. Lindgren reported each year she has to certify that we have a pension trust fund and Lewis County takes that into account when calculating our banked capacity.

Mayor Ketchum closed the regular meeting at 5:07:58 p.m. and opened the public hearing.

There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 5:08:32 p.m.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of November 12, 2013, and the special meeting of November 18, 2013;
  - b. Claim Vouchers No. 107596-107735 and Electronic Funds Transfer No. 112013 in the amount of \$348,715.58 dated November 15, 2013;
  - c. Pass Ordinance No. 922-B on first reading - creating and establishing an airport department; and

November 25, 2013

d. Award contract for the Gail and Carolyn Shaw Aquatic Center Renovation Project to Schwiesow Construction, Inc., in the amount of \$2,086,560 and authorize the city manager to execute a contract agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

5. Administration Reports.

a. October Financial Report. Ms. Lindgren reported on the property tax, noting the city received over \$450,000 from Lewis County in early November. She noted the general fund property tax received a total of \$409,046 and the balance went to the firemen's pension trust fund. Ms. Lindgren stated the total collected for the year for property tax was over \$1.2 million.

Ms. Lindgren talked briefly about the 'donations/contributions' in the general fund budget. She noted money would be coming into the general fund from the tourism fund, once the billings are sent out for the tournaments.

Councilor Spahr inquired about the "other taxes" in the amount of \$32. Ms. Lindgren believed that was for timber tax.

b. Report on Upcoming Inflow and Infiltration (I&I) Rehabilitation Project. Wastewater Superintendent Patrick Wiltzius reported, approximately two years ago, the council was briefed on the city's I&I Strategic Plan. He noted I&I was basically leakage into our sewer pipes, which causes problems and costs money to pump and treat.

Mr. Wiltzius reported the first project, officially titled "Basin 1022 I&I Rehabilitation Project," would include the rehabilitation of approximately 5,300 feet of sewer line at the north end of town. Mr. Wiltzius used a large diagram to show what they want to do, and where. He noted the project would start near Staples, Inc. and go north towards the city limits.

Mr. Wiltzius reported they would be using a 'trenchless' method that requires minimal digging and very little impact to the public. He noted the benefit is that it's environmentally friendly, and cheaper to do.

Mr. Wiltzius stated the administration is the process of putting a funding application together through the Department of Ecology (DOE). He projected the project design, construction management and construction would be about \$1.4 million. Mr. Wiltzius reported they've completed the SEPA analysis and have a determination of non-significance for the project, which they needed to have before submitting the funding application.

Councilor Harris asked if the \$1.4 million was in 2016 dollars, or today's dollars. Mr. Wiltzius stated the estimate was based on what it would cost today. He noted they haven't completed the design yet, but had to assign a number for the funding application. He suggested the actual phasing of the project could start in July 2014, with a projected construction date of 2016.

Councilor Harris inquired about the interest rate on the loan. Mr. Wiltzius reported they were submitting for hardship, which should put it below one percent. He noted they are requesting both grant funding and a 20-year low interest loan.

Councilor Spahr asked if any I&I had ever been done near Bishop Road or Snively Avenue. Mr. Wiltzius thought the Snively area was in the plan, but just not high on the priority list at this time.

Councilor Spahr inquired as to how they measure the amount of I&I coming through the plant. Mr. Wiltzius reported, back when they did the general sewer plan in 2000, the engineering firm Gibbs & Olson did a massive flow monitoring study to come up with the initial I&I. He noted that data was used in their strategic plan. Mr. Wiltzius stated it's basically determined by how much the pump station comes on and off, which he can chart out at the treatment plant. He noted they could also put a flow meter on it, but right now there were no plans for that.

Mr. Wiltzius believed the previous public works director factored the loan debt service into the most recent rate increase, so there should be no impact to the rate payers.

c. Tacoma Rail Interlocal Agreement. City Manager MacReynold reported, on November 26, at 5:00 p.m., the city of Tacoma is considering passage of an interlocal agreement between, the city of Tacoma, Lewis County and the city of Chehalis for the sale of a portion of the Tacoma rail line from Maytown to Chehalis.

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6. Council Reports.

a. Update From Councilor Dawes. Councilor Dawes reported he attended two ribbon-cuttings and a Business After Hours event last week. He noted all three events were well attended.

7. Ordinance No. 914-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be raised by Ad Valorem Taxes during 2014; Ordinance No. 915-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2014; and Ordinance No. 916-B, Second and Final Reading – Adopting the 2014 Budget. City Manager MacReynold encouraged the council's support and positive approval.

Councilor Taylor moved to pass Ordinance Nos. 914-B, 915-B, and 916-B on second and final reading, as revised and amended.

Councilor Lund seconded the motion.

Councilor Spahr inquired about the debt service for the airport fund. Ms. Lindgren reported the balloon payment on the Lewis County general obligation bond for the airport was slightly more than \$1.5 million. She noted the administration was looking at a couple of different approaches on how that would be handled.

The motion carried unanimously.

8. Ordinance No. 917-B, Second and Final Reading – Amending Sections of the Chehalis Municipal Code Providing for Accessory Dwelling Units (ADU). Councilor Dawes reported at the last meeting that he inquired about the potential of violations regarding the Fair Housing Act (FHA). He stated he was assured by Community Development Director Dennis Osborn that he checked with the state and there appears to be a population threshold of 20,000 where accessory dwelling units are required under the FHA. Councilor Dawes strongly urged that the council pass the ordinance.

Councilor Dawes moved to pass Ordinance No. 917-B on second and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

9. Ordinance No. 919-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2014. Mr. Wiltzius reported they were looking at hiring a consultant to develop a better rate structure, noting the administration has heard concerns in the past about how the rate calculation has been working. He noted after the new rates are developed and approved, they will look into updating the contracts with both Lewis County Water & Sewer District #4 and Napavine.

Mr. Wiltzius reported on the 2014 rates, noting Napavine would be paying \$9,924 per month, down \$55 from 2013; and Lewis County Water and Sewer District #4 would be paying \$5,262 per month, down \$848 from 2013. He noted the rates are primarily based on the function of the flows at the treatment plant. Mr. Wiltzius stated the overall rate of inflation over the past 10 years has been 5.8 percent for Napavine, and 5.2 percent for Lewis County Water & Sewer District #4.

City Manager MacReynold reported this issue did come up as part of the discussions with the Council Budget Committee. He stated the Committee was very supportive that we need to take a serious look at making some changes.

Councilor Spahr moved to pass Ordinance No. 919-B on first reading.

Councilor Lund seconded the motion

Councilor Harris asked if the percentage the city pays could be adjusted if we did a significant reduction in the city's i&i, versus what the other owners pay. Mr. Wiltzius suggested that would probably be addressed in a new contract, or interceptor agreement which stipulates who owns what percentage in the plant and/or certain sewer lines. He stated it was obvious that Chehalis has been bank-rolling most of the capacity, upwards of around 85 percent.

November 25, 2013

The motion carried unanimously.

10. **Ordinance No. 920-B, First Reading – Amending the 2013 Budget.** Ms. Lindgren briefly reviewed the amendments to the 2013 budget. She noted, as mentioned earlier, the budget would be reduced for the bay floor repairs at the fire department. Ms. Lindgren reported a good portion of the remaining budget amendments had to do with the allocations for the utility billing. She stated the reallocation was a fairer reflection of what the costs should be and how they should be allocated between water, wastewater, and stormwater.

Ms. Lindgren reported the departments also looked at their activity through the end of the year and made adjustments to their budgets accordingly.

Councilor Spahr moved to pass Ordinance No. 920-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:37 p.m.

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Mayor

Attest:

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City Clerk

**SUGGESTED MOTION**

I move that the council approve the minutes of the regular city council meeting of November 25, 2013.



