

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Anthony E. Ketchum, Sr. Mayor	
Jerry Lord, District 1 Daryl J. Lund, District 2, District 2 Dr. Isaac S. Pope, District 4	Robert J. Spahr, Mayor Pro Tem, Position at Large No. 3 Kelly Wilson, Position at Large No. 2 Kate McDougall, Position at Large No. 1

Regular Meeting of Monday, April 11, 2022 5:00 pm

To access this meeting via Zoom:

Meeting ID: 822 5811 8879

Pass Code: 674890

- | |
|----------------------------------------------------------------------------------------------------------------------------------------------|
| 1. <u>Call to Order.</u> (Mayor Ketchum)
2. <u>Pledge of Allegiance.</u> (Mayor Ketchum)
3. <u>Approval of Agenda.</u> (Mayor Ketchum) |
|----------------------------------------------------------------------------------------------------------------------------------------------|

- | PRESENTATIONS |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. <u>Proclamation, Administrative Professionals Week- April 25-29, 2022.</u> (Mayor Ketchum)
5. <u>Port of Chehalis Update.</u> (Lindsey Senter, CEO) |

CITIZENS BUSINESS (PUBLIC COMMENT)
Individuals wishing to provide public comments in general and on agenda items should submit comments by 4:00 pm on the day of the meeting. All comments received will be acknowledged by the Mayor under Citizens Business of this meeting agenda. Please use the following form to submit comments – https://www.ci.chehalis.wa.us/contact . If you do not have computer access or would prefer to submit a comment verbally, please contact Interim City Clerk Cassie Frazier at 360-345-1042 or at cfrazier@ci.chehalis.wa.us . Public comments will be limited to five (5) minutes.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
6. <u>Minutes of the Regular City Council Meeting of March 28, 2022.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers – Accounts Payable in the Amount of \$387,304.24 Dated March 31, 2022.</u> (City Manager, Finance Director)	APPROVE	3
8. <u>Vouchers and Transfers – Payroll in the Amount of \$929,604.73 Dated March 31, 2022.</u> (City Manager, Finance Director)	APPROVE	5

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
9. <u>Ordinance Number 1028-B, First Reading – Amending the 2022 Budget.</u> (City Manager, Finance Director)	APPROVE	7

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

EXECUTIVE SESSION
12. Pursuant to RCW:
a. 42.30.110(1)(i) – Litigation/Potential Litigation
b. 42.30.110(1)(c) – Sale/Lease of Real Estate

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, APRIL 25, 2022.**

Chehalis City Council

Meeting Minutes

March 28, 2022

The Chehalis City Council met in regular session on Monday, March 28, 2022. Mayor Tony Ketchum called the meeting to order at 5:00 pm with the following members present: Jerry Lord, Kate McDougall, Dr. Isaac Pope, and Kelly Wilson. Councilors Daryl Lund and Bob Spahr, participated via Zoom. Staff present included: Jill Anderson, City Manager; Lance Bunker, Interim Public Works Director; Cassie Frazier, Interim City Clerk; Randy Kaut, Police Chief; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Devlan Pool, Wastewater Manager; and Erin Hillier, City Attorney. News media present included Daniel Warn, Reporter; The Chronicle and Nic Scott via Zoom, KELA.

1. **Approval of Agenda.** Councilor Pope made a motion to approve the agenda. The motion was seconded by Councilor Lord and carried unanimously.

2. **Proclamation, Declaring April Child Abuse Prevention Month.** Mayor Ketchum presented a Proclamation declaring April as Child Abuse Prevention Month. Shelly Willis was present to accept the Proclamation and addressed the Council. Mrs. Willis was appreciative of the Council shining a light on the need for awareness regarding Child Abuse and with the help of the non-profit she works with, Family Education and Support Services, we can get the word out and hopefully end the cycle of child abuse in our community.

3. **Proclamation, Declaring April 11-15th National Student Employment Week.** Mayor Ketchum presented a Proclamation declaring April 11-15th as National Student Employment Week.

4. **Citizen Business.** Ernest Taylor came forward to address the homeless in the City. He shared concern about something he had heard regarding the City seeking advice from Seattle on how to handle homelessness. Mayor Ketchum clarified that the City was not seeking advice, it was a meeting to see how we can work together to find ways of dealing with the issue at hand. Councilor McDougall explained that her goal with setting up the meeting was to see what Seattle has done in the past to address homelessness and focus on the paths that may have worked and learn from the ones that did not. Mr. Taylor acknowledged that it was a relief to hear that and welcomes further dialog in the future. Mayor Ketchum stated that it is beneficial to see the past failures of another city, to see what, where, and how we can improve in those areas soon. Councilor McDougall also recognized that Mayor Harrell is new to the position, and she was interested in seeing how he has been tackling this issue; seeing what has worked and what has not.

5. **Consent Calendar.** Councilor Pope moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular City Council meeting of March 14, 2022; and
- b. 2022 Vouchers and Transfers – March 15, 2022 Claim Vouchers No. 133781-133894 and Electronic Funds Transfer Check Nos. 1888 -1916 and 44 the amount of \$403,740.20; and
- c. Resolution No. 3-2022, Declaring Property to be Surplus.

Councilor Lord seconded the motion. Mayor Ketchum asked Erin Hillier to read the resolution aloud. Motion was carried unanimously.

6. **Awarding Contract for Engineering and Construction Services for the Above-Ground Fuel Storage Project.** Brandon Rakes, Airport Operations Coordinator addressed the Council along with the projects engineer, Geoff Vaughn, to explain the need for a new contract. Mr. Rakes explained that during the first phase of the project in November 2020, that contract only covered the initial engineering design for the project. This contract would cover engineering services during the final phase of the construction. Councilor Spahr asked why this wasn't covered on the first contract. Mr. Rakes passed the question over to Mr. Vaughn who stated that normally in an AIP or FAA project, they don't issue the grants until they have all the numbers. Also, the majority of the services would need to be performed prior to giving an official total to see what the overall cost would end up being. They start with the design scope of work first and then document the services used during construction as the design is being implemented. Councilor Spahr asked how far along the project is currently. Mr. Vaughn stated that he believed it to be about 70% completed.

A motion was made by Councilor Wilson and seconded by Councilor Lord. Motion was carried unanimously.

