

**Chehalis River Basin Flood Authority  
Veterans Memorial Museum  
100 SW Veterans Way  
Chehalis, WA 989532**

**August 19, 2010  
Meeting Notes**

**Board Members Present:** Terry Willis, Grays Harbor Commissioner; Gary Givens, Andrea Fowler, Town of Bucoda; Jim Cook, City of Aberdeen; Karen Valenzuela, Thurston County Commissioner; Ron Averill, Lewis County Commissioner; Edna Fund, City of Centralia; Julie Balmelli-Powe, City of Chehalis; Mark White, Chehalis Tribe

**Consultants Present:** John Ghilarducci and Pam Bissonnette, FCS Group

**Others Present:** Please see sign in sheet

**Handouts/Materials Used:**

- Agenda
- PowerPoint of Draft Public Involvement Plan
- Fact Sheet
- PowerPoint on Governance
- Governance Policy Paper

Chairman Willis called the meeting to order, introductions were made and the meeting was turned over to Ms. Bissonnette.

**1. Review of Flood Entity Formation Agendas for 2010**

Ms. Bissonnette stated at the last meeting the Flood Authority discussed provisional agreements. The next task is to determine what kind of work needs to be accomplished by the end of this year. She presented a PowerPoint which described the tasks required at each of the Flood Authority meetings. These include Governance, Public Outreach Plan, Finance Policy Decisions, Boundaries, Economic Analysis, Operations, Maintenance and Administration Options, Status of Adoption of the FHMP, and in November there are potential workshops scheduled for both the Flood Authority and the Boards of County Commissioners.

Commissioner Averill stated the formation of a district will require legislation which needs to be done by November. Ms. Bissonnette stated that can be added to the schedule.

**2. Public Involvement Plan for Flood Entity Formation**

Ms. Bissonnette stated there are several things to determine today: Is the Flood Authority willing to accept this plan; are the key messages correct; are the right groups included; and at what point does the Flood Authority want to form an advisory committee.

The PowerPoint had discussion topics on:

- Project Overview
- Public Involvement Goals
- Public Involvement Objectives
- Stakeholders

- Potential issues and areas of concern
- Key messages
- Tasks: Roles and Responsibilities and Timeframe

Commissioner Valenzuela stated meetings have been scheduled with Mr. John Donahue and asked how those relate to the meetings in September and October. Ms. Bissonnette stated the September/October meetings are with the BOCCs and Commissioner Averill stated John's meetings are on the Twin Cities Project. The public meetings Ms. Bissonnette mentioned are for the district formation.

Ms. Bissonnette has allowed for two to four public meetings prior to the BOCC's decisions on the district formation and in the spring there will be meetings scheduled for the interlocal agreements.

Mr. Donahue stated his posters are already made and distributed for his meetings but he would talk about the other meetings and have an area set aside with information on those meetings and advertise for the FCS Meetings.

Chairman Willis stated the BOCCs need to be briefed before the public is briefed. Ms. Bissonnette stated the public meetings will be held after John's meetings and after the BOCC briefings.

Commissioner Averill stated in the past we have tried to make it easy for the public to attend meetings by scheduling three meetings, one in each county.

Mr. Mark Swartout stated the first set of workshops will be before the BOCCs make decisions. Later meetings will be in the role of showing steps taken by each BOCC. He asked how FCS will design the first meeting so it will not box in the BOCCs on any one decision.

Ms. Bissonnette stated we would have the array of options out there but focus on the problem. When people don't understand the problem they don't know how to get to a solution. Perhaps stations could be set up with various degrees of information. She does not see this as putting a dot on a map but rather what are the attributes being looked at as opposed to government structure. There will not be enough time to explain the legal undertakings with each legal structure; it will be more about sharing costs and decision making. It will be up to the Flood Authority to be in control of the money and how that will be designed in the structure you come up with.

Mr. Donahue stated comment forms will be provided; there will not be an attempt to get recommendations. The FCS Group's commitment will be to take that input to the BOCCs.

Chairman Willis stated the public won't have enough of a target to narrow their questions to and they will not be linked to decisions that the BOCC needs to make on their behalf. We need feedback on what their comments are and need to have a basis for decisions to be made.

Ms. Bissonnette stated next year will be the creation of the WMP and we can show them that type of thing without getting into the details of voting and taxing and fees. Those decisions will be made later and the public will have the opportunity to weigh in on those in the spring. We need to hone it to the exact decisions that need to be made in November.

Mr. Ghilarducci suggested presenting key decision points and getting input on those points. If the option is the WMP, get input on that. There will be a few major points that require input and the way these are outlined there will be a formal presentation during the open house where we talk about the key decisions.

Chairman Willis stated that sometimes goes awry. People come in with their own agendas and issues and we do not always get a targeted answer. We need to get those targets out there whether the people comment on them or not.