**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: November 27, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager *EL*  
PREPARED BY: Michelle White, Accounting Tech II *MW*  
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Vouchers No. 107736 through 107829 and Electronic Funds Transfer No. 1120131 in the amount of \$97,746.65 dated November 27, 2013 and the transfer of \$46,901.48 from the General Fund, \$52.80 from the Gambling Enforcement Fund, \$3,125.96 from the Federal & State Grants Fund, \$21,636.38 from the Wastewater Fund, \$21,696.96 from the Water Fund, \$3,335.76 from the Storm & Surface Water Utility Fund, \$837.44 from the Firemen's Pension Fund and \$159.87 from the City Agency's Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED



The administration recommends that the council approve the November 27, 2013 Claim Vouchers No. 107736 through 107829 and Electronic Funds Transfer No. 1120131 in the amount of \$97,746.65.

SUGGESTED MOTION

I move to approve the November 27, 2013 Claim Vouchers No. 107736 through 107829 and Electronic Funds Transfer No. 1120131 in the amount of \$97,746.65.

Reviewed by: *Michelle White*, City Manager

**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: November 27, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager   
PREPARED BY: Michelle White, Accounting Tech II   
SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

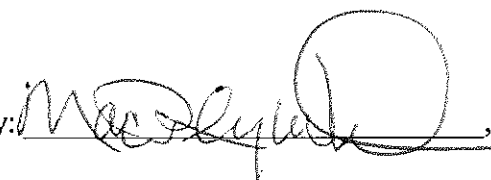
Payroll Vouchers No. 36998 through 37052, Direct Deposit Payroll Vouchers No. 4521 through 4598, and Electronic Federal Tax Payment No. 130 dated November 27, 2013 in the amount of \$612,416.89, and the transfer of \$435,919.90 from the General Fund, \$10,508.14 from the Arterial Street Fund, \$7,178.16 from the Gambling Enforcement Fund, \$597.46 from the Garbage Fund, \$63,352.40 from the Wastewater Fund, \$73,107.33 from the Water Fund, \$18,578.25 from the Storm & Surface Water Utility Fund and \$3,175.25 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the November 27, 2013 Payroll Vouchers No. 36998 through 37052, Direct Deposit Payroll Vouchers No. 4521 through 4598, and Electronic Federal Tax Payment No. 130 in the amount of \$612,416.89.


SUGGESTED MOTION

I move to approve the November 27, 2013, Payroll Vouchers No. 36998 through 37052, Direct Deposit Payroll Vouchers No. 4521 through 4598, and Electronic Federal Tax Payment No. 130 in the amount of \$612,416.89.

Reviewed by:  , City Manager

**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** November 26, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Merlin MacReynold, City Manager   
**SUBJECT:** Ordinance No. 922-B, Creating and Establishing an Airport Department

**ISSUE**

An airport department needs to be created within the Chehalis Municipal Code (CMC).

**DISCUSSION**

On Monday, November 12, 2013, the city council took action to authorize the withdrawal and removal of Lewis County from the Chehalis-Centralia Airport Joint Operating Agreement, transferring the county's interest to the city of Chehalis. Additionally, the council supported the administrations recommendation that the airport be a separate department within the city administration and that the council shall provide policy, legislative and budget authority over the airport.

The ordinance being presented would create and establish an airport department within the CMC. Ordinance No. 922-B was passed by council on first reading on November 25, 2013.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends the council pass Ordinance No. 922-B on second and final reading.

**SUGGESTED MOTION**

I move that the council pass Ordinance No. 922-B on second and final reading.

**ORDINANCE NO. 922-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, CREATING AND ESTABLISHING AN AIRPORT DEPARTMENT; PROVIDING FOR THE APPOINTMENT OF THE AIRPORT MANAGER; PRESCRIBING THE DUTIES OF THE AIRPORT DEPARTMENT; CODIFIED IN THE CHEHALIS MUNICIPAL CODE AS CHAPTER 2.36; AND ESTABLISHING THE EFFECTIVE DATE HEREOF.**

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

**2.36.010 Department created.**

There shall be, and the city council does hereby create and establish, a department for the city to be known as the airport department.

**2.36.020 Positions.**

Positions within the airport department shall consist of the airport manager and such other staff as may be established and authorized in the city's annual budget.

**2.36.030 Airport manager to be manager.**

The airport manager shall be the manager of the department and shall be appointed, supervised, and removed by the city manager, subject to applicable rules, regulations, or other tenure of office laws. In the event that a vacancy should occur in the position of manager, the duties of manager shall be assumed by the city manager, or designee.

**2.36.040 Powers and duties.**

The powers and duties of the airport manager shall be to perform any and all duties which heretofore have been or hereafter may be assigned by ordinance to the airport manager; scheduling, managing and overseeing all city personnel of the airport; administering the leases at the airport; and such other related functions and duties as may be assigned by the city manager.

**2.36.050 Effective date.**

The effective date of this ordinance shall be the 1<sup>st</sup> day of January, 2014.

**PASSED** by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

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City Attorney

**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** December 2, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Rick Sahlin, Interim Public Works Director  
**SUBJECT:** National Avenue Salzer Creek Bridge Scour Grant Update

**ISSUE**

In May of 2012, Sargent Engineers, Inc., prepared a project application for a Bridge Scour Grant for \$190,500 through the Washington State Department of Transportation (WSDOT) and the Federal Highway Bridge Program. In December of 2012, the city was notified that we had received the Grant.

**DISCUSSION**

The project will perform a scour analysis of the bridge and repairs to the scour on the west side of the bridge. The scope of the work will include: a topographic survey of the stream, a hydraulic study to determine the stream characteristics and recommended repair, the preparation of the construction documents, and obtaining environmental permits. The repair is envisioned to be placement of riprap and woody debris in the channel to reinforce the channel bottom to keep it from scouring at the bridge.

In early November, the administration put out an advertisement for Request for Qualifications (RFQs) from firms interested in providing professional project management services for this project. The closing date for all qualifications was Friday, December 6th. The administration will be working with WSDOT to review the submittals and to select a firm. The process of obtaining the environmental permits is scheduled to begin in 2014 and construction is slated to take place in late summer of 2015.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

This report is for information only. No action required.

REVIEWED BY:  \_\_\_\_\_, CITY MANAGER

**CITY OF CHEHALIS  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Eva K. Lindgren, Finance Manager  
**DATE:** November 27, 2013  
**SUBJECT:** Annual G.O. Bond Compliance

**ISSUE**

With the Issuance of the City of Chehalis' Limited Tax General Obligation Bonds, 2011, the City agreed to adhere to federal regulations and its own Debt Management and Post-Issuance Compliance (DMPI) Policy. The City Council has tasked the Administration with providing annual reporting, at a minimum, on its compliance with federal requirements relating to bond issuances.

Below is the section from the City's DMPI Policy which addresses post-issuance compliance relating to reporting. The City is required to submit financial information annually. Unaudited financial information is acceptable. Unaudited financial information was submitted on September 25, 2013, and this was reported to the City Council.

However, as I noted at the first City Council meeting in October, upon issuance of the City's audited financials, these would also have to be uploaded to the Municipal Securities Rulemaking Board (MSRB) via the Electronic Municipal Market Access (EMMA) system. The City of Chehalis' audited financials were issued by the State Auditor's Office on Monday, November 25th. These financials are now available for viewing on both the City's and the State Auditor's Office websites.

**DISCUSSION**

**IV. POST-ISSUANCE COMPLIANCE FOR TAX-EXEMPT BONDS**

3. Compliance Check Activities and Frequency. As the officer of the City with the operational responsibility of monitoring compliance with post-issuance federal tax requirements for the bonds, the Finance Manager shall, at least every 12 months so long as the bonds remain outstanding: ...

(c) Confirm the City's compliance with its undertaking to provide bondholders with annual financial information and timely notice of the occurrence of certain events, as set forth in the ordinance authorizing the issuance of the bonds.

*Since the City operates on a calendar year, it is required to file its annual financial information by September 30th - nine months after year-end. The City submitted its unaudited financial statements and other required financial disclosures on September 25, 2012 to the MSRB via the EMMA system, as previously reported. On Wednesday, November 27th, the City's audited financial statements were also uploaded. Attached is printout showing evidence of the successful submission.*

The Administration will be available to respond to any questions the City Council may have.

**RECOMMENDATION / COUNCIL ACTION DESIRED**

Informational only.

**SUGGESTED MOTION**

None required.