7. **Chehalis Basin Partnership Funding Request.** City Manager Anderson informed the Council that the City had been approached by members of the Chehalis Basin Partnership (CBP) to help fund the ongoing operations this organization offers. The CBP focuses not only on flooding, but also droughts and how to improve on both issues. Kristen Harma was available to answer any questions regarding the request of \$10,000 from the City of Chehalis. Councilor McDougall asked if the organization was asking for the same amount from other cities and will this be an annual funding request or just for this year. Ms. Harma explained that the Chehalis Tribe provides office space at no charge and Grays Harbor County contributes through administrative support (such as the financial reporting) at no charge. Mayor Ketchum asked if any other city has made a monetary contribution. Ms. Harma stated that Centralia and Aberdeen are the two cities connected to the organization and neither have donated to the CBP to date. The CBP is also seeking permanent funding from the Department of Ecology.

A motion was made by Councilor Wilson and seconded by Councilor Pope. Motion was carried unanimously.

8. **Administration Reports.**

a. **City Manager Update.** City Manager Jill Anderson wanted to let the Council know that Experience Chehalis was hosting a cleanup day on April 23rd in honor of Earth Day. Ms. Anderson stated she would keep the City Council up to date on information as more details become available.

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

a. **Councilor McDougall.** Councilor McDougall mentioned a forum gathering March 31st from 5:00pm-7:00pm at the SWW Fairgrounds regarding a proposed night-by-night shelter facility and invited the community to come to give their input. Ms. McDougall also shared that she set up and met with Mayor Harrell to discuss ideas on how to move forward in handling the homeless and looks forward to connecting with other cities on this matter.

b. **Councilor Pope.** Councilor Pope talked about attending the Park Committee meeting regarding parking by the Shaw Aquatic Center's pool. Councilor Pope explained that there is more information that needs to be worked out, but once it is, they will be presenting it to the Council.

c. **Mayor Ketchum.** Mayor Ketchum informed the Council that he attended a bus tour with the Chehalis Basin Flood, but it was not what he was expecting. The members on the bus informed the Mayor that they were in fact the group that is against the dam. The members asked the Mayor to speak to the group during lunch, nonetheless the Mayor respectfully declined. Mayor Ketchum also acknowledged going to the United Way meeting with Councilor Lord and Jill Anderson on the 16th, discussing homelessness in the community and getting input from the community business owners affected by it. The Mayor also attended the Flood Authority Meeting and the Historic Commission meeting. During the Historic Commission meeting, they discussed including the Westside Park into the historic district to allow it to be eligible for grant funding in the future. Lastly, Mayor Ketchum attended the Westside Park meeting and helped with clean-up of the ball fields at Stan Hedwall Park that were affected by the January and late February flooding.

12. **Executive Session.** Mayor Ketchum announced the City Council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation or Legal Risk, RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, and 42.30.110(1)(b)- Selection of Site or Acquisition of Real Estate not to exceed 6:30 pm and there will be no action taken following conclusion of the executive session. Mayor Ketchum closed the regular meeting at 5:33 pm. and the executive session began at 5:39 pm. Mayor Ketchum adjourned the executive session and reopened the regular meeting at 6:18pm and then immediately adjourned.

Anthony Ketchum, Sr., Mayor

Cassie Frazier, Interim City Clerk

Approved:

Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Clare Roberts, Accounting Tech II

MEETING OF: April 11, 2022

SUBJECT: 2022 Vouchers and Transfers – Accounts Payable in the Amount of
\$387,123.44

ISSUE

City Council approval is requested for 2022 Vouchers and Transfers dated March 31, 2022.

DISCUSSION

The March 31, 2022 Claim Vouchers have been reviewed by a committee of two councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers including Electronic Funds Transfer Checks No. 1917 - 1954 and 45 - 49 and Voucher Checks No. 133895 - 133995 in the amount of \$387,304.24 dated March 31, 2022, and Voided Checks No. 133499 and 133879 for the net total of \$387,123.44 as follows:

- \$ 110,711.06 from the General Fund
- \$ 19,022.50 from the Street Fund
- \$ 22,223.75 from the Transportation Benefit District Fund
- \$ 2,968.78 from the LEOFF 1 OPEB Reserve Fund
- \$ 65,406.16 from the G.O. Bond Fund
- \$ 2,472.60 from the Public Facilities Reserve Fund
- \$ 64,172.47 from the Wastewater Fund
- \$ 34,618.91 from the Water Fund
- \$ 746.87 from the Storm & Surface Water Utility Fund
- \$ 22,327.61 from the Airport fund
- \$ 2,795.00 from the Wastewater Capital Fund
- \$ 406.20 from the Firemen's Pension Fund
- \$ 39,432.33 for the Custodial Other Agency Fund
- \$ 387,304.24 Total for Vouchers for March 1, 2022
- \$ < 180.80 > Voided check for March 25, 2022
- \$ 387,123.44 Net Total Transfers

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 1917 - 1954 and 45 - 49 and Voucher Checks No. 133895 - 133995 in the amount of \$387,304.24 dated March 31, 2022, and Voided Checks No. 133499 and 133879 for the net total of \$387,123.44.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 1917 - 1954 and 45 - 49 and Voucher Checks No. 133895 - 133995 in the amount of \$387,304.24 dated March 31, 2022, and Voided Checks No. 133499 and 133879 for the net total of \$387,123.44

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Deri-Lyn Stack, Payroll Accounting

MEETING OF: April 11, 2022

SUBJECT: Vouchers and Transfers – Payroll in the Amount of \$926,604.73

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated March 31, 2022.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 41951-41974, Direct Deposit Payroll Vouchers No. 14598-14715, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 386-389 dated March 31, 2022 in the amount of \$926,604.73, which include the transfer of:

- \$607,870.11 from the General Fund
- \$25,014.66 from the Street Fund
- \$2.86 from the Arterial Street Fund
- \$5,197.50 from the LEOFF1 OPEB Reserve Fund
- \$8,819.52 from the Federal Advance Grant Control
- \$108,114.22 from the Wastewater Fund
- \$102,253.94 from the Water Fund
- \$29,025.04 from the Storm & Surface Water Utility Fund
- \$40,306.88 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the March 31, 2022 Payroll Vouchers No. 41951-41974, Direct Deposit Payroll Vouchers No. 14598-14715, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 386-389 in the amount of \$926,604.73.

SUGGESTED MOTION

I move that the City Council approve the March 31, 2022 Payroll Vouchers No. 41951-41974, Direct Deposit Payroll Vouchers No. 14598-14715, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 386-389 in the amount of \$926,604.73.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING DATE: April 11, 2022

SUBJECT: Ordinance No. 1028-B, First Reading – Amending the 2022 Budget

ISSUE

Ordinance No. 1028-B amending the 2022 Budget, is hereby submitted to reflect the changes in estimates and actual activities of the City since the adoption of the 2022 Budget.