Commissioner Averill stated there is no base line and we need to recognize that we won't get everyone. We need to brief them and then people can look at specific issues.

Ms. Bissonnette stated she can design something like that.

Commissioner Averill stated he had some changes to the stakeholder list. Ms. Bissonnette recommended track change edits.

Discussion followed about how to extend announcements or invitations to the meetings.

Mr. Ghilarducci spoke to the stakeholder list and stated he believed it was Chris Hoffman's intent to separate internal stakeholders and this list is the broader, indirectly affected group to inform. There are organizations that should be added to this list and some taken off. When this is compared to the internal partners, it is a more inclusive list that would not be limited to those who are directly impacted.

Ms. Julie Powe suggested being mindful of calling them stakeholders or interested parties.

There was discussion regarding the advisory committee. Chairman Willis asked who that committee would be advising: the counties? The Flood Authority and its activities? She did not see a clear path as to who to select.

Commissioner Valenzuela stated we already have an informal advisory committee and it could be formalized. Ms. Bissonnette stated the Board may not want to do that until after the first round of public meetings to see if that type of committee is needed; it may not be.

Mr. Cook suggested leaving the option open for the future, that the committee is not necessary at this time. Ms. Powe agreed stating the meetings are open and people who are interested can come.

Mr. White stated the Tribe is not set on this idea yet. The counties are forming a district that does not include the Tribe, which is a sovereign nation. At this point the Tribe is here as viewers. Commissioner Valenzuela stated she sees the Tribe as involved because it is specifically called out.

Mr. White stated the legislation must be changed to include the Tribe.

Commissioner Averill stated a Flood Control Zone District would be a county facility and Mr. White is right. The Tribe is essential to us for any solution. Ms. Bissonnette stated that will be clarified in the governance chapter and the WMP allows for that.

### **3. Break**

The group took a short break and reconvened at 10:25.

Mr. David Plotz called attention to the Flood Authority timeline. He stated based on the decisions at the last meeting the priority may be reversed here. The WMP is on one track and the formation of the FCZD is on the track with the interlocal. This is putting the WMP first and does not talk about the formation of the District. Ms. Bissonnette stated it should.

Mr. Plotz thought the 2012 long term approach seemed too far out to make that determination. Ms. Bissonnette stated what that means is that you will either stick with the WMP or you will have legislation to get a multi-county flood control zone district. It is not very clear on the paper.

There was discussion about changes to the paper and who should go in the contact square. Mr. Swartout suggested a consistent message to anyone who inquires and he stated the consultant should be the contact.

Ms. Fund asked if the public would understand what "interlocal agreement" is. Chairman Willis suggested including a definition.

#### **4. Flood Entity Governance**

Mr. Ghilarducci presented a PowerPoint which began with the three questions that were posed at the July meeting: Should an interim entity be formed by interlocal agreement by June 2011; Should a Watershed Management Partnership be the focus of the interlocal agency; and should options be left open to form a multi-county FCZD as a long-term entity? All three questions were answered "yes" by the Flood Authority Board. The paper on governance is to show how to establish voting, what should be voted on and by whom and how to structure power and keep an eye on the future.

Commissioner Averill stated this does not address the formation of the District. We need legislation prepared so that task fits in.

Mr. Ghilarducci stated he tried to treat this as to how it would be organized; we need to get statutory changes made to make this viable. Whatever statutory changes are made will better address how the Tribe can be brought into the multi-county FCZD. We intuitively knew this but it is not in there.

Mr. Muller stated he did not understand the legislative requirement. We have done interlocal agreements with other entities and under that structure you are allowed to do everything that you can do as an individual entity. He asked why an interlocal agreement is not enough because the counties already have the ability to levy a tax under the FCZD individually.

Mr. Ghilarducci stated the option is available to have an interlocal agency. The advantage of the WMP first allows that entity to issue debt. A multi-county FCZD is a separate entity and can make decisions for the Basin, the boundary being the Chehalis River Basin, and make those decisions independently of the participants, which we thought was an advantage.

Mr. Muller stated the issue with the WMP is the scope of its authority is much broader than the purpose of this group, which is flood mitigation. If you go with the WMP the counties are giving up some of their legal rights in their jurisdictions on the authority of moving this forward. The voting structure may be different from their own authorization and responsibilities to their citizens.

Mr. Ghilarducci stated the WMP is an interlocal agency. The WMP has defined a scope of anything doing with water management. It is just a form of an interlocal agency that provides the power to issue its own debt.

Chairman Willis stated if we put an interlocal agreement together we bring all the powers with us. She believed Mr. Muller was saying that once this was formed would things get diluted down, and we don't want to dilute the powers.

Mr. Swartout stated you can define your scope so it does not dilute it. Chairman Willis stated that it will go to legal counsel before any decisions are made.