Reviewed by  City Manager



Submission ID:EP628765  
11/27/2013 18:56:00

**CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)**

**FINANCIAL/OPERATING FILING (CUSIP-9 BASED)**

**Rule 15c2-12 Disclosure**

Audited Financial Statements or CAFR: Audited Financial Statements, for the year ended 12/31/2012

**DOCUMENTS**

**Financial Operating Filing**

2012 Chehalis Financial Statements - Audited.pdf posted 11/27/2013

**THE FOLLOWING ISSUERS ARE ASSOCIATED WITH THIS CONTINUING DISCLOSURE SUBMISSION:**

CUSIP-6	State	Issuer Name
163087	WA	CHEHALIS WASH

**THE FOLLOWING 5 SECURITIES HAVE BEEN PUBLISHED WITH THIS CONTINUING DISCLOSURE SUBMISSION:**

CUSIP-9	Maturity Date
163087AA7	12/01/2014
163087AB5	12/01/2017
163087AC3	12/01/2021
163087AD1	12/01/2024
163087AE9	12/01/2026

**Submitter's Contact Information**

Company: City of Chehalis  
 Name: Eva Lindgren  
 Address: 1321 S. Market Blvd.



City, State Zip: Chehalis, WA 98532  
Phone Number: 3603453231  
Email: elindgren@ci.chehalis.wa.us

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**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** December 4, 2013

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

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

**SUBJECT:** Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2014

**ISSUE**

Proposed new rates for the treatment of sewage for 2014 have been calculated for Lewis County Water & Sewer District #4 (LCSD #4) and the City of Napavine. The proposed rates are being presented for council review and approval.

**DISCUSSION**

In 1994, Chehalis, Napavine, and LCSD #4 modified their prior interlocal agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in this agreement. The agreement provides that Napavine and LCSD #4 pay for the delivery and treatment of sewage based on applicable costs for operation and maintenance of the system.

It has been previously established that calculation of the rates for treatment are to be based on applicable expenditures and flow data from the previous year. No changes have been made to the rate calculation methodology that was initially adopted in 2002. Current and proposed new rates are presented in the table below for comparison.

	Napavine	LCSD #4
2013 rate/month	\$ 9,979	\$6,110
2014 rate/month	\$ 9,924	\$5,262
\$ change/month	-\$55	-\$848
% change/month	-0.6%	-13.9%

The rate changes proposed for next year are a result of differences in expenditures and flows used to calculate the rates. As compared to 2011, the applicable expenditures for 2012 were up by approximately 4.8%. This was primarily due to an increase in administrative costs. As compared to 2011, the total flow to the Chehalis treatment plant in 2012 was up 17.6%.

The flow contributed from LCSD #4 (as a percentage of total flow) was down 4.8% from 2011, and the flow from Napavine was up 7.1% from 2011.

The result is that the proposed rates for 2014 are lower than those calculated for 2013. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation (The table below shows this). On average, rates for Napavine increase by 5.8% per year while those for LCSD #4 increase by 5.2%.

	2010	2011	2012	2013	2014	avg.*
Napavine	\$10,454	\$8,482	\$10,720	\$9,979	\$9,924	\$9,912
% difference	28.7	-18.9	26.4	-6.9	-0.6	5.8
LCSD#4	\$6,230	\$5,064	\$6,192	\$6,110	\$5,262	\$5,772
% difference	37.8	-18.7	22.3	-1.3	-13.9	5.2

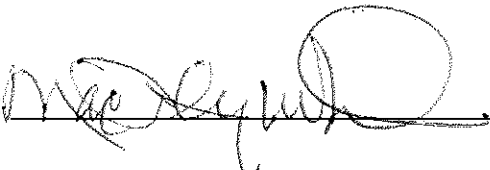
The attached ordinance has been prepared repealing rates for 2013 and establishing rates for 2014. The proposed rates have been discussed with LCSD #4 and the City of Napavine and no objections were raised to their implementation.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinance No. 919-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on second and final reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 919-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on second and final reading.

REVIEWED BY:  , CITY MANAGER

**ORDINANCE NO. 919-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON AMENDING SECTION 13.16.070, ORDINANCE NO. 903-B, PASSED THE 26<sup>TH</sup> DAY OF NOVEMBER, 2012, AS CODIFIED IN THE CHEHALIS MUNICIPAL CODE.**

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

**Section 1.** Section 13.16.070 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

**13.16.070 Wastewater customers.**

A. Rates charged to the city of Napavine and Lewis County Water & Sewer District #4 for the operation and maintenance of the interceptor and related facilities shared with the city and for the treatment of sewage by the city are as follows:

1. Napavine - \$9,924 per month; and
2. Lewis County Water & Sewer District #4 - \$5,262 per month.

B. These rates shall be adjusted annually based upon their flows and operations and maintenance costs of the interceptor and the wastewater treatment plant.

**Section 2. Effective date.**

The effective date of this ordinance shall be the 1<sup>ST</sup> day of January, 2014.

**PASSED** by the city council of the city of Chehalis, Washington, and **APPROVED** by its mayor, at a regularly scheduled open public meeting thereof this 9th day of December, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney

## O&M Rate Calculations for Napavine and LCSD#4

11/06/13

### Introduction

In 1994, the cities of Chehalis and Napavine, along with Lewis County Water & Sewer District #4 (collectively known as the Sewer Operating Board) entered into an agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in the agreement.

The agreement provides for the establishment of a rate to be charged to Napavine and Lewis County Water & Sewer District #4 (LCSD#4) for the delivery and treatment of sewage. The agreement states the rate shall be based on applicable costs for the operation and maintenance (O&M) of the system.

Last year's monthly rates, the twelfth year that the rates were based on flow, were \$9,979 for Napavine and \$6,110 for LCSD#4.

### Rates for 2014

The calculation for setting the rates is unchanged from 2002 and is listed below:

$$\text{Monthly Sewer Charge} = ((\text{yearly interceptor O\&M costs} \times \% \text{ of ownership of interceptor}) + (\text{yearly WWTP O\&M cost} \times \% \text{ of flow to the WWTP})) / 12$$

In this calculation, interceptor costs are calculated based on percentage ownership from segment A to G in the interceptor. (See attached ownership map)

The rate for any given year uses actual flows and expenditures from two years prior. This allows for actual yearly expenditures and flows to be tabulated and subsequent rate calculations to be provided to the entities during the budget process for the year in which the rate is to be charged.

**Expenditures** - The proposed rates for 2014 were developed using actual 2012 expenditures. 2015 rates will use actual expenditures from 2013. Expenditures also include any relevant capital costs but do not include any direct costs for the new wastewater treatment plant. (Napavine and Lewis County Sewer District are paying a percentage of the yearly loan repayment).

**Flows** – Flows for Napavine and LCSD#4 are measured at the North Star Rd. and Hamilton Rd. metering stations. Chehalis staff check and record flow data for Lewis County Sewer District from the North Star Rd. metering station and Napavine flow data from the Hamilton Rd. metering station on a daily basis. If problems are experienced with the flow meters, flows will be estimated from previous data on record.

### Calculation of *Yearly Interceptor O&M costs*

1. Starting in 2006, O&M costs for the collection system were broken down specifically in a separate collection system budget. This was a change from past practice when costs for the collection system had to be calculated.
2. The percent of collection system costs due to interceptor O&M is calculated by using the ratio of sewer line (measured in feet) for the interceptor to the sewer line for Chehalis' entire collection system. The General Sewer Plan states that the interceptor is comprised of 28,565 feet of sewer line and the Chehalis collection system includes 249,003 feet of sewer line. This means the interceptor comprises 11.5% of collection system.

3. **Yearly interceptor O&M costs based on % of ownership** is then calculated by multiplying the total applicable collection system expenditures for 2011 by % of the interceptor as part of collection system by the % of ownership in the interceptor – from segment A to G. (LCSD#4 – 11.1%, Napavine – 23.7%)

**Calculation of Yearly WWTP O&M cost based on % of flow to the WWTP**

4. Yearly WWTP O&M expenditures were calculated utilizing the 2012 actual year end expenditures from the budgets for wastewater division administration, WWTP and poplar tree plantation.

5. WWTP O&M costs were then multiplied by the ratio of flow contributed by each entity to the total flow received by the WWTP in 2012. (Napavine = 73.4 MG / 764 MG = 9.6%, LCSD#4 = 39.3 MG / 764 MG = 5.1%) This portion of the rate factors in flow, so that inflow and infiltration (I&I) is paid for by the contributing entity.

6. To determine the final rate for each entity - **Yearly interceptor O&M costs** and **Yearly WWTP O&M cost based on % of flow to the WWTP** are added. This rate is then divided by 12 to get a monthly rate.

**Informational Data**

<b>2012 Applicable Wastewater Expenditures</b>	<b>\$1,141,439</b>
<b>2012 Applicable Collection System Expenditures</b>	<b>\$ 344,674</b>

	<b>Ownership of Interceptor (A-G)</b>	<b>2012 Flow to WWTP</b>	<b>% Flow to WWTP</b>
<b>Chehalis</b>	<b>65.2%</b>	<b>764.0 MG</b>	<b>85.3%</b>
<b>Napavine</b>	<b>23.7%</b>	<b>73.4 MG</b>	<b>9.6%</b>
<b>LCSD#4</b>	<b>11.1%</b>	<b>39.3 MG</b>	<b>5.1%</b>

**Actual Calculations –**

$$\text{Napavine} = (( \$1,141,439 \times 9.6\% ) + ( \$344,674 \times 11.5\% \times 23.7\% )) / 12 = \$9,924/\text{month}$$

$$\text{Old rate} = \$9,979 \quad \text{New rate} = \$9,924 \quad \text{\% of decrease} = -0.6\%$$

$$\text{LCSD\#4} = (( \$1,141,439 \times 5.1\% ) + ( \$344,674 \times 11.5\% \times 11.1\% )) / 12 = \$5,262/\text{month}$$

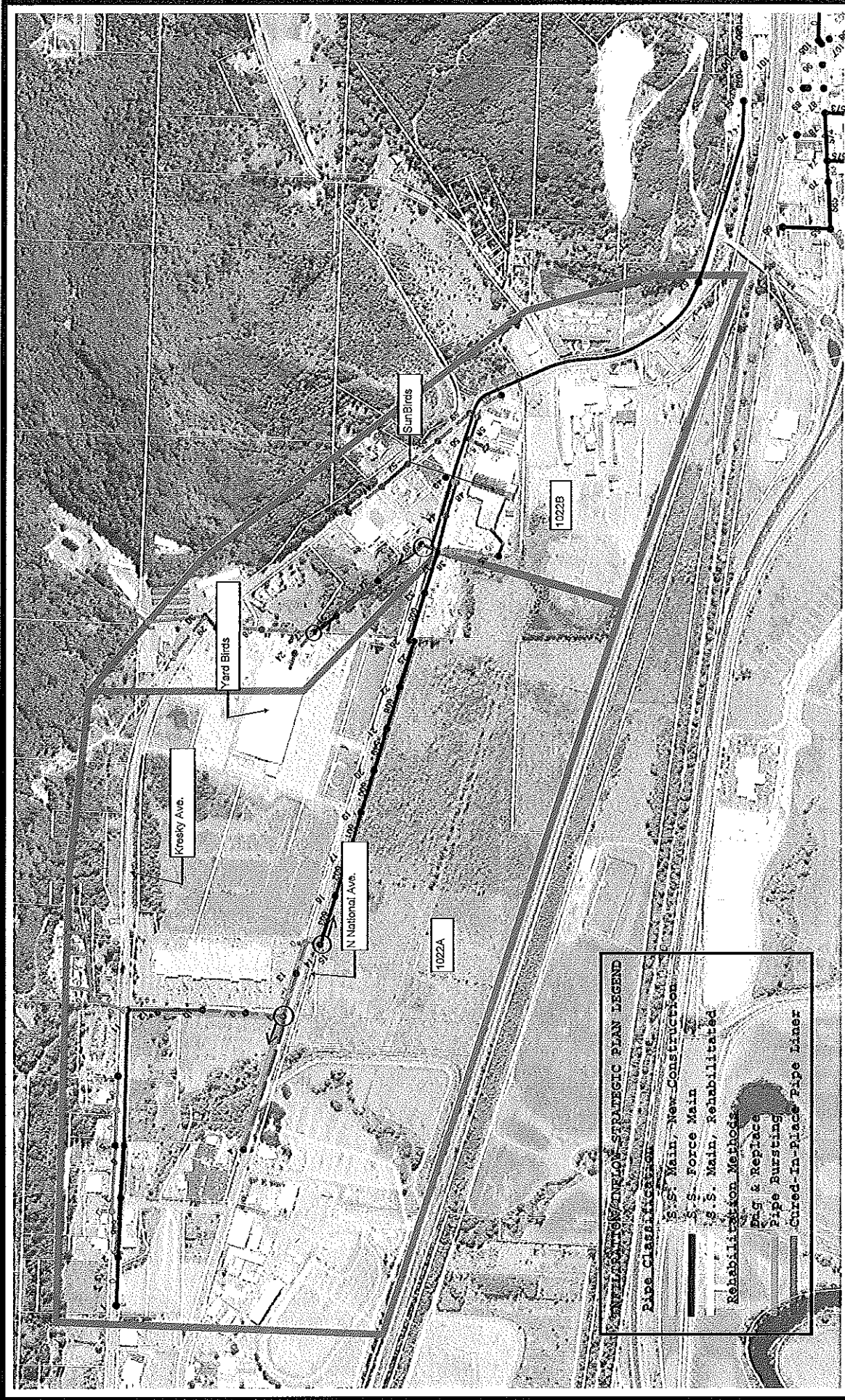
$$\text{Old rate} = \$6,110 \quad \text{New rate} = \$5,262 \quad \text{\% of decrease} = -13.9\%$$

**Explanation of change**

The rate changes proposed for 2014 are a result of differences in expenditures and flows used to calculate the rates. As compared to 2011, the applicable expenditures for 2012 were up by approximately 4.8%. This was primarily due to an increase in administrative costs. As compared to 2011, the total flow to the Chehalis treatment plant in 2012 was up 17.6%. The flow contributed from LCSD #4 (as a percentage of total flow) was down 4.8% from 2011, and the flow from Napavine was up 7.1% from 2011.

The result of the increase in expenditures and increase/decrease in contributing flows is that the proposed rates for 2014 are lower than those calculated for 2013. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation.

>end



**GIBBS & OLSON INC.**  
 LONGVIEW • OLYMPIA  
 WASHINGTON

**NORTH**



City of Chehalis  
 Infiltration / Inflow Strategic Plan  
 December 13, 2010  
 Figure 2 - 1022 A & B

**CITY OF CHEHALIS  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Eva Lindgren, Finance Manager  
**DATE:** December 5, 2013  
**SUBJECT:** Budget Amendment Ordinance 920-B; Second and Final Reading

**ISSUE**

Ordinance 920-B amending the 2013 Annual Budget is hereby submitted to reflect changes in estimates resulting from the City's activities.

**DISCUSSION**

The attached spreadsheet shows line-by-line the individual components of the proposed budget amendment. Items added for the second reading are clearly identified.

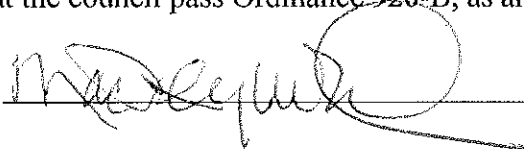
The Administration will be available to answer any questions with regards to the proposed budget amendment.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The Administration recommends that the council pass Ordinance 920-B on second and final reading.

**SUGGESTED MOTION**

I move that the council pass Ordinance 920-B, as amended, on second and final reading.

