

April 14, 2014

The Chehalis city council met in regular session on Monday, April 14, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Councilor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Erin Hillier, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the media included Kyle Spurr and Dameon Pesanti from *The Chronicle*.

1. **Citizen Business**

a. **Private Water System Billing Issue**. Norm Goodbla (122 Armstrong Road) reported the residences on Armstrong Road have a small private water system that is supplied by the city. He noted up until about two years ago they received regular bills from the city for their water use. In February 2012, things changed when the city couldn't find a copy of the agreement that was made between the original water system owner and the city. Mr. Goodbla noted the city decided that it would be easier to just read the check meter at the intersection of Logan Hill and Jackson Highway and divide the bill among the seven residences. He stated they didn't really like that approach, but didn't know what they could do about it.

Mr. Goodbla indicated they all have their own city meters that were granted to them back in the 1950s. He stated the residents didn't receive a letter from the city until February 15, 2012, which was after the changes had been made.

Mr. Goodbla reported, more recently, one of the customers on the system hasn't paid their bill and the city is sending threatening letters to everyone stating if it doesn't get paid the water will be shut off to all of the residences on that system.

Mr. Goodbla stated their main concern right now is the threat to shut their water off on April 24 if payment is not received. He reported he didn't see anything in the city code that gave the public works department the authority to do something like that. Mr. Goodbla requested that the threatening letters stop until the situation can be resolved.

After some discussion, Mayor Dawes directed City Manager MacReynold to meet with staff and the residents to work on a solution, and to report back. In the meantime the water was to be left on.

b. **Retroactive Water Assessments on Condemned Properties**. Julie Japhet (6245 Murray Court NW, Olympia) provided the council with some background information and a before and after photo of one of the two properties they own that took part in the home elevation program.

Ms. Japhet reported, in the spring of 2010, A Plus Properties LLC bought two condemned flood damaged properties located on NW Prindle Street, and SW Riverside Drive. She stated they were at the end of the line on the Federal Emergency Management Administration (FEMA) home elevation projects and no rehabilitation activity on the properties could begin until late 2013 when the properties were lifted by the FEMA contractor. Ms. Japhet reported, after multiple communications with city staff, it was determined that they had until the end of May to complete the two projects because of the FEMA deadline.

Ms. Japhet reported they received an assessment from the city to hookup their water at both locations, which was over \$8,600 as of the end of March. She noted the \$700 hookup fee and back assessment for the storm runoff seemed reasonable; however, having to pay assessments for a time when they didn't own one of the properties, and having to pay the current year rates and not the rates that were in place at the time is amounting to thousands of dollars for utilities they couldn't legally have access to.

Ms. Japhet reported Erin Hillier, Chehalis FEMA Hazard Mitigation Grant Program Administrator, suggested they come to the city council since they are the only ones who can make an adjustment to the bill.

Mayor Dawes asked, "If a person wanted to do work and simply have the water turned off and turned back on months later, would they be assessed a turn off and turn on fee, or would a hookup fee apply as well?" Public Works Director Rick Sahlin reported, if the water was shut off in June and turned back on in August, there would be base charges assessed against the account until the water was turned back on. He noted the ordinance states that in order to keep an account active they have

April 14, 2014

to be charged a base rate; however, once an account has been inactive for four months the meter is subject to be pulled. Mr. Sahlin reported the way the connection fees are reinstated is to charge the lesser of what it would cost for a new water/sewer connection versus what the back base charges would be. Ms. Hillier indicated that process was consistent with state statute.

Councilor Taylor thought when property is sold any assessments attached to the property would have to be paid prior to closing through a title company. Ms. Hillier stated that was correct.

Councilor Spahr noted liens don't show up on title reports.

Ms. Japhet reported they purchased the homes through a private owner.

Ms. Hillier reported, as part of the FEMA program, you have to end up with a "Certificate of Occupancy" at the end of the project, and to have occupancy you have to have utility services. She noted the city's code doesn't give any latitude to waive the fees, and it states the fees are to be charged at the current rate.

Councilor Taylor reported the issue of base charges has come up before when people wanted to have their water shut off while living out of state during certain times of the year. He stated the decision of the council at that time was everyone has to pay base charges, no matter what.

Ms. Hillier reported this particular FEMA grant is a voluntary program, adding they originally had 25 homes that qualified to take part in the elevation program and only 16 opted to participate. She noted they've only had one other home that's had to reconnect to water as part of the program and they paid all of the fees.

Councilor Spahr inquired as to how far back the accounts were being charged. Mr. Sahlin reported the fees go back to when the meters were pulled and the services were disconnected.

Councilor Pope felt it was important to have the properties rehabilitated. He suggested it was punitive for people who couldn't work on their homes because they were waiting on FEMA guidelines.

Councilor Spahr stated if they give leeway here, then they're going to have to nudge all kinds of directions. He suggested they needed more information before they can make a decision.

Councilor Harris stated it seemed to him that the liability should be with the previous owners up until the time they were purchased, and suggested it could be a civil situation. He too thought it would open up a can of worms that they don't want to get into until they find out what's happening.

City Manager MacReynold stated there are obviously lots of questions and he would like to take some time to meet with the property owners and staff, and would report back to the council.