Mr. Ghilarducci stated there is no prescribed voting procedure for the WMP. You get to define how the votes are taken and how decisions are made and you can make those decisions under either entity.

Commissioner Averill stated the WMP is a tool and by calling it a WMP does not say it does everything a WMP does. You can define that down in the interlocal agreement and create the governance structure any way you want. A problem is that the FCZD by law are county organizations. The boards are the county commissioners and we are looking at a cooperative in a flood basin that includes three counties. There is no provision in law that allows us to do that and that is why we have to go through the legislation.

Ms. Powe asked if all counties have to do funding the same under a WMP.

Mr. Ghilarducci stated the WMP is defined by an interlocal agreement and that agreement will spell out how costs should be allocated among the participants and what the revenue shares will be and it will be up to the individual agencies to generate that money. What you agree to is in the WMP, but it is an interlocal agreement.

Concerning the formation of the partnership, will the state and the Tribe be full partners in decision making or members of the advisory board? That question needs to be answered and this is to start the conversation, it is not the result. The county FCZD formation is scheduled for this fall.

Mr. White stated the Tribe can form a FCZD and it can tax. It appears the Tribe is being asked to be a part of this and yet it cannot vote unless the legislation is changed.

Commissioner Averill stated the fact that the Tribe can form a FCZD on the reservation is a good thing.

Mr. Ghilarducci stated the Tribe would not be following the statute but would mimic the county FCZD.

Chairman Willis stated we have to have our law changed to include the Tribe. Mr. White stated the state laws do not apply to the Tribe.

A question was brought up about the Boundary Review Board, which can be a long process if there are objections. Ms. Bissonnette stated the reasons of intent to form a FCZD kicks off the BRB process and FCS has allowed for an appeal.

The WMP member recommendation was discussed. A strong advisory committee is suggested to make material decisions as to projects, etc, that would be vetted through this committee. Mr. White asked

why the Tribe could not have five members. Mr. Ghilarducci stated it can. Ms. Bissonnette stated this group is not telling the Tribe what to do. Mr. White stated if the Tribe joins this group it has to contribute funds.

Mr. Cook stated the city of Aberdeen has a storm drain fee. He asked if the revenue is subject to an interlocal agreement and will each jurisdiction be included.

Mr. Ghilarducci stated under the statute the FCZD has the right to overlay something already in place in a city. The reason we propose cities are on the advisory committee is because its citizens will be paying into the FCZD. There is no state requirement to create an agreement with each city. The FCZD has a right to overlay taxes and local storm water is separate from basin issues.

Mr. Muller stated, when the membership is developed, be aware of scheduling problems and also of the public perception of what you are forming. If there is a large, unwieldy group you can lose control of your meeting and he suggested keeping it manageable. You have to consider members from other entities.

Mr. Swartout stated when the watershed plan was approved it was the first time in history that three counties' commissioners were together. There was a public information issue that resulted from that and he stated Mr. Muller's suggestion is a good one.

The role of members was discussed. The county FCZD determines how to fund allocations (taxes, charges and assessments). The state decides how to provide the funding and the Tribe decides how to provide funding. Each member is a possible implementer of Flood Entity programs through contracts with, or in-kind services for, the WMP.

There was discussion regarding the voting structure. Chairman Willis stated the consensus issue is not mentioned. Mr. Ghilarducci stated it was not addressed in this paper as it might be awkward when you are making different types of decisions as to where money is spent. Chairman Willis suggested it be included as part of the conversation, whether it is done that way or not.

Mr. Bruce Treichler asked about opting out of the FCZD. Mr. Ghilarducci explained that the FCZD is determined by boundaries and a city within that boundary may not be able to opt out.

## **5. Next Steps**

The next meeting will include finance policy decisions, such as taxes, charges and assessments; allocation principles, bonding and revenue requirement. Boundaries will also be discussed.

Commissioner Averill suggested everyone go through the PowerPoint and come up with questions for FCS and another step will be to resolve those issues.

Chairman Willis stated this same time period is reserved for a meeting in September. She also urged the Board to look over all the material and send comments to FCS so they can be discussed at the next meeting.

## **6. Adjourn**

The meeting adjourned at 11:45 a.m.

**Chehalis River Basin Flood Authority  
Lewis County Courthouse  
351 NW North St.  
Chehalis, WA 98532**

**August 19, 2010  
Meeting Notes**

**Board Members Present:** Mark White, Chehalis Tribe; Ron Averill, Lewis County Commissioner; Dan Thompson, City of Oakville; Julie Balmelli-Powe, City of Chehalis; Edna Fund, City of Centralia; Andrea Fowler, Town of Bucoda; Karen Valenzuela, Thurston County Commissioner; Jim Cook, City of Aberdeen; Terry Willis, Grays Harbor County Commissioner

**Board Members Excused:** Chip Elliott, Town of Pe Ell; Ron Schillinger, Mayor of Montesano

**Others Present:** Please see sign in sheets

**Handouts/Materials Used:**

- Agenda
- Meeting Notes from July 15, 2010, business meeting and special meeting
- Ongoing Efforts Update
- Chehalis River Flood Meeting Flyer
- Expenditure Review

**1. Call to Order**

Chairman Willis called the meeting to order at 1:32 p.m.