Reviewed  \_\_\_\_\_, City Manager



## Exhibit A

### CITY OF CHEHALIS AMENDED 2013 BUDGET

#### 2013 Budget Summary - Revised with Ordinance 913-B All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	840,843	7,202,772	1,000,000	7,237,686	1,044,707	761,222
Arterial Street Fund	23,682	153,000	0	172,120	0	4,562
Tourism Fund	67,285	165,150	0	192,435	0	40,000
Community Dev. Block Grant Fund	19,904	5,050	0	160	0	24,794
HUD Block Grant Fund	322,036	3,600	0	0	0	325,636
Gambling Enforcement	77,881	0	0	77,881	0	0
Federal and State Grant Fund	0	1,833,500	1,020,000	1,853,500	1,000,000	0
2011 G.O. Bond Fund	0	0	98,827	98,827	0	0
Public Facilities Reserve Fund	23,818	0	0	23,818	0	0
Automotive/Equip. Res. Fund	2,837	0	0	2,837	0	0
1st Quarter REET Fund	122,074	28,400	0	0	42,002	108,472
2nd Quarter REET Fund	38,998	28,000	0	0	32,118	34,880
Wastewater Fund	1,490,430	4,204,941	0	4,549,136	0	1,146,235
Water Fund	2,767,087	2,611,095	0	2,575,471	0	2,802,711
Storms & Surface Water Fund	366,447	442,174	0	345,875	0	462,746
Garbage Fund	5,747	7,583	0	12,538	0	792
Firemen's Pension Fund	217,172	149,600	0	142,253	0	224,519
City Agency Fund	349,003	0	0	0	0	349,003
<b>TOTALS</b>	<b>6,735,244</b>	<b>16,834,865</b>	<b>2,118,827</b>	<b>17,284,537</b>	<b>2,118,827</b>	<b>6,285,572</b>

### CITY OF CHEHALIS AMENDED 2013 BUDGET

#### 2013 Budget Summary - Revised with Ordinance 920-B All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	840,843	7,237,772	1,000,000	7,219,974	1,044,707	813,934
Arterial Street Fund	23,682	153,000	0	172,120	0	4,562
Tourism Fund	67,285	165,150	0	192,435	0	40,000
Community Dev. Block Grant Fund	19,904	5,050	0	160	0	24,794
HUD Block Grant Fund	322,036	3,600	0	0	0	325,636
Gambling Enforcement	79,006	19	0	79,025	0	0
Federal and State Grant Fund	0	1,833,500	1,020,000	1,853,500	1,000,000	0
2011 G.O. Bond Fund	0	1	98,827	98,828	0	0
Public Facilities Reserve Fund	23,818	0	0	23,818	0	0
Automotive/Equip. Res. Fund	2,837	0	0	2,837	0	0
1st Quarter REET Fund	122,074	28,400	0	0	42,002	108,472
2nd Quarter REET Fund	38,998	28,000	0	0	32,118	34,880
Wastewater Fund	1,490,430	4,239,941	0	4,265,337	0	1,465,034
Water Fund	2,767,087	2,611,095	0	2,118,950	0	3,259,232
Storms & Surface Water Fund	366,447	442,174	0	415,695	0	392,926
Garbage Fund	5,747	7,583	0	12,538	0	792
Firemen's Pension Fund	217,172	149,600	0	142,253	0	224,519
City Agency Fund	349,003	0	0	0	0	349,003
<b>TOTALS</b>	<b>6,736,369</b>	<b>16,904,885</b>	<b>2,118,827</b>	<b>16,597,470</b>	<b>2,118,827</b>	<b>7,043,784</b>

**ORDINANCE NO. 920-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2013, BY INCREASING THE APPROPRIATIONS OF THE GAMBLING ENFORCEMENT FUND IN THE SUM OF ONE THOUSAND ONE HUNDRED AND FORTY-FOUR DOLLARS (\$1,144); THE 2011 G.O. BOND FUND IN THE SUM OF ONE DOLLAR (\$1); THE STORM AND SURFACE WATER FUND IN THE SUM OF SIXTY-NINE THOUSAND EIGHT HUNDRED AND TWENTY DOLLARS (\$69,820); DECREASING THE APPROPRIATIONS OF THE GENERAL FUND IN THE SUM OF SEVENTEEN THOUSAND SEVEN HUNDRED AND TWELVE DOLLARS (\$17,712); THE WASTEWATER FUND IN THE SUM OF TWO HUNDRED EIGHTY-THREE THOUSAND SEVEN HUNDRED AND NINETY-NINE DOLLARS (\$283,799); THE WATER FUND IN THE SUM OF FOUR HUNDRED FIFTY-SIX THOUSAND FIVE HUNDRED AND TWENTY-ONE DOLLARS (\$456,521); AND DIRECTING THE FINANCE MANAGER TO EFFECT THE BUDGET AMENDMENT HEREIN PROVIDED.**

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

**Section 1.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$35,000; decrease expenditures by \$17,712. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to decrease the appropriations of the General Fund in the sum of seventeen thousand seven hundred and twelve dollars (\$17,712).

**Section 2.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the Gambling Enforcement Fund's beginning fund balance by \$1,125; revenues by \$19; and expenditures by \$1,144. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the Gambling Enforcement Fund in the sum of one thousand one hundred and forty-four dollars (\$1,144).

**Section 3.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the 2011 G.O. Bond Fund's revenues by \$1; and increase expenditures by \$1. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the 2011 G.O. Bond Fund in the sum of one dollar (\$1).

**Section 4.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's revenues by \$35,000; and decrease

expenditures by \$283,799. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to decrease the appropriations of the Wastewater Fund in the sum of two hundred eighty-three thousand seven hundred and ninety-nine dollars (\$283,799).

**Section 5.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to decrease the Water Fund’s expenditures by \$456,521. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to decrease the appropriations of the Water Fund in the sum of four hundred fifty-six thousand five hundred and twenty-one dollars (\$456,521).

**Section 6.** The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the Storm and Surface Water Fund’s expenditures by \$69,820. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the Storm and Surface Water Fund in the sum of sixty-nine thousand eight hundred and twenty dollars (\$69,820).

**Section 7.** Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for 2013 for the budget, as amended by Ordinance No. 913-B, as well as the budget as amended by Ordinance No. 920-B. Exhibit A, as amended, shows a total estimated ending fund balance of \$7,043,784.

**PASSED** by the city council of the City of Chehalis, Washington, and **APPROVED** on its first reading by its mayor, at a regularly scheduled open public meeting thereof this 9th day of December, 2013.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney

City of Chehalis  
 2013 Budget Amendment No. 4 - Ordinance 920-B  
 Second Reading  
 12/3/13

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
<b>Fund 001 - General Fund</b>					
001.313.011.00	Sales and Use Taxes	Increased Sales	70,000		Added for second reading
001.316.043.00	Gas Tax	Overbudgeted	(35,000)		Added for second reading
001.H1.521.021.12.00	Overtime	P.D. Gambling Enforcement OT		5,791	Added for second reading
001.H1.521.021.21.00	Overtime	P.D. Gambling Enforcement OT		753	Added for second reading
001.G1.514.090.51.00	Intergovtl. Prof. Svcs.	Non-Deptl. Voter Registration		672	Added for second reading
001.I1.522.050.48.00	Repair & Maintenance	Fig. Delay in Bay Floor Repairs		(24,928)	
			35,000	(17,712)	52,712 General Fund 001
<b>Fund 198 - Gambling Enforcement Fund</b>					
198.361.011.00	Interest Income	Final Fund True-Up	19		
198.H1.521.021.11.00	Salaries & Wages	Final Fund True-Up		817	
198.H1.521.021.21.00	Benefits	Final Fund True-Up		327	
			19	1,144	(1,125) Gambling Fund 198
<b>Fund 200 2011 G.O. Bond Fund</b>					
200.361.011.00	Interest Income	Rounding Issue	1		Added for second reading
200.OC.592.035.89.00	Interest & Other Debt Svc.	Rounding Issue		1	Added for second reading
			1	1	0 2011 G.O. Bond Fund 200
<b>Fund 404 - Wastewater Fund</b>					
404.11.535.099.1A.00	Wage Offsets	Utility Billing Cost Reallocation		(49,196)	
404.11.535.099.2A.00	Benefit Offsets	Utility Billing Cost Reallocation		(27,604)	
404.11.535.099.3A.00	Supplies Offsets	Utility Billing Cost Reallocation		(8,280)	
404.11.535.099.4A.00	Services Offsets	Utility Billing Cost Reallocation		(25,294)	
404.11.535.010.41.00	Professional Svcs.	Overbudgeted		(35,000)	
404.11.535.050.11.06	Salaries & Wages	Vehicle Mechanics		(7,100)	
404.11.535.050.21.06	Benefits	Vehicle Mechanics		(3,325)	
404.11.594.035.41.00	Professional Svcs.	I&I Design Project Deferred		(150,000)	
404.337.009.50	Interfocal Agreement Revs.	Airport Pump Station Upgrade	35,000		
404.11.594.035.62.00	Building and Structures	Airport Pump Station Upgrade		30,000	
404.16.535.080.31.00	Professional Svcs.	Lime and Odor Control Chemicals		15,000	
404.16.535.080.41.00	Professional Svcs.	Overbudgeted		(17,000)	
404.18.535.080.41.00	Professional Svcs.	Overbudgeted		(6,000)	
			35,000	(283,799)	318,799 Wastewater Fund 404

City of Chehalis  
 2013 Budget Amendment No. 4 - Ordinance 920-B  
 Second Reading  
 12/3/13

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
<b>Fund 405 - Water Fund</b>					
405.10.534.071.1C.00	Wage Contra Exps.	Utility Billing Cost Reallocation		34,872	
405.10.534.071.2C.00	Benefit Contra Exps.	Utility Billing Cost Reallocation		16,697	
405.10.534.071.3C.00	Supplies Contra Exps.	Utility Billing Cost Reallocation		3,672	
405.10.534.071.4C.00	Services Contra Exps.	Utility Billing Cost Reallocation		13,663	
405.10.534.050.11.06	Salaries & Wages	Vehicle Mechanics		(7,100)	
405.10.534.050.21.06	Benefits	Vehicle Mechanics		(3,325)	
405.10.594.034.41.00	Professional Svcs.	Deferred Capital Expenditures		(75,000)	
405.10.594.034.65.00	Construction Projects	Deferred Capital Expenditures		(440,000)	
			0	(456,521)	456,521 Water Fund 405
<b>Fund 406 - Storm and Surface Water Fund</b>					
406.06.531.099.1A.00	Wage Offsets	Utility Billing Cost Reallocation		14,324	
406.06.531.099.2A.00	Benefit Offsets	Utility Billing Cost Reallocation		10,907	
406.06.531.099.3A.00	Supplies Offsets	Utility Billing Cost Reallocation		4,608	
406.06.531.099.4A.00	Services Offsets	Utility Billing Cost Reallocation		11,631	
406.06.531.035.11.06	Salaries & Wages	Vehicle Mechanics		14,200	
406.06.531.035.21.06	Benefits	Vehicle Mechanics		6,650	
406.06.531.038.31.01	Supplies	In-house Street Sweeper Repairs		7,500	
			0	69,820	(69,820) Storm Fund 406
			70,020	(687,067)	757,087 City-wide

**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** November 25, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Dennis Osborn, Community Development Director  
**SUBJECT:** Ordinance No. 921-B – Amending Chehalis Municipal Code for Right-of-Way Signage

**ISSUE**

Council directed the administration to look at options for signage in the Louisiana Avenue roundabout.

**DISCUSSION**

At the November 12, 2013 Council meeting, the administration was directed to move forward with an ordinance to address this issue. Attached you will find proposed Ordinance No. 921-B. The ordinance allows for signage in the roundabout via an agreement with the city for compensation. The ordinance also clarifies short-term small signage use in the right-of-way.

The administration presents this ordinance that addresses the concerns raised by Council.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that council pass Ordinance No. 921-B on first reading.

**SUGGESTED MOTION**

I move that the council pass Ordinance No. 921-B on first reading, as presented.

Reviewed:  \_\_\_\_\_, City Manager

**ORDINANCE NO. 921-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, CREATING A NEW SECTION 17.86.095 OF THE CHEHALIS MUNICIPAL CODE; AMENDING SECTION 12.56.060 (C)(3) OF THE CHEHALIS MUNICIPAL CODE; AND AMENDING SECTION 12.56.060 (B)(3) OF THE CHEHALIS MUNICIPAL CODE; AND ESTABLISHING AN EFFECTIVE DATE HEREOF.**

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

**Section 1.** The Chehalis Municipal Code shall be amended to create a new Section 17.86.095 entitled "Off Premises Advertising Signs Louisiana Avenue Roundabout".

The city will authorize one free standing sign in the Louisiana Avenue Roundabout adjacent to parcel number 021612-011-001. Approval of the commercial sign must be done by way of an annual License Agreement stating the sign will be allowed for reasonable compensation to the city as determined by the council. The language of the Agreement shall be drafted by the city attorney and approved by the council. At a minimum, the Agreement shall contain the following language:

"In no case shall any sign which constitutes a traffic hazard or detriment to traffic safety by reason of its size, location, movement, coloring, method of illumination, by obstructing the vision of drivers, or detracting from the visibility of any official traffic control device by diverting or tending to divert the attention of drivers of moving vehicles from traffic movement on streets, roads, intersections, or access facilities. No sign shall be erected so that it obstructs the vision of pedestrians by glare or method of illumination or constitutes a hazard to traffic. No sign may use words, phrases, symbols or characters in such a manner as to interfere with, mislead, or confuse traffic. No vehicles shall be placed in the roundabout or be allowed to function as signage."

**Section 2.** Section 12.56.060 (C)(3) of the Chehalis Municipal Code shall be amended to read as follows:

**12.56.060 (C)(3)**

3. Long-term and permanent uses include but are not limited to: construction site/haul roads, waste containers, seasonal sidewalk cafes, utility facilities, and special and unique structures, such as fountains, clocks, flag poles, awnings, marquees, banners, street furniture, and decorations.

**Section 3.** Section 12.56.060 (B)(3) of the Chehalis Municipal Code shall be amended to read as follows:

**12.56.060(B)(3)**

The short-term and temporary uses include, but are not limited to: festivals, displays, parades, dances, concerts, and public or private gatherings, community event signs (such as sandwich boards or free standing signs) and shall not exceed 12 square feet per side.

**PASSED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk


Approved as to form and for content:

\_\_\_\_\_  
City Attorney



## CITY OF CHEHALIS

### AGENDA REPORT

**TO:** The Honorable Mayor and City Council  
**FROM:** Merlin G. MacReynold, City Manager   
Jim Walkowski, Fire Chief  
**DATE:** December 4, 2013  
**SUBJECT:** Fire Department Functional Consolidation Interlocal Agreement

#### ISSUE

For the past 29 months, the City of Chehalis and the Riverside Fire Authority have been active participants in a Regional Fire Authority Planning Committee (RFAPC) process in accordance with RCW 52.26.030(2). For the past twelve months, the entities have been researching and developing the necessary elements to determine the feasibility of engaging in a functional consolidation.

#### DISCUSSION

A functional consolidation is when the two entities continue to exist separately, but would combine all administrative and operational functions into a single common resource. This strategy requires alignment of standard operating guidelines, policies, procedures and certain operational aspects to make the consolidated function perform properly. Currently, a portion of this has already been achieved by the two entities participating in the Fire Services Administration/Management and Fire Code Management Agreement. A structure of shared decision-making is typically created as they relate to the consolidated function(s). The advantages of this strategy are greater opportunities for efficiency; an opportunity to reinvest redundant resources into a single section or division in those areas lacking in resources and a closer working relationship between members of the two entities in the consolidated function(s) that can transition over to other unrelated activities.

Implementation of this strategy provides greater opportunities for efficiency, increased depth of service, and a closer working relationship between members of the two entities. Barriers can be broken down as members train together, use identical apparatus and equipment, and improve response efficiencies to the communities served. When members of the two entities interact with each other on a daily basis, not just during emergencies, or at the policy level, the differences appear smaller and stronger relationships begin forming.

At the November 20, 2013 RFAPC meeting, the Committee approved the draft Functional Consolidation Interlocal Agreement (ILA) and recommended to forward the ILA to the City of Chehalis Council and Riverside Fire Authority Board of Fire Commissioners for consideration. If approved, the ILA and its administrative and operational components would be implemented incrementally during 2014 when appropriate.

#### RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council authorize the city manager to execute the proposed Interlocal Agreement between the City and the Riverside Fire Authority for provision of functional consolidation of fire suppression, emergency medical services, rescue, and prevention services.

#### SUGGESTED MOTION

I move that the council authorize the city manager to execute the Interlocal Agreement between the City and Riverside Fire Authority for the provision of functional consolidation of fire suppression, emergency medical services, rescue, and prevention services.

# **INTERLOCAL AGREEMENT**

## **CONSOLIDATION OF OPERATIONS**

**THIS INTERLOCAL AGREEMENT** ("Agreement") is entered into by and between the **RIVERSIDE FIRE AUTHORITY**, a Washington municipal corporation (the "Authority") and the **CITY OF CHEHALIS**, a Washington municipal corporation, (the "City").

WHEREAS, the City of Chehalis and the Riverside Fire Authority want to improve the efficiency and effectiveness of their fire suppression, rescue, and emergency medical services response through a regional delivery system; and,

WHEREAS, the City of Chehalis and the Riverside Fire Authority desire to functionally consolidate the operations of their fire departments within a time frame provided herein; and,

WHEREAS, the City of Chehalis and the Riverside Fire Authority agree that an incremental approach to a potential annexation of the City of Chehalis into the Riverside Fire Authority via a functional consolidation will provide for the best chance of success and offer the parties an appropriate opportunity to assess the process; and,

WHEREAS, the City of Chehalis and the Riverside Fire Authority desire an opportunity to determine whether an annexation of the City Fire Department into the Riverside Fire Authority would benefit both parties and their stakeholders; and

WHEREAS, the City of Chehalis and the Riverside Fire Authority have determined that the entities may, from time to time, enter into supplemental agreements with each other for the purpose of establishing partnerships such as for example, fire administration and fire code management services for the City of Chehalis; and

WHEREAS, the parties believe that this consolidated operation should be managed by a Joint Governance Board consisting of equal representation of Fire Commissioners from the Riverside Fire Authority and City Councilors from the City of Chehalis; and

WHEREAS, the City of Chehalis and the Riverside Fire Authority are authorized, pursuant to Chapter 39.34 of the Revised Code of Washington, to enter into an interlocal cooperation agreement which allows the City of Chehalis and the Riverside Fire Authority to cooperate with each other to provide high quality services to the public in the most efficient manner possible.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City of Chehalis and the Riverside Fire Authority hereto agree as follows:

## **Section 1. Definitions**

**1.1 Definitions.** The following definitions shall apply throughout this Agreement.

1. City: This term connotes the municipality of Chehalis.
2. City Personnel: Employees or members of the City of Chehalis working within the Chehalis Fire Department.
3. City Fire Department: City of Chehalis Fire Department.
4. Authority: The Riverside Fire Authority
5. Authority Personnel: Employees or members of the Riverside Fire Authority working within the Riverside Fire Authority.
6. Fire Chief: The Fire Chief of the Riverside Fire Authority, who shall also serve pursuant to this agreement as the Fire Chief of the City of Chehalis.

## **Section 2. Services Provided**

**2.1 Services provided by the Authority.** The entities agree to direct and manage the provision of fire suppression, emergency medical services, rescue, and prevention services to a service area covering the corporate limits of the City of Chehalis and the current area(s) served by the Riverside Fire Authority.

**2.1.1** The consolidated department shall provide those services necessary to direct, control and support fire department operations including, but not limited to, fire suppression, fire protection and prevention, hazardous material response, rescue response, basic life support emergency medical services, and advanced life support emergency medical services.

**2.1.2** The Fire Chief shall provide those services that are reasonably necessary to assist the City with administrative functions for the City Fire Department, including budget development, financial management, personnel management, and collective bargaining.

**2.1.3** The Fire Chief, while remaining an employee of the Authority, shall be designated the City's Fire Chief and Fire Marshal for purposes of all Washington State and federal statutes and administrative regulations.

**2.1.4** The parties will continue to operate within the guidelines and deliverables via the Inter-local Agreement to provide fire code inspections and enforcement services.

**2.1.5** The level of service regarding fire prevention, fire suppression, emergency medical, technical rescue and hazardous materials incident response shall be provided at the same level to each of the parties under the terms of this agreement. In the event of simultaneous emergencies within the City and Authority whereby the resources of the joint operation are taxed beyond its ability to render equal protection, the Fire Chief or the Fire Chief's designee shall determine how to allocate the resources of the joint operation.

**2.1.6** The City and the Authority shall be responsible for separately providing accounting, payroll and human resources support.

**2.2 Services provided jointly.** It is the intent of the parties to jointly provide fire suppression, rescue and emergency medical services through the integration of current separate operations. In so doing, the City and the Authority recognize that existing interlocal agreements, to which both are parties, along with other local governments, shall provide for these joint operations, along with the provisions of this Agreement.

### **Section 3. Employment**

**3.1 Employment.** During the term of this Agreement, City Personnel shall be and remain employees of the City and shall be afforded the rights and benefits, and shall be subject to the obligations of, the City's personnel policies, civil service rules, and collective bargaining agreement.

During the term of this Agreement, Authority Personnel shall be and remain employees of the Authority and shall be afforded the rights and benefits, and shall be subject to Authority personnel policies, standard operating guidelines, and collective bargaining agreement. The job status and compensation of Authority Personnel will be preserved during the term of this Agreement.

**3.2 Fire Chief Position Cost Sharing.** During the term of this agreement, the Authority and the City will share the salary and associated benefits for the Fire Chief position equally (50%) by each party. Any subsequent modifications to salary and benefits will be shared equally.

**3.3 Supervision and Assignment.** City and Authority personnel shall be supervised and be under the direction and control of the Fire Chief in the performance of their duties. The Fire Chief shall deploy all personnel in a manner that meets the service requirements of the City and the Authority. The Fire Chief shall determine shift and station assignments, operating procedures, and training requirements.

**3.4 Hiring of Personnel.** The Fire Chief will assist and may be directed to be responsible for facilitating a hiring process for City and/or Authority Personnel and to make recommendations to the City Manager or the Board of Fire Commissioners during the term of this Agreement subject to the City's civil service rules or Authority Policy; provided, however, that all costs of hiring and testing of City Personnel shall be borne by the entity responsible for the hiring process.

**3.4 Indemnification Regarding City Personnel Claims.** The City and the Authority shall indemnify, defend and hold one another harmless from any and all demands, claims or actions by personnel, which arise out of, or relate to, events that occurred prior to the effective date of this Agreement.

**3.5 Volunteer Firefighters.** It is agreed upon that the Authority volunteer firefighter programs will be utilized by both entities. Furthermore, the use of volunteers and opportunities for them to serve may be enhanced, especially in Chehalis, as no active, formal volunteer program currently exists.

## **Section 4. Management of Joint Operations.**

**4.1 Board Composition.** A six person Joint Oversight Board, hereinafter referred to as the "Joint Board," is established. Authority Board of Commissioners shall fill three positions. Three members of the City Council shall be appointed by the City of Chehalis to fill the remaining three positions

**4.2 Responsibility.** The Joint Board shall be responsible for reviewing administrative, operations and levels of service issues, recommending policy and procedures to the Fire Chief specific to the functional consolidation. The Joint Board shall review recommendations pertaining to joint operations or administration, originating from the Authority Commissioners or city officials, if needed. The Joint Board shall not have the authority to modify or revise the terms of this Agreement, nor shall the Board have authority to incur liabilities or obligations on behalf of any party to this agreement.

**4.3. Meetings, Actions, and Quorum of the Joint Board.** All meetings of the Joint Board shall be held in accordance with the Open Public Meetings Act, RCW 42.30. The Board shall meet not less than once a month as determined by resolution. The Joint Board shall determine the frequency and duration of the regular meetings. A quorum shall consist of two representatives from each agency. Actions of the Joint Board shall require the affirmative vote of a majority of the quorum. The Business Administrator of the Authority shall act as secretary for the Joint Board and shall take minutes of the Board meetings.