Throughout the year, adjustments to the budget become necessary because of City Council actions; changes in estimates; activity levels that were not anticipated during budget development; and grant awards or other receipts of outside funding. Historically, the budget has been amended two or three times per year prior to the conclusion of the fiscal year on December 31st.

DISCUSSION

This proposed amendment to the 2022 Budget includes the following key items:

- 1) Updates the estimated 2022 beginning fund balances for all funds to reflect the actual ending fund balances at the close of fiscal year 2021. This action has no impact on the 2022 revenues and expenditures budget but changes the estimated 2022 ending fund balances for all city funds.
- 2) Requests to carry over the remaining 2021 budget to 2022 for certain capital improvement projects that were approved in 2021 but are to be completed in 2022.
- 3) Requests for additional revenues and appropriations that were not included in the 2022 Adopted Budget.

The 2022 Budget Summary for the proposed amendment, including updated beginning fund balances; revenues; transfers-in; expenditures; transfers-out; estimated ending fund balances; and a detailed list of proposed budget amendment items are attached to the proposed Ordinance No. 1028-B as Exhibit “A” and Exhibit “A-1”.

The proposed budget amendments by fund are summarized as follows:

General Fund

The proposed budget amendment increases the General Fund's revenues by \$336,616, increases appropriations by \$454,520, and increases transfers-out by \$735,000, resulting in a net decrease in fund balance by \$852,904.

Total revenue budget increase of \$336,616 includes the following:

- \$233,425 for State Recreation and Conservation Office grant reimbursement for Flood Storage Master Plan expenditure
- \$72,324 payment received for vacated right of way buy/sell agreement ORD No. 1021-B
- \$10,000 WCIA insurance reimbursement
- \$4,500 additional public defense grant received
- \$16,367 for confiscation and forfeiture (drug seizure) receipts exceeding the budget amount

Total additional appropriation request of \$454,520 includes the following:

- \$21,000 for actual WCIA insurance premiums that exceeded the budget estimation.
- \$14,250 for converting a Court Judicial Assistant/Sentence Monitoring position from 0.73 FTE to 1.0 FTE position approved by the City Council on February 28, 2022.
- \$10,300 for wages and benefits for a temporary part-time staff in City Manager's Office due to the full-time Administrative Assistant serving as Interim City Clerk.
- \$20,000 for MOU with Lewis County Economic Development Council for infrastructure analysis and grant assistance services, which was approved by the City Council on October 25, 2021.
- \$47,300 for leases of mobile trailers and the Airport site for an emergency fire station through August 2022
- \$44,000 for additional uniforms (4th set of turn outs) for the firefighters
- \$33,270 for uniforms and small equipment for the firefighters (2021 back orders received in 2022)
- \$20,000 for replacing a Swiftwater boat (fire rescue) that failed during the 2022 flood
- \$20,000 for outside lighting for fire station at Sitka Street
- \$186,520 for the remaining professional services agreement to complete the Flood Storage Master Plan project which is 100% funded by state RCO grant.
- \$32,880 increase for converting a temporary part-time Records Assistance position to a full-time Records Specialist position approved by the City Council on February 28, 2022.
- \$5,000 increase for Music-in-the-Park professional services agreement that was approved on February 28, 2022.

Total transfers-out of \$735,000 reflects the 2021 year-end Fund Balance Commitment Ordinance No. 1027-B. At the 2/28/2022 Council meeting, the City Council approved a portion of the 2021 ending fund balance as Committed for the following specific purpose and use. These were not in the 2022 original adopted budget:

- \$100,000 for general facilities improvement reserves
- \$80,000 for police evidence garage
- \$50,000 for interior remodeling for Recreation/Finance department building
- \$55,000 for temporary fire station project
- \$300,000 for vehicle replacement reserves
- \$150,000 for financial software system upgrade reserves

A summary of changes from the 2022 Adopted Budget to the 2022 Proposed Amended Budget for the General Fund as provided below:

General Fund	2022 Original Adopted Budget	2022 Proposed Amended Budget	Amendment #1 Incr. (Decr.)	Change %
Revenues	\$ 10,989,670	\$ 11,326,286	\$ 336,616	3.1%
Transfers-In	457,340	\$ 457,340	-	0.0%
Expenditures	10,693,001	\$ 11,147,521	454,520	4.3%
Transfers- out	1,216,219	\$ 1,951,219	735,000	60.4%
Net Revenues Over (Under) Expenditures	\$ (462,210)	\$ (1,315,114)	\$ (852,904)	184.5%
Beginning Fund Balance ^	1,832,460	2,719,202	886,742	48.4%
Estimated Ending Fund Balance	\$ 1,370,250	\$ 1,404,088	\$ 33,838	2.5%
Estimated Ending Fund Balance % of Revenue	12.5%	12.4%		

^Updated to reflect actual ending fund balance at the close of fiscal year 2021 for 2022 Amended Budget

Public Facilities Reserve Fund

The proposed budget amendment increases the Public Facilities Reserve Fund’s transfers-in by \$285,000 and increases the appropriations by \$295,000, resulting in a net decrease in fund balance by \$10,000.

The \$285,000 transfers-in is for the following purposes:

- \$80,000 for a police evidence garage
- \$50,000 for an interior remodeling of the Recreation/Finance building
- \$55,000 for additional funds for the temporary fire station project at Sitka Street property.
- \$100,000 to set aside for future improvements and/or major repairs of general facilities

The \$295,000 additional appropriation requested is to complete the temporary fire station project and includes a \$234,585 of 2021 budget carry over to 2022. The project is anticipated to be completed in 2022, which includes relocation of a mobile home purchased, completion of a metal apparatus bay building for fire equipment, and project engineering services.

A summary of changes from the 2022 Adopted Budget to the 2022 Proposed Amended Budget for the Public Facilities Reserve Fund is provided below:

Public Facilities Reserve Fund	2022 Original Adopted Budget	2022 Proposed Amended Budget	Amendment #1 Incr. (Decr.)	Change %
Revenues	\$ 250	\$ 250	\$ -	0.0%
Transfers-In	200,000	485,000	285,000	142.5%
Expenditures	130,000	425,000	295,000	226.9%
Transfers-out	180,000	180,000	-	0.0%
Net Revenues Over (Under) Expenditures	\$ (109,750)	\$ (119,750)	\$ (10,000)	9.1%
Beginning Fund Balance^	410,271	477,066	66,795	16.3%
Estimated Ending Fund Balance	\$ 300,521	\$ 357,316	\$ 56,795	18.9%

^Updated to reflect actual ending fund balance at the close of fiscal year 2021 for 2022 Amended Budget

The estimated ending fund balance at the end of 2022 is \$357,316 which is comprised of the following:

- \$200,000 for Architectural and Engineering for a permanent fire station building and related costs.
- \$157,316 for other general facilities improvements and/or major repairs

Automotive/Equipment Reserve Fund

The proposed budget amendment increases the Automotive/Equipment Reserve Fund's transfers-in by \$450,000, which includes \$300,000 for vehicle and equipment replacement and \$150,000 for financial software system upgrades. The funds are transferred in from the General Fund as approved by the City Council in the 2021 year-end fund balance commitment Ordinance No. 1027-B.

There are no other expenditures budgeted in 2022. The estimated fund balance at the end of 2022 is \$733,353, which includes \$250,000 for financial software system upgrades and the remaining \$483,353 for vehicle and equipment replacements.

Park Improvement Fund

The proposed budget amendment increases the Park Improvement Fund's appropriations by \$55,000. This is a new fund created with the adoption of the 2022 Budget to accumulate and provide funds for capital improvements to the City's park and recreation facilities. The requested appropriation includes:

- \$10,000 for the asphalt sealing for a walking path at the recreation park
- \$45,000 for 2021 budget carry over for field equipment for the recreation park

Wastewater Fund

The proposed budget amendment increases the Water Fund's appropriations by \$4,300 for the Wastewater Fund share of the WCIA annual insurance premium exceeding the budgeted amount.

Water Fund

The proposed budget amendment increases the Water Fund's appropriations by \$3,900 for the Water Fund share of the WCIA annual insurance premium exceeding the budgeted amount.

Airport Fund and Airport Capital Fund

The proposed budget amendment increases the Airport Fund's appropriations by \$5,500 due to unexpected equipment repairs.

The proposed budget amendment increases the Airport Capital Fund's revenues by \$1,053,776 and increases appropriations by \$605,710.

The revenue budget increase of \$1,053,776 includes the following:

- \$147,163 CARB loan proceeds remaining for the Above Ground Fuel Storage project.

On 1/8/2020, the City entered a Community Aviation Revitalization Loan Agreement with Washington State Department of Transportation for an Above Ground Fuel Storage Project at the Chehalis-Centralia Airport for a loan amount not to exceed \$750,000 with an interest rate of 2% for a 20-year term. The City is reimbursed on a loan basis for actual net project costs for allowable expenses incurred in completing the project described in the agreement. The loan is to be repaid annually by the City and commences one (1) year after the month in which the project is completed. The project is still in progress and is expected to be completed in 2022. The loan will be repaid by the City's Airport Fund.

- \$906,613 FAA/AIP grant reimbursement for the Airfield Pavement Rehabilitation project. The project was substantially completed in 2021 and anticipated to be closed out in 2022. Total project cost is to be reimbursed by FAA grant.

Total appropriations increase of \$605,710 requested includes the following:

- \$587,216 carry over of 2021 budget for the Above Ground Fuel Storage project. The project is expected to be completed in 2022.
- \$ 18,494 for final payments for the Airfield Pavement Rehabilitation project.

City-Wide Summary

The proposed budget amendment revises the budgeted amount by a combined net total decrease in fund balance by \$8,538 and a total estimated ending fund balance to \$26,914,443 as provided below:

City-wide (All Funds)	2022 Original Adopted Budget	2022 Proposed Amended Budget	Amendment #1 Incr. (Decr.)	Change %
Revenues	\$ 28,374,422	\$ 29,789,814	\$ 1,415,392	5.0%
Transfers-In	13,448,484	14,183,484	735,000	5.5%
Expenditures	28,166,738	29,590,668	1,423,930	5.1%
Transfers-out	13,448,484	14,183,484	735,000	5.5%
Net Revenues Over (Under) Expenditures	\$ 207,684	\$ 199,146	\$ (8,538)	-4.1%
Beginning Fund Balance [^]	24,554,668	26,715,297	2,160,629	8.8%
Estimated Ending Fund Balance	\$ 24,762,352	\$ 26,914,443	\$ 2,152,091	8.7%

[^]Updated to reflect actual ending fund balance at the close of fiscal year 2021 for 2022 Amended Budget

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 1028-B on first reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance No. 1028-B on first reading.

CITY OF CHEHALIS "FIRST " AMENDED 2022 BUDGET
2022 BUDGET SUMMARY REVISED WITH ORDINANCE NO. 1028-B
Original Adopted Budget: Ordinance No. 1025-B

Fund No.	Fund Name	Actual Beginning Fund Balance				Estimated Ending Fund Balance	Change in Fund Balance		
		01/01/2022	Revenues	Transfers In	Expenditures		Transfers Out	12/31/2022	(Decrease)
001	General Fund	\$ 2,719,202	\$ 11,326,286	\$ 457,340	\$ 11,147,521	\$ 1,951,219	\$ 1,404,088	\$ (1,315,114)	-48.4%
003	Street Fund	287,980	161,473	876,828	1,057,976	-	268,305	(19,675)	-6.8%
004	Building Abatement Fund	51,659	50	-	-	-	51,709	50	0.1%
102	Arterial Street Fund	96,855	-	-	-	90,828	6,027	(90,828)	-93.8%
103	Transportation Benefit District Fund	3,071,696	4,283,000	-	3,700,000	-	3,654,696	583,000	19.0%
107	Tourism Fund	140,104	235,070	-	149,300	108,686	117,188	(22,916)	-16.4%
110	Compensated Absences Reserve Fund	247,014	240	-	61,700	-	185,554	(61,460)	-24.9%
115	LEOFF 1 OPEB Reserve Fund	66,077	100	205,800	156,700	-	115,277	49,200	74.5%
195	Community Development Block Grant Fund	24,613	25	-	1,000	-	23,638	(975)	-4.0%
197	HUD Block Grant Fund	88,501	85	-	2,000	-	86,586	(1,915)	-2.2%
199	Federal Grant Control Fund	1,068,806	1,069,443	-	-	420,000	1,718,249	649,443	60.8%
200	General Obligation Bond Fund	5	-	299,516	299,515	-	6	1	20.0%
301	Public Facilities Reserve Fund	477,066	250	485,000	425,000	180,000	357,316	(119,750)	-25.1%
302	Automotive/Equipment Reserve Fund	283,253	100	450,000	-	-	733,353	450,100	158.9%
303	Parks Improvement Fund	-	-	180,000	55,000	-	125,000	125,000	0.0%
305	First Quarter REET Fund	288,772	126,400	-	-	130,494	284,678	(4,094)	-1.4%
306	Second Quarter REET Fund	367,156	126,475	-	-	73,257	420,374	53,218	14.5%
402	Garbage Fund	8,449	6,110	-	7,000	-	7,559	(890)	-10.5%
404	Wastewater Fund	5,468,851	5,383,400	-	5,536,494	2,000,000	3,315,757	(2,153,094)	-39.4%
414	Wastewater Capital Fund	-	147,800	2,000,000	542,000	-	1,605,800	1,605,800	0.0%
405	Water Fund	7,866,126	2,917,001	-	2,804,609	6,400,000	1,578,518	(6,287,608)	-79.9%
415	Water Capital Fund	-	357,600	6,400,000	841,000	-	5,916,600	5,916,600	0.0%
406	Storm and Surface Water Fund	1,516,682	584,370	-	581,020	1,295,000	225,032	(1,291,650)	-85.2%
416	Storm and Surface Water Capital Fund	-	135,400	1,295,000	57,900	-	1,372,500	1,372,500	0.0%
407	Airport Fund	1,543,750	1,470,130	-	1,469,423	1,534,000	10,457	(1,533,293)	-99.3%
417	Airport Capital Fund	-	1,443,526	1,534,000	682,210	-	2,295,316	2,295,316	0.0%
611	Firemen's Pension	1,032,680	15,480	-	13,300	-	1,034,860	2,180	0.2%
TOTALS		\$ 26,715,297	\$ 29,789,814	\$ 14,183,484	\$ 29,590,668	\$ 14,183,484	\$ 26,914,443	\$ 199,146	0.7%

*Funds 633 and 634 are custodial funds which the city holds funds as a custodian for a period of time. This money does not belong to the City.

Original Budget	24,554,668	28,374,422	13,448,484	28,166,738	13,448,484	24,762,352	207,684
Amended Budget #1	26,715,297	29,789,814	14,183,484	29,590,668	14,183,484	26,914,443	199,146
<i>Changes for Amendment #1</i>	<i>2,160,629</i>	<i>1,415,392</i>	<i>735,000</i>	<i>1,423,930</i>	<i>735,000</i>	<i>2,152,091</i>	<i>(8,538)</i>

Fund No. and Name	Account Name	Reason for Amendment	2021 Adopted Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
Fund 001 - General Fund									
Revenues:									
001.334.001.20	Other Judicial Agencies	Additional AOC grant received - public defense	10,000	4,500				4,500	14,500
001.334.002.70	State Grant - RCO	Reimbursement for Flood Mitigation Master Plan project costs	-	233,425				233,425	233,425
001.369.030.00	Confisc & Forfeit - Drugs/UNET	YTD receipt exceeds budget amount	25,200	16,367				16,367	41,567
001.395.010.00	Proceeds -Sales of Cap Assets	Proceeds from sale of property ORD 1021-B	-	72,324				72,324	72,324
001.398.000.00	Insurance Recovery - Non Capital	WICA insurance reimbursement	-	10,000				10,000	10,000
Total General Fund Revenues & Transfers In			11,447,010	336,616	-	-	-	336,616	11,783,626
Expenditures:									
001.C1.512.050.46.00	Insurance	WCIA insurance exceed budget	8,790			300		300	9,090
001.C1.523.020.11.00	Salaries and Wages	Convert Judicial Assis position from 0.73 FTE to 1.0 FTE (9 Mos)	34,890			9,600		9,600	44,490
001.C1.523.020.21.00	Fringe Benefits	Convert Judicial Assis position from 0.73 FTE to 1.0 FTE (9 Mos)	15,140			4,650		4,650	19,790
subtotal for Municipal Court			338,850	-	-	14,550	-	14,550	353,400
001.D1.513.010.11.05	Salaries and Wages-PT	Temporary part-time staff hired - due to FT staff filling City Clerk duties	-			7,500		7,500	7,500
001.D1.513.010.21.05	Fringe Benefits-PT	Temporary part-time staff hired - due to FT staff filling City Clerk duties	-			800		800	800
001.D1.513.010.21.07	Insurance - UTX	Unemployment benefits not budgeted	-			2,000		2,000	2,000
subtotal for City Manager			223,570	-	-	10,300	-	10,300	233,870
001.E1.514.023.46.00	Insurance	WCIA insurance exceed budget	6,200			2,900		2,900	9,100
subtotal for Finance			338,400	-	-	2,900	-	2,900	341,300
001.F2.518.030.46.00	Insurance	WCIA insurance exceed budget	34,590			2,400		2,400	36,990
001.F2.518.031.46.00	Insurance	WCIA insurance exceed budget	4,800			800		800	5,600
001.F2.572.050.46.00	Insurance	WCIA insurance exceed budget	8,330			200		200	8,530
001.F2.576.020.46.00	Insurance	WCIA insurance exceed budget	5,720			300		300	6,020
001.F2.576.080.46.00	Insurance	WCIA insurance exceed budget	3,700			200		200	3,900
subtotal for Parks & Facilities			1,436,217	-	-	3,900	-	3,900	1,440,117
001.G1.518.090.46.00	Insurance	WCIA insurance exceed budget	6,200			1,000		1,000	7,200
001.G1.558.070.41.01	Prof Service - Econ Alliance of LC	MOU with EDC Infrastructure Analysis and Grant Assistance	-			20,000		20,000	20,000
001.G1.597.000.05.31	Transfer out-Fund 301	2021 YE committed fund balance Ord #1027B, facilities repairs	200,000				100,000	100,000	300,000
001.G1.597.000.05.31	Transfer out-Fund 301	2021 YE committed fund balance Ord #1027B, Police evidence garage	-				80,000	80,000	80,000
001.G1.597.000.05.31	Transfer out-Fund 301	2021 YE committed fund balance Ord #1027B, Rec/Fin bldg. interior	-				50,000	50,000	50,000
001.G1.597.000.05.31	Transfer out-Fund 301	2021 YE committed fund balance Ord #1027B,Temp Fire Station	-				55,000	55,000	55,000
001.G1.597.000.05.32	Transfer out-Fund 302	2021 YE committed fund balance Ord #1027B, vehicle replacement	-				300,000	300,000	300,000
001.G1.597.000.05.32	Transfer out-Fund 302	2021 YE committed fund balance Ord #1027B, financial software	-				150,000	150,000	150,000
subtotal for Non-Departmental			1,472,469	-	-	21,000	735,000	756,000	2,228,469
001.H1.521.010.46.00	Insurance	WCIA insurance exceed budget	56,430			5,200		5,200	61,630
subtotal for Police			3,790,180	-	-	5,200	-	5,200	3,795,380
001.I1.522.020.24.00	Uniforms	Suppression Uniforms. Ordered in 2021 was in back order till 2022	25,000			17,570		17,570	42,570
001.I1.522.020.24.00	Uniforms	4th set of turn outs due to no washer/dryer	-			44,000		44,000	44,000
001.I1.522.020.35.00	Small Tools & Minor Equipment	Suppression, equipment ordered in 2021 was in back order till 2022.	1,150			15,700		15,700	16,850
001.I1.522.020.46.00	Insurance	WCIA insurance exceed budget	57,960			2,900		2,900	60,860
001.I1.522.050.45.00	Lease/Rents - Space	Lease/rents for emergency fire station at Airport site (est. through Aug)	1,000			47,300		47,300	48,300
001.I1.594.022.64.00	Capital Machinery & Equipment	Swiftwater boat/2022 flood current boat failed	65,805			20,000		20,000	85,805
001.I1.594.022.65.00	Capital - Construction Project	Outside lighting for site on Sitka	-			20,000		20,000	20,000
subtotal for Fire			2,403,704	-	-	167,470	-	167,470	2,571,174
001.P2.524.011.11.00	Salaries and Wages	Hired Full-time Records Specialist	-			39,500		39,500	39,500
001.P2.524.011.21.00	Fringe Benefits	Hired Full-time Records Specialist	-			15,500		15,500	15,500
001.P2.553.030.41.00	Prof. Services-Flood Storage	Flood Storage Master Plan Prof Services continue (RCO grant project)	-			186,520		186,520	186,520
001.P2.558.060.11.05	Salaries and Wages-PT	Temporary Hourly Staff for Records moved to a Full-time position	25,000			(22,120)		(22,120)	2,880
001.P2.559.030.46.00	Insurance	WCIA insurance exceed budget	1,820			3,600		3,600	5,420
subtotal for Planning & Building			977,150	-	-	223,000	-	223,000	1,200,150
001.R1.571.011.46.00	Insurance	WCIA insurance exceed budget	3,000			1,200		1,200	4,200
001.R1.573.090.49.00	Prof. Services-Music In-the-Park	Increase in contract - Council Approved 2/28/22	15,000			5,000		5,000	20,000
subtotal for Recreation			441,860	-	-	6,200	-	6,200	448,060
Total General Fund Expenditures & Transfers Out			11,909,220	-	-	454,520	735,000	1,189,520	13,098,740

Fund No. and Name	Account Name	Reason for Amendment	2021 Adopted Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
Total for General Fund				336,616	-	454,520	735,000	(852,904)	

Fund 301 - Public Facilities Reserve Fund

Revenues:									
301.397.000.01	Transfer in - Fund 001	Reserve for general facilities improvements, 2021 YE FB Ord #1027-B	200,000		100,000			100,000	300,000
301.397.000.01	Transfer in - Fund 001	Police evidence garage, 2021 YE FB Ord #1027-B	-		80,000			80,000	80,000
301.397.000.01	Transfer in - Fund 001	Rec/Finance building interior, 2021 YE FB Ord #1027B	-		50,000			50,000	50,000
301.397.000.01	Transfer in - Fund 001	Temp Fire Station project, 2021 YE FB, Ord #1027B	-		55,000			55,000	55,000
Total Public Facilities Reserve Fund Revenues & Transfers In			200,250	-	285,000	-	-	285,000	485,250
Expenditures:									
301.44.522.010.40.03	External Taxes	Temporary Fire Station - Leasehold tax on post-occupancy lease	-			1,150		1,150	1,150
301.44.594.022.62.00	Capital Bldgs./Structure - Fire Station	To complete temporary fire station project	-			293,850		293,850	293,850
Total Public Facilities Reserve Fund Expenditures & Transfers Out			310,000	-	-	295,000	-	295,000	605,000
Total for Public Facilities Reserve Fund				-	285,000	295,000	-	(10,000)	

Fund 302 - Automotive/Equipment Reserve Fund

Revenues:									
302.397.000.01	Transfer in - Fund 001	Reserve for vehicle/equipment replacement, 2021 YE FB Ord #1027-B	-		300,000			300,000	300,000
302.397.000.01	Transfer in - Fund 001	Reserve for financial software upgrade, 2021 YE FB Ord #1027-B	-		150,000			150,000	150,000
Total Automotive/Equipment Reserve Fund Revenues & Transfers In			100	-	450,000	-	-	450,000	450,100
Total for Automotive/Equipment Reserve Fund				-	450,000	-	-	450,000	

Fund 303 - Park Improvement Fund

Expenditures:									
303.70.594.076.63.01	Other Improvements - Rec Park	Asphalt sealing for walking path at Rec Park	-			10,000		10,000	10,000
303.70.594.076.64.01	Machinery & Equipment	Rec Park Field Maintenance Equipment (carry over from 2021)	-			45,000		45,000	45,000
Total Park Improvement Fund Expenditures & Transfers Out			-	-	-	55,000	-	55,000	55,000
Total for Park Improvement Fund				-	-	55,000	-	(55,000)	

Fund 404 - Wastewater Fund

Expenditures:									
404.11.535.010.46.00	Insurance	WCIA insurance exceed budget	185,450			4,300		4,300	189,750
Total Wastewater Fund Expenditures			7,532,194	-	-	4,300	-	4,300	7,536,494
Total Wastewater Fund				-	-	4,300	-	(4,300)	

Fund 405 - Water Fund

Revenues:									
405.367.000.02	Private Donation	Donations received for water conservation related program	-	25,000				25,000	25,000
Total Water Fund Revenues & Transfers In			2,892,001	25,000	-	-	-	25,000	2,917,001
Expenditures:									
405.10.534.010.46.00	Insurance	WCIA insurance exceed budget	91,450			3,900		3,900	95,350
Total Water Fund Expenditures			9,200,709	-	-	3,900	-	3,900	9,204,609
Total for Water Fund				25,000	-	3,900	-	21,100	

Fund 407 - Airport Fund

Expenditures:									
407.9A.546.010.48.01	Repairs & Maint - Equipment	Two unexpected repairs required	2,000			5,500		5,500	7,500

Fund No. and Name	Account Name	Reason for Amendment	2021 Adopted Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
Total Airport Fund Expenditures			2,997,923	-	-	5,500	-	5,500	3,003,423
Total for Airport Fund				-	-	5,500	-	(5,500)	
Fund 417 - Airport Capital Fund									
Revenues:									
417.331.020.00	Federal FAA Grant	Airfield Pavement Rehabilitation Project	-	906,613				906,613	906,613
417.391.080.05	Government Loan- CARB\WSDOT	Draw for Above Ground Fuel Storage Project Loan	-	147,163				147,163	147,163
Total Airport Capital Fund Revenues & Transfers In			1,923,750	1,053,776	-	-	-	1,053,776	2,977,526
Expenditures:									
417.09.594.046.63.00	Other Improvement	Final Pay for Airfield Pavement Rehab Project	15,000			8,494		8,494	23,494
417.09.594.046.63.01	Above Ground Fuel Storage	Project wasn't completed in 2022 as expected. Carry over 2021 budget	-			587,216		587,216	587,216
417.09.594.046.63.41	Improvement Project Engineering	Final Pay for Airfield Pavement Rehab Project - Engineering	-			10,000		10,000	10,000
Total Airport Capital Fund Expenditures			76,500	-	-	605,710	-	605,710	682,210
Total for Airport Capital Fund				1,053,776	-	605,710	-	448,066	
Total Amendment for City-wide All Funds				1,415,392	735,000	1,423,930	735,000	(8,538)	

ORDINANCE NO. 1028-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2022 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1025-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF EIGHT THOUSAND AND FIVE HUNDRED THIRTY-EIGHT (\$8,538) FOR THE GENERAL FUND, PUBLIC FACILITIES RESERVE FUND, AUTOMOTIVE/EQUIPMENT RESERVE FUND, PARK IMPROVEMENT FUND, WASTEWATER FUND, WATER FUND, AIRPORT FUND, AND AIRPORT CAPITAL FUND AND DIRECTING THE FINANCE DIRECTOR TO AFFECT THE BUDGET AMENDMENTS 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 2022 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$336,616, increase transfers- out by \$735,000, and increase appropriations by \$454,520.

Section 2. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Public Facilities Reserve Fund's transfers-in by \$285,000 and increase appropriations by \$295,000.

Section 3. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Automotive/Equipment Reserve Fund's transfers-in by \$450,000.

Section 4. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Parks Improvement Fund's appropriations by \$55,000.

Section 5. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's appropriations by \$4,300.

Section 6. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Water Fund's revenues by \$25,000 and increase appropriations by \$3,900.

Section 7. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Airport Fund's appropriations by \$5,500.

Section 8. The annual budget of the city for the calendar year 2022 shall be, and the same hereby is, amended so as to increase the Airport Capital Fund's revenues by \$1,053,776 and increase appropriations by \$605,710.

Section 9. Attached hereto and identified as Exhibit A, in summary form, is 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 the amended 2022 budget which shows a total estimated ending fund balance of \$26,914,443.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** on its first reading at a regularly scheduled open public meeting thereof this ____ day of _____, 2022.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lance Bunker, Interim Public Works Director
Jud Riddle, Interim Water Superintendent

MEETING OF: April 11, 2022

SUBJECT: Water System Infrastructure – Potential Partnership for Construction of a Connecting Water Main Line to Facilitate Economic Growth

ISSUE

There is a potential opportunity to partner with Lewis County and/or other local partners on the construction of a water line that would add the capacity needed to accommodate future development in the City’s Urban Growth Area. This item has been prepared for potential addition to the City Council Agenda for April 11, 2022.

BACKGROUND

Desire to develop properties in the City’s Urban Growth Area (UGA) continues to be at a high level. In some areas the City’s water and sewer infrastructure is not sufficient to serve the proposed developments. One example of this is the need for the completion of a loop involving a stretch of Bishop Road, which at this time can only accommodate flow sufficient for one more development. This is problematic because at least three developments have been discussed with the City, although no applications have been filed.

This infrastructure limitation was discussed with the City Council Growth Management Committee on April 6th in a meeting that included the Port of Chehalis CEO, Lindsey Senter. At that meeting, Ms. Senter informed the Committee that the water line issue could negatively impact the ability to develop Port owned properties. After the meeting, Ms. Senter shared the issue with Richard DeBolt, CEO of the Economic Alliance of Lewis County (Alliance) who discussed the matter with Commissioner Swope, who suggested a funding partnership with Lewis County to facilitate economic growth in the County. It is important to note that the County Board of Commissioners has not discussed this project; however, it is expected to be included as part of a discussion on the use of their ARPA funds later this week.

Lewis County is in the process of making decisions regarding the commitment of American Rescue Plan Act (ARPA) funds, including those that remain available for water infrastructure. It has been proposed by the Alliance that those funds be used to construct a water line in the Chehalis Water System that is needed to provide water to proposed projects in the City’s UGA.

OVERVIEW OF THE INFRASTRUCTURE LIMITATION

The City’s current infrastructure is made up of a single 12-inch water main that is fed from inside the City limits by an 8-inch water main. This water main feeds the entire South End of Chehalis’ UGA and Port of

Chehalis areas. Flow restrictions due to the 8-inch pipe size severely limits the potential for future growth in this area. In addition, if something interrupts service requiring major repairs, there is the potential of having to shut off water to this entire area until repairs can be made. Ideally, there would be the ability to isolate certain sections to limit water supply interruptions.

In order to increase reliability and the ability to provide sufficient water flows to the UGA, the City system needs to add an 1850 +/- foot section of water main line on Bishop Rd. just south of Sturdevant Rd. to create a “loop” in the City’s water infrastructure. This “loop” would create the ability to feed the area from two separate directions thus significantly reducing the risk of shutting water off to all customers in this area in the event of major repairs. Adding the section of water main should also allow for some additional growth in the south end UGA and Port of Chehalis areas.

While not the subject of this agenda item, water reservoir improvements and additional water line upgrades will be necessary to accommodate additional capacity demands projected to occur as growth continues in the future. These improvements include upgrades to the pump station at 18th street. There is also a “bottleneck” in the City’s water main on South Market Blvd. several blocks before and after the pump station at 18th street due to undersized water lines that will need to be upgraded to provide sufficient water flows to the developments in the future.

If the “loop” is not installed, and a plan is not made to address the water main “bottleneck” on South Market and 18th Street pump station deficiencies, the ability to accommodate future growth will be extremely limited. The City’s contract City Engineer, Gibbs and Olson, is currently working on a water model that will help quantify the increase in flow and capacity to the south end area that the “loop” and the improvements could potentially create.

AVAILABLE WATER SUPPLY CAPACITY AND WATER AVAILABILITY

It is also important to note that the water system infrastructure improvements needed address only the ability to supply available water. The actual ability to supply water is an ongoing issue that the City is attempting to address with the purchase of additional water rights. In addition, it has just recently come to the City’s attention that there may be a potential to secure water from Napavine; however, this idea is in its infancy and needs to be explored further before any recommendations could be made to the City Council.

FUNDING INFRASTRUCTURE DEVELOPMENTS

Generally speaking, infrastructure investments needed to increase capacity in the City’s water and sewer systems are funded by the development that creates the demand. The reason for this is to protect the current ratepayers from paying the cost of improvements that are only needed to serve new development. Developers that make the first substantial infrastructure investment to serve their development as well as others in the future can sometimes use latecomers’ agreements to be reimbursed for a portion of the initial investment. In order for the latecomers’ agreements to work, there needs to be a nexus to the infrastructure improvement to apply the fee to future developments.

The water loop needed to serve the south UGA is quite a distance from the future development proposals discussed to date, so creating a nexus would be very difficult. It would also improve the existing system by creating the ability to isolate certain sections in an emergency. Therefore, the opportunity to partner with Lewis County and/or the Port to make this needed investment in the City’s water system could improve the current system, while facilitating the opportunity for future growth.

FISCAL IMPACT

The initial preliminary estimate to create the loop system is approximately \$1 million. Please note that this is a ballpark estimate that was used to get an idea of the cost during the City Council Growth Management Committee. The proposed financing concept is that the County would contribute approximately \$750,000 using ARPA funds and that the City would contribute \$250,000 from the Water Capital Fund. If the project exceeds the preliminary estimates, it is possible that County .09 funds or a Port of Chehalis contribution could make up the funding deficit if needed.

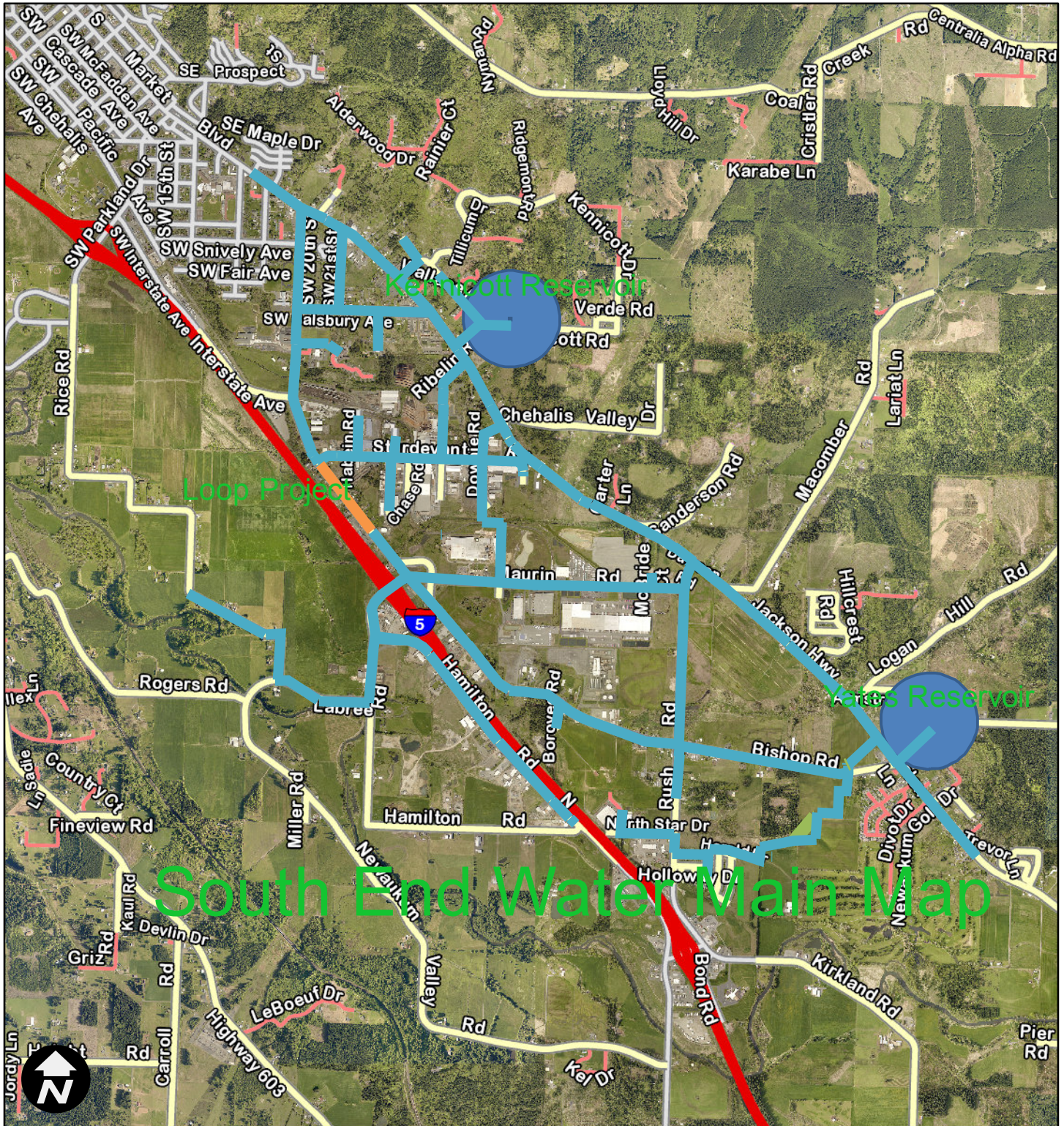
RECOMMENDATION

It is recommended that the City Council authorize the expenditure of up to \$250,000 from the Water Capital Improvement Fund for the construction of the water line needed to create a water loop system in the UGA, including funds needed for engineering and design, as part of a potential joint funding opportunity with local partners, including Lewis County. If the City Council agrees to this potential funding plan, additional actions would be needed to develop a project scope and formal funding agreement with project partners.

SUGGESTED MOTION

I move that the City Council authorize the expenditure of up to \$250,000 from the Water Capital Improvement Fund for the construction of the water line needed to create a water loop system in the UGA, including funds needed for engineering and design, as part of a potential joint funding opportunity with local partners, including Lewis County.

Lewis County GIS Web Map



4/9/2022, 8:59:07 AM

1:36,112

Roads

- █ State
- █ County
- █ City
- █ Private
- █ USFS
- █ Out of County
- █ Other

0 1,600 3,200 6,400 ft
NAD 1983 StatePlane Washington South FIPS 4602 Feet



Lewis County does not guarantee the accuracy of the information shown on this map and is not responsible for any use or misuse by others regarding this material. It is provided for general informational purposes only. This map does not meet legal, engineering, or survey standards. Please practice due diligence and consult with licensed experts before making decisions.