**2. Introductions**

Self introductions were made by all attending.

**3. Approval of the Agenda**

There were no corrections or additions to the agenda and it was approved.

**4. Approval of the July 15 meeting notes**

There were no corrections or additions to the meetings notes and they were approved.

**5. Public Comment**

There were no comments.

**6. Reports**

**a. Chairman's Report**

Chairman Willis stated an e-mail was received from Northwest Steelhead and Salmon Conservation Society. Copies are available upon request.

**b. Member Reports**

Commissioner Averill stated a copy of the resolution on the fish studies was included in the member packets. The Lewis County BOCC approved the resolution.

**c. Correspondence**

There was no additional correspondence.

d. State Team Report

Mr. John Donahue reported on the meeting held on July 8 with Curt Stiles from WSDOT to review the potential of a technology called Design Visualization. Mr. Donahue described it as a process similar to Photo Shop where a project such as a roadway is photographed and the photograph can be manipulated to show how the project will look when it is completed. Following that meeting, Mr. Stiles agreed to consult with local agencies' staff about key locations that could be used as trials for this process. Once those trials are done, the group will reconvene. Mr. Donahue has verified that the work will be available for in-kind match with the Corps, however at this time we are not eligible to receive in-kind compensation because a new agreement must be negotiated first. That process is under way. He will know more about that following discussion about reformulation, hopefully in September.

Chairman Willis asked Mr. Donahue to give a brief description of the technology used by Mr. Stiles.

Mr. Donahue described the process stating it is usually used for roadways. The roadway is geometrically correct and shows the actual design being worked on by the engineers. They often use a boom truck which takes a high perspective and gives a three-dimensional look at the area. It helps property or business owners get a perspective of what it will look like and what kind of impact it might have.

There is another process that is more sophisticated and uses computer-generated animation.

Some prototypes of the Twin Cities project from the groups' perspective were suggested and the group asked Mr. Stiles to work with the Public Works departments to see where those perspectives might be applied.

Chairman Willis stated the Mellen Street improvements were considered as a project. Mr. Stiles sent a CD of some perspectives on other projects to Chairman Willis and that can be made available to anyone who is interested in seeing it.

Mr. Donahue stated three public meetings have been scheduled in September to bring the public, officials and staff up to date on the progress that the Corps of Engineers is making on its project in the Basin. On June 30 Flood Authority members met to describe their priority issues from their perspective about the kind of information the Corps should be bringing. The Corps is compiling that information and should have a review draft early in September. Mr. Donahue will work with Andrea Takash to reconvene that group and an e-mail will be sent out to the Flood Authority board to review the draft and the Corps will have time to make revisions.

Over the past few months the Corps has been considering a process called reformulation with regards to the Twin Cities Project. The Corps has asked the State to review options for ensuring that the Twin Cities Project provides 100 year flood protection based on hydraulic modeling in the area. The State will be presented with options and has decided to defer decisions on those options until an update to the projects' cost benefit has been provided to the State. Mr. Donahue understands that will be some time in October.

e. Corps of Engineers Report

i. Twin Cities Project

Mr. Bill Goss stated on August 9 the Seattle district of the Corps met with his division and headquarters and discussed the current issues with the Twin Cities Project and the Chehalis Basin-wide GI. The



technical staff determined that the 100 year level of flood protection for the Twin Cities Project has changed since 2003 when the project was authorized. To address the new flood level the Seattle District was considering a range of potential options available under a process called reformulation and consulted with headquarters to determine which options would be supported by Corps policy and federal law. As a result of these consultations, we are not authorized to add additional features, such as water retention or other features which are not an authorized project, to the Twin Cities Project. However, in cooperation with the project sponsor, the State of Washington, the Corps will continue to investigate options to ensure that the Twin Cities Project offers 100 year flood protection based on the updated hydraulic analysis.

We anticipate a decision on how to move forward on the Twin Cities reformulation upon the completion of the economic analysis update which is expected in October.

ii. Basin-Wide GI

The Twin Cities Basin-wide GI is a multi-purpose study that includes ecosystem restoration and flood risk management and remains available to the Corps to pursue a basin-wide flood risk management alternative such as water retention and other measures. To accomplish these studies, the Corps will continue to work with the local stakeholders to determine and implement the best path forward for the Basin-wide GI.

Regarding the mitigation plan for the Twin Cities, the Corps has a meeting scheduled for September 15 from 9:00 to 12:00 to go through the draft report on mitigation for the Twin Cities. Also in September there are three meetings scheduled from 5:00 to 8:00 p.m. to include displays and a formal presentation followed by a question and answer session. These meetings will be held on September 23 at the Centralia Middle School; on September 29 at the Swede Hall in Rochester; and on September 30 at the Montesano City Hall.

Mr. Goss reported that an update on the existing Airport levee (50-year flood protection) rehab is complete and the Salzer Creek levee rehab is scheduled to start on September 13 and should be completed by September 30.

Mr. Goss had a poster to illustrate a framework to conduct an evaluation of the Basin-wide GI and Twin Cities Project at the same time. We are looking at a three to four-year period to have information to compare prior to a design for Twin Cities. Construction would not be started but would be ready to go forward if that is the intent of the local stakeholders. We would have information from the Basin-wide GI regarding the viability of different alternatives such as water retention structures.

Ms. Fund asked if the poster could be e-mailed to the members. Mr. Goss stated he would see that it gets e-mailed.

Ms. Fund asked Mr. Goss for more information about the meeting in September.

Mr. Goss stated it is a mitigation meeting to look at impacts that the proposed Twin Cities Project has to wetlands. The Corps has to mitigate for impacts to wetlands for a new levee footprint, such as restoring or creating new wetlands. Tetra Tech has done analyses on different areas where habitat units are rated and they will give a presentation of their findings. The invitation to those meetings included most of the Flood Authority and Partnership; this has been an on-going process for about six months for the first

draft report. After comments are received from the agencies, Tribes and State the draft will be finalized. The meeting will be in Lacey at the Department of Fish and Wildlife.

Ms. Fund asked for clarification on the Twin Cities Project and the Basin-wide GI and the fact that they are on different tracks.

Mr. Goss stated they will remain as separate projects; Headquarters stated they cannot be combined. However, in doing a separate basin-wide GI Study we will be looking at alternative measures such as, with and without the Twin Cities Levee Project, to determine feasibility of water retention as a viable mitigation option. The intent is to front load the GI Study so we can reach conclusions on viability, constructability, gross cost, and that sort of thing by the third or fourth year of the study. That should coincide with the point where we would have design for the Twin Cities Project and we are at a decision point on construction. At that time the Flood Authority or its successor jurisdiction should have the necessary information needed to commit to becoming the "non-federal" sponsor to fund, construct, operate and maintain the Twin Cities Project.

Commissioner Averill stated he did not recall hearing about the meeting on September 15. Given what it is, it should include Lewis County and the cities of Chehalis and Centralia at the very least.

Mr. Goss stated it is open to the public. Commissioner Averill stated this is the first time he has heard about it and there are a lot of people in the community concerned with this issue.

Mr. Goss stated he would get the notice of the meeting to the Flood Authority and the Partnership. If anyone else is interested in attending, they should let Mr. Goss know.

Chairman Willis asked if this had been noticed in the newspapers and Mr. Goss stated it had not. It is a technical study for the mitigation.

Chairman Willis stated this is a staff meeting; not a public hearing or a public meeting. Mr. Goss stated it is looking at the criteria of lands that are considered to replace wetlands that might be filled in or adversely affect with a new project. Biologists are looking at the criteria for wetlands, and looking at areas that could substitute; they are looking at the plants, ground water levels, habitat units and whether they qualify as a wetland.

Commissioner Averill stated the BOCC was briefed on the decision of not being able to put these two projects together. There were questions that did not get answered. We were very disappointed and there are a number of decision points that need to be made if this is the track that we are going down - not to mention the GI study which we will need to put back onto our calendar somehow.

There is not just mitigation for wetlands. We asked, and received no answer, that with the new hydrology and the levees that are going to be put into place in the Twin Cities Project, are we going to see a down-river impact? If we are, what plan is there to address that, specifically, would there be additional mitigation required?

Mr. Goss stated that would be part of the update in September and what is being worked on in the updated hydraulics. That information will be available at the open houses in September.

Chairman Willis stated, regarding the mitigation issue, the downstream impacts have not been well established as to what they might be, yet in the mitigation process the Corps does not seem to be going downstream to do mitigation past Porter. Until the Corps establishes what the downstream impacts might be it should also consider other projects in the Basin. The Flood Authority has been looking at the Basin in a holistic fashion but it appears the Corps is dividing the Basin into two pieces when it comes to the mitigation.

Mr. Goss stated part of the hydraulic update is to look at downstream affects. There is a limit and he does not know exactly what that is. Part of this is in the 35% and it will be presented in September. If it is zero we will not look beyond that point; we will present what we see in our modeling and what the effects are if it's half a foot or a foot. We will then have a discussion with the stakeholders to determine if there is an impact and look at modeling data downstream. If it's only one or two inches there will be other discussions.

Chairman Willis asked Mr. Goss if the Corps will get that information before it finalizes the mitigation projects.

Mr. Goss stated there are two different mitigations. The meeting on September 15 is mitigation for wetlands; we have to address any adverse affects with some type of action for induced flooding for the project.

Ms. Powe stated there will be a lot of disappointment that the two projects will not be merged. She understood that the Corps will continue on with the Twin Cities Project as scheduled and the water retention will go on the GI. She asked if the Corps will continue to develop the levees as if the water retention is not in place.

Mr. Goss stated as currently authorized there are no water retention structures for the Twin Cities Project.

Ms. Powe asked if that would change the Basin-wide GI in that without project conditions will still be studied with and without the levees in place.

Mr. Goss stated there is a PMP and there is an option to look at it with or without the Twin Cities in place; there is not approval on whether or not to proceed. It is still on the table and we can look at two without project conditions for the basin-wide GI.

Ms. Powe asked since the Corps studied water retention previously on the Twin Cities Project, is there a regulation or statute that applies to this, something she could look up? She asked if the Flood Authority could get a letter from the Corps that states exactly why this will not be allowed.

Mr. Goss stated the Corps has an authorized project and there is a description of that authorized project and water retention structures are not part of the authorized project. That does not include the modified improvements to the Skookumchuck Dam.

Ms. Powe asked if the Flood Authority can get a letter that explains that.

Ms. Mona Thomason, USACE, stated the way the authorization language is written in the Water Resources Development Act it says the project is authorized in accordance with the Chief's report. It

states that the Centralia project at a federal cost of x dollars and a non federal cost of y dollars for the purpose of flood control. The Chief's report is a seven-page document that includes a physical description of the project. That is the authorization that limits it to what is in the Chief's report. We can write a letter that says that.

Mr. Goss stated the Chief's report is on the Corps website.

Commissioner Averill asked Mr. Goss to explain the 20% for modifications.

Mr. Goss stated within the authorized project there is some leeway for 20% change in cost and scope and that is at the discretion of the Chief of Engineers and the Assistant Secretary of the Army. It is for the existing project; new features cannot be added into the authorized project.

Ms. Powe asked if it goes over 20% and it has to be re-authorized, is it possible then to add water retention to the re-authorized project.

Mr. Goss stated it would most likely need to go back to the feasibility stage, which would be going back years, then getting the feasibility approved and getting authorization for another project.

Ms. Fund asked if it would require an act of Congress to get the addition to the project. Mr. Goss stated it is not likely that would happen but regardless it would need to be evaluated in some way and that would mean going back to a feasibility study.

Ms. Fund asked if the Corps could use previous studies and data. Mr. Goss stated the previous evaluations and reports did not justify the water retention structures.

Chairman Willis requested of Ms. Thomason and Mr. Goss a letter for the Flood Authority explaining this topic.

#### f. Lewis County PUD Report

Mr. Dave Muller reported that EES Consulting is continuing to work on Phase IIB, which is the economic benefit cost work with regard to the water retention facilities on the Upper Chehalis and the South Fork. They are coordinating that with the FEMA model and with NHC for running damage curves. On the engineering they continue to work on updating the design which will refine the cost estimates for the two facilities.

Mr. Mark White stated he was looking at the report under the budget and asked if EES is only looking at hydroelectric or flood control only.

Mr. Muller stated Phase IIB authorization is for the larger facilities with hydroelectric and summer flow augmentation flood control.

Mr. Muller added that the sub-committee asked EES Consulting for a synopsis of what the flood control only concept would look like. That was a two or three page report and it is all they have done on flood control only.

Chairman Willis stated she needed to do a little housekeeping. There were meeting notes in the member packets from the morning meeting in July and they were not approved earlier in the agenda.

Commissioner Averill stated since those were special meetings of the Flood Authority, he and Ms. Anderson had discussed where to put them and in lieu of having approval at each meeting they were put into the business meeting for action. He then made a motion to approve the notes from the special meeting of July 15, 2010. The motion was seconded by Ms. Fund and they were approved.

## **OLD BUSINESS**

### **7. Ongoing Efforts Update**

Mr. Bruce Mackey stated some items on the update are either on the agenda or have already been discussed. He had information on the Early Warning Program. West Consultants is developing a portal for the Early Warning System and has been meeting with various jurisdiction staffs for feedback and moving forward on gauge locations. As part of that, West is planning to install new gauges that will have telemetry data. The use of telemetry data requires permission and agreement between NOAA and a public agency. The Flood Authority is not a public agency but the agreement could be signed by Lewis County until it could be transferred to the Flood District. This is a standard agreement saying the data can be used and we will hold NOAA harmless. There is no cost associated with it; Lewis County is willing to take this on and it is expected for that to move forward.

Chairman Willis stated that is consistent in that Lewis County is the fiscal agent and signs contracts, etc.

### **8. Peer Review**

Mr. Mackey stated the budget language required a peer review of completed geotechnical and hydrologic studies of possible upper basin retention studies. The DOE reviewed the geotechnical reports prepared by Shannon and Wilson and found no fatal flaws and we received a letter from DOE to that effect. Environ was hired to review the EES report, which is the hydrologic studies. Environ did the review in July and EES responded to that and the Flood Authority received both of those reports. As a consequence, Mr. Mackey wrote a letter to OFM on the Flood Authority's behalf addressed to Alicia Dunkin stating that the requirements of the legislation were met and asked them to concur and to allot funds for the fish study.

Last Tuesday, Mr. Mackey spoke to Keith Phillips and he indicated that OFM concurred that the intent of the legislation was met and that a letter stating such would be coming shortly. Mr. Mackey had not received that letter yet.

Yesterday, Mr. Mackey received a call from Alicia Dunkin indicating that the funds for the fish study, \$900,000, have been allotted and the Flood Authority can proceed.

Commissioner Averill reminded the Flood Authority that the work on both the peer review and subsequent fisheries study update was given to a sub-committee consisting of the commissioners from Lewis, Thurston and Grays Harbor County and a representative from the City of Centralia. In the case of the peer review, that group included the Department of Ecology and in the fish study it included WDFW, the Tribe and the PUD.

Chairman Willis stated those groups met numerous times to accomplish its tasks.

Mr. Mark White stated he is disappointed in the EES study. In reading the peer review Mr. White thought that there were words that were biased, statements of fact were not based on scientific

evidence, and it basically said to stop work. He hoped that Phase IIB is greatly improved over that. He believed the \$250,000 of taxpayers' dollars was spent on a worthless study.

Chairman Willis stated those comments went through the group and hopefully the scope of work reflects that attitude and moved forward to cover it in the next phase.

Ms. Powe stated \$55,000 of the \$250,000 was for the scope of work completed and because it was only \$55,000 a lot of the information was not complete.

Ms. Fund stated there was a response from them and what the peer review said. There was not a dialogue allowed between the peer review and EES so both documents need to be put together to get the whole report.

### **9. Flood District Formation Update**

This morning a special meeting was held at the Veterans Memorial Museum. There were two items on the agenda: the flood entity formation and looking at a public involvement plan, and issues associated with forming some type of entity for flooding and how that would be governed. These were introductory topics and the consultants were making the Flood Authority aware of the issues that need to be dealt with. No decisions were made.

Chairman Willis stated there was much discussion on everything brought forward. Next month there will be another special meeting before the regular Flood Authority meeting.

### **10. Fisheries Study Update**

Mr. Mackey stated the fisheries sub-committee met several times and it reviewed the peer review from Environ and from that developed a scope of work for the fish study. Three firms responded to the RFP that was developed: EES Consulting, Cramer Fish Sciences and Anchor QEA. The sub-committee reviewed all three firms and selected Anchor QEA as the firm to undertake the fish study. Lewis County, as the fiscal agent for the Flood Authority, drafted a contract which was forwarded to Anchor for signature and that has been signed.

Mr. Mackey introduced Paul Schlenger from Anchor QEA.

Mr. Schlenger is the project manager for the consultant team. In addition to the Anchor QEA expertise there are two other companies, Thomas R. Paine and Associates who are in-stream flow incremental methodology experts, or evaluating fish habitat availability related to flows and other fish habitat conditions, and Dr. Ray Hilborn, a professor at the University of Washington. He has developed a model called the "Shiraz" model which is a fish population simulation model, which tries to provide the fish population implications of how changes in habitat affect fish populations and the productivity of the different populations.

This group has put together a study plan that is in the scope of work that looks at many of the aspects of potential effects on fish that flood storage facilities in the upper watershed can have. It has crafted its approach based on the time and budget available.

Mr. Schlenger stated if we look at what it takes to fully analyze all of the effects associated with this study it would involve a lot more time than is available through June. What we have done is drafted a study plan to work within the timeframe. We have had to make decisions that are in the study plan

scope of work on where to focus the efforts. We have really focused our effort on quantifying available fish habitat throughout the Basin through the in-stream flow studies that Thomas R. Paine will be leading for the team. There are other aspects that we will be looking at in terms of fish access to the upper basin. Flood storage facilities can also have impacts on large woody debris transport and sediment transport into the lower reaches and loss of habitat in the inundation areas. All of those aspects are being considered in the scope of work.

Mr. Schlenger continued to say that one of the things that the team will emphasize at the end of this is a report that synthesizes the professional interpretation of all the data, clearly laying out the assumptions that have led to the interpretations. We will also hand over our models to be available to the community as future data becomes available in the years ahead. Part of our scope of work includes a data transfer.

Commissioner Valenzuela stated the fish study sub-committee talked about the possibility of extending the study time beyond July 30, 2011 to allow summer months study of the river. She asked if Mr. Schlenger's team talked about that possibility.

Mr. Schlenger stated that had not been discussed. When Anchor received notification of the interviews there were three specific questions and one of them was if we could go beyond June 2011 what would we do. We crafted an approach to that but our understanding following the interview was that we would scope our efforts to get all the studies completed by 2011. That issue has not been revisited.

Commissioner Valenzuela asked Chairman Willis if that was a question discussed with the governor's office.

Chairman Willis stated it was discussed but there is no answer at this time. Other groups expressed their concern for the time restraints and the dollar amounts available. The Governor's office understands those concerns but so far nothing has changed from the original legislation.

Ms. Powe asked if the Flood Authority could write a letter so it is on the record that the request was made. Chairman Willis stated we could do that; however she felt that there has been a great deal of feedback from the community and the governor's office understands the pressures we are under. The Chair is not sure a letter would make any difference but if the Flood Authority would like to do that there is nothing to stop it.

Chairman Willis asked if there were any questions.

Commissioner Averill directed his question to Mr. Mackey. When we concluded the last meeting we felt we had completed the task given the sub-committee and Commissioner Averill recalled there might be some items that the sub-committee might want to do.

Mr. Mackey stated the Flood Authority, because of time constraints and all the things the legislation required, gave the sub-committee the authority to do both the peer and the fisheries work and to hire firms, etc. All of that is done as of today. How you want to handle reports coming back from Anchor QEA on the fish report is a question for the Flood Authority. If you want the same group to convene and continue to be the liaison with Anchor you could do that; that group actually scheduled a tentative meeting for September 17 from 2:00 to 5:00, but only as a contingency. That decision is for the Flood Authority board to make.

Chairman Willis asked if there was discussion regarding this issue.

Commissioner Valenzuela is a member of the sub-committee and stated she would appreciate the Flood Authority authorizing the sub-committee to continue to act as the liaison with Anchor as they continue with their work. She believes Anchor needs a point of contact with the Flood Authority and that the sub-committee would not assume authority beyond what the Flood Authority determined the sub-committee should do.

Chairman Willis asked Commissioner Valenzuela to evaluate what might come out of those conversations and if we would be asking questions about their process.

Commissioner Valenzuela stated that would be part of it as well as if Anchor had questions of us as they proceed.

Chairman Willis asked Mr. Mackey to explain how this particular company was chosen to do this work.

Mr. Mackey stated the committee included the three county commissioners, Ms. Fund and representatives from the Tribe, the PUD and WDFW. The process required developing an RFP (Request for Proposal), advertising the RFP and looking at the responses. Two things occurred: the Flood Authority laid out a numerical ranking as to how the firms would be ranked, and when the proposals came back the Flood Authority considered doing the scope of work within a very restricted time period and for \$900,000. As it turned out, one of the proposals was \$1.6 million and the others were \$200,000 or less. An explanation needed to be sent back stating that the constraints were missed and asked the firms to re-do their scopes of work. All three firms did an excellent job, the sub-committee met again and this time there were very comparable proposals in terms of budget and timing. The ranking was done and after discussion, Anchor QEA was selected.

Chairman Willis stated there were questions by the sub-committee the second time around because the sub-committee felt that because there was such a wide range in costs we had not communicated exactly what was expected to be done. The sub-committee gave them very specific parameters to work with and had questions they needed to answer and personal interviews were conducted with them before the selection was made. The same numbering criteria was used the second time.

Mr. Mackey stated as part of the process, you are selecting a firm given their qualifications and what they propose to do, but you also have the ability to negotiate directly with the firm you chose and the sub-committee had another conversation with them clarifying some things and asking them to present things in a specific manner. Anchor has been very receptive to that.

Ms. Fund concurred that the sub-committee should continue working with Anchor because we can respond much more quickly and time is critical.

Commissioner Averill stated the sub-committee is not continuing as liaison to make decisions but to help clear up questions. Chairman Willis stated Anchor would have someone who has flood authority experience.

Mr. Mackey disagreed because the timeframe is very tight. You have given direction to Anchor but in their scope of work they have been very clear that they want to come back and work with the Flood



Authority. They will have questions and will ask for direction and Mr. Mackey suggested that the sub-committee needs the authority to give them that direction or you will be scheduling things a month or more ahead and you will not meet your deadline.

Chairman Willis reminded the group that there are members on the sub-committee who are not members of the Flood Authority.

Ms. Powe stated as an observer of the peer review and fisheries process, and if decisions are going to be made at these meetings, she recommended the meetings are open to all Flood Authority members and any member who shows up could vote or respond.

Chairman Willis stated that would be possible. If we want to make that change it would be a change in response to a motion. These are public meetings and anyone can attend. A good point was made that only certain people can vote and that is what the authorization has been up to this point.

Ms. Powe stated she was not aware of how to amend the motion.

Chairman Willis asked if Commissioner Valenzuela