**4.4 Oversight.** The Authority and the City shall consult each other at regular intervals with respect to the provision of Services under the terms and conditions of this Agreement. The elected officials of the Authority and the City shall meet at least annually to review this agreement and discuss any necessary amendments to this Agreement.

**4.5 Reporting.** The Fire Chief shall report to the City Manager with respect to operations and administration that involve the City. The City Manager and Fire Chief will develop regular reporting procedures. The Fire Chief or designee will provide periodic reports and attend staff, council and other meetings as requested by the City Manager.

**4.6 Personnel Action.** In the event the Fire Chief intends to take a personnel action, respond to a grievance, or obligate City funds for a purpose not anticipated in the City Fire Department's budget, the City Manager's written approval must be received prior to taking such action.

**4.7 Representation.** The Authority shall represent the City on intergovernmental boards or on matters involving the City, as requested by the City Manager. The City reserves the right to represent itself in any matter in which the interests of the City and the Authority are not mutual.

## **Section 5. Finances**

**5.1 Entity Finances.** Each entity shall remain responsible for the financial operation of its own fire agency. Neither entity will have any obligation to the other to pay for any additional expenses; provided however, to the extent legal, professional, or consulting services are required

for the operational consolidation and/or annexation process, those costs will be shared equally between the entities.

**5.2 Property Ownership.** All property currently owned and all property acquired by either entity after the commencement of this Agreement, for the purpose of enabling it to perform the services required under this Agreement, shall be available for use by the consolidated fire department, but shall remain the property of the acquiring party in the event of termination of this Agreement.

**5.3 Regulatory Mandates.** The City and the Authority are responsible for all costs and/or expenses for implementation of federal, state or local mandatory regulations. Unless otherwise agreed, and wherever practical, the entities shall determine if alternative methods of implementing the mandated requirements are possible.

**5.4 Operating Expenses.** The City and the Authority shall each be solely responsible to pay any and all expenses associated with their owned facilities, equipment, and the operations of said facilities and equipment.

**Section 6. Use of Equipment:** It is mutually understood and agreed that the EMS, fire fighting vehicles and equipment owned by either the City or the Authority will be used both within the City and the Authority in the joint effort to provide service to the entire community, regardless of owner.

#### **Section 7. Assessment of Full Functional Consolidation**

**7.1 Assessment.** It is the intent of the parties to assess the effectiveness of this Agreement to determine the viability of annexation of the City into the Authority. The parties agree that both the City and the Authority must benefit from full functional consolidation or annexation is not worth pursuing. The viability of full functional consolidation will be measured by value-added service delivery, community acceptance, cost, and efficiency.

#### **Section 8. City and Authority Are Independent Municipal Governments**

**8.1 City and Authority are Independent Municipal Governments.** The parties hereto are independent governments. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each party. Specifically and without limiting the foregoing, the Authority acting by and through the Joint Board and the Fire Chief shall have the sole discretion and the obligation to determine the exact method by which the Services are provided within the geographical boundaries of the Authority and the City.

#### **Section 9. Insurance**

**9.1 Insurance.** For the duration of this Agreement, each Party shall maintain insurance as follows:

- a. Each party shall maintain its own insurance coverage for damage to its own fire stations, real and personal property and equipment.
- b. The City and the Authority shall maintain insurance coverage for liability for accidents occurring on City- or Authority-owned property. Such insurance shall be in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than \$5,000.
- c. The City and the Authority shall maintain insurance coverage for bodily injury and property damage arising out of ownership or use of City or Authority vehicles in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than \$5,00. The Authority shall name the City as an additional insured and the City shall provide the Authority with an Evidence of Coverage Letter addressed to the Authority. The City and the Authority shall maintain insurance coverage for liability arising out of work or operations performed by either entity and their respective employees in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than \$5,000. The Authority shall name the City as an additional insured and the City shall provide the Authority with an Evidence of Coverage Letter addressed to the Authority. The City and the Authority shall maintain insurance for claims commenced by City or Authority Personnel, including but not limited to injuries, discrimination, and other work related claims. Such insurance shall be in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than \$5,000.
- d. The City and the Authority shall maintain insurance for claims commenced by each entity's employees, including but not limited to injuries, discrimination, and other work related claims. Such insurance shall be in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than \$5,000.
- e. The City and the Authority will further maintain its current excess/umbrella coverage in an amount not less than five million dollars (\$5,000,000).
- f. **9.2 Hold Harmless Regarding Employment Claims.** Each party agrees to hold harmless the other Party, its officers, officials, employees and volunteers from any and all claims, lawsuits, costs, including reasonable attorneys' and expert witness fees, losses and judgments arising out of personnel or employment claims and/or related lawsuits brought by such party's employees which arise out of, or relate to, events that occurred after the effective date of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

**9.3 Cross Release.** Except as specifically provided in this Agreement, the Authority and the City do hereby forever release each other from any claims, demands, damages or causes of action related to damage to equipment or property owned by the parties. It is the intent of the parties to cover this risk with the insurance noted above.

**9.4 Indemnification.** Except as to claims and lawsuits described within, claims arising as a result of the breach of this Agreement, and claims arising as a result of events beyond the control of the City or the Authority of a force majeure nature, which shall include, without limitation, acts of God, strikes, lockouts, acts of public enemies, order or restraints of the United States of America, the State of Washington, or their respective departments, agencies or officials, insurrections, riots, volcanic eruptions, earthquakes, storms, droughts, floods, explosions or acts

or occurrences of a similar nature that is beyond the control of the Authority, the Authority shall hold harmless, indemnify and defend its officers, officials, employees and volunteers from any and all legal claims, lawsuits, cost of defense and litigation including reasonable attorney fees and expert witness fees, losses and judgments arising out of any claims, liability events or occurrences related to the performance or failure to perform the fire defense services and/or emergency medical response services contemplated by the parties in this agreement if such liability occurrence, event or omission occurs after the effective date of this agreement. The hold harmless, indemnification and defense obligations and provisions of this section of the agreement shall survive the expiration or termination of this agreement as to any liability event, occurrence or omission which occurred in whole or in part during the period of time this agreement was in force.

**Section 10. Miscellaneous**

**10.1 Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If the parties are unable to settle any dispute, difference, or claim arising from the parties' performance of this Agreement, the parties agree to participate in a formal mediation process prior to pursuing any legal action. In the event that the dispute is not resolved through a formal mediation process, resolving that dispute, difference, or claim shall be by filing suit exclusively under the venue, rules, and jurisdiction of the Lewis County Superior Court, Washington, unless the parties agree in writing to an alternative dispute resolution process. In any claim or lawsuit arising from the parties' performance of this Agreement, each party shall pay all its own legal costs and attorneys' fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the parties' right to indemnification under this Agreement.

**10.2 Notices.** All notices, demands, requests, consents and approvals which may, or are required to be, given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

Riverside Fire Authority:

Attention: Fire Chief  
1818 Harrison Avenue  
Centralia, WA 98531

The City of Chehalis:

City of Chehalis Attention: City Manager  
350 N. Market Boulevard, Room 101  
Chehalis, WA 98532



or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

**10.3 No Benefit to Third Parties.** This Agreement shall not be construed to provide any benefits to any third parties. Specifically and without limiting the foregoing, this Agreement shall not create or be construed as creating an exception to the Public Duty Doctrine.

**10.4 Drafting.** Each party has fully participated in the drafting of this Agreement. Therefore, the Agreement shall be construed according to its fair meaning without regard to which party drafted a particular provision.

**Section 11. Term of the Agreement**

**11.1 Term.** This Agreement shall be effective on January 1, 2014 and shall continue in effect until December 31, 2015, unless terminated earlier as provided herein or extended by mutual agreement of the parties.

**11.2 Termination.** This Agreement may be terminated by either party with six months written notification.

Dated this \_\_\_\_\_ day of December, 2013.

**RIVERSIDE FIRE AUTHORITY**

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

Attest:

\_\_\_\_\_  
Authority Secretary

**CITY of CHEHALIS**

By:

\_\_\_\_\_  
City Manager

Attest:

\_\_\_\_\_  
City Clerk