Mayor Dawes stated he was concerned about going back to a point in time when the Japhet's didn't own the property. He asked that that issue be added to the mix as part of the discussion.

City Manager MacReynold reported the city has always sought to get payments covered when someone moves out, which in most cases ends up falling on the new owners. He stated this has been a long-standing process of the city.

Councilor Taylor asked if there is a way to file liens differently, so they show up when someone moves out. City Manager MacReynold reported part of the problem is that title companies and banks don't always know what prior bills are attached to the property. He noted the city recently started taking a different approach and are informing people about all prior bills when they call to inquire about a piece of property.

2. **Presentation of Proclamation.** Mayor Dawes presented Human Response Network Executive Director Tara Leno with a proclamation declaring the month of April as "Sexual Assault Awareness Month" in the city of Chehalis.

April 14, 2014

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

a. Minutes of the regular meeting of March 24, 2014;

b. Claim Vouchers No. 108780-108924 in the amount of \$183,522.24 dated March 31, 2014; and Payroll Vouchers No. 37226-37284, Direct Deposit Payroll Vouchers No. 4840-4922, and Electronic Federal Tax Payment No. 134 in the amount of \$683,843.75 dated March 31, 2014; and

c. Authorize the city manager to execute two loan agreements with the Drinking Water State Revolving Fund, the first in the amount of \$909,000 for the design and construction of a second redundant flocculation and pre-sedimentation train at the water filter plant, and the second in the amount of \$555,500 for the design and construction of a new high level reservoir located in McFadden Park.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **City Manager Annual Evaluation.** City Manager MacReynold reported his annual evaluation was coming up in May and the city clerk would be distributing the evaluation forms to the council on April 17. He asked that the forms be filled out and returned to the city clerk by May 1.

5. **Council Reports.**

a. **Update From Councilor Lund.** Councilor Lund reported the Lewis County Historical Museum is starting to receive funds from people in the community and there's been some discussion by the Board on what they want to do with the money.

Councilor Lund reported the museum was told by an auditor that they couldn't put the money in an endowment fund because it isn't considered to be endowment funds. He stated there are some who want to be able to get to the money if the museum were to get into trouble again. Councilor Lund stated he had concerns and referred to what happened in the past, noting even though the money was put where they couldn't get to it, it happened anyway. He stated he was in support of setting up a real endowment fund where they can't get to the money, and all they can use is the interest off of the fund.

Councilor Harris suggested the Board go back to their by-laws to find out what the 501c3 allows them to do. He noted the by-law should state that it takes multiple people to approve before anyone is allowed to remove any of the money. Councilor Lund stated that's the problem they had before, adding who wants to donate to something when they know the money is going to disappear.

Mayor Dawes stated his response when asked about it was pretty much the same, adding it could only be done in a meeting and with a super-majority vote. He stated he certainly understood Councilor Lund's concern, noting he wouldn't want to see the situation repeated.

Councilor Taylor asked if something could be set up so people can specify where they want the money to go. Mayor Dawes stated anything you donate can certainly have strings attached to it.

Councilor Lund believed they were going to set up an endowment fund where they can only use the interest and have a small rainy day fund in case something does happens and they need money. He stated if they run it right the community will support it.

b. **Update From Councilor Spahr.** Councilor Spahr reported they have a Regional Fire Authority Joint Oversight Board meeting scheduled for April 23, noting it was going to be very interesting now that Fire Chief Jim Walkowski has resigned his position. Mayor Dawes noted he was contacted by Chief Walkowski regarding some agenda items for discussion.

c. **Councilor Pope.** Councilor Pope reported last weekend the Chehalis Eagles held a fundraiser for Oso, Washington, that raised \$3,000. He noted the event was well attended.

April 14, 2014

d. **Update From Mayor Dawes.** Mayor Dawes reported he recently received some information that the city of Chehalis was rated No. 6 on a list of most livable cities. He stated he didn't know what the criteria was, but was glad to see we made the list. Mayor Dawes also attended a ribbon cutting at the Lewis County Public Utility District to highlight their new bill-pay system.

Mayor Dawes reported they've done a number of Tacoma Rail presentations, noting they've received some very good questions and are seeing a good level of interest. He indicated they were still waiting to do one more presentation for the Lewis County Economic Development Council.

Mayor Dawes reported he had a chance to tour the pool construction site, adding it was very interesting. He noted he was away for one week and the progress they made during that time was just amazing.

Mayor Dawes reported, at the last mayor's meeting, they had a conference call with a gentleman from Congresswoman Jaime Herrera Beutler Office who gave them an update on the FEMA mapping and insurance issues. He reported they've been directed that they are supposed to be working in consort with the municipalities.

Mayor Dawes reported, through the hard work of the city's Wellness Committee led by Municipal Court Administrator Becky Fox, the city received the "Well City" status, which means the city will get a two percent reduction on health insurance. He noted it may not seem like a big deal, but two percent of health insurance is getting to be a significant amount of money. Mayor Dawes stated Ms. Fox and the Committee need to be congratulated on their work.

Mayor Dawes reported the Regional Fire Authority was moving from one committee over to the Joint Oversight Board, noting with the chief leaving it would certainly throw a wrench into it.

There being no further business to come before the council, the meeting adjourned 5:47 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of April 14, 2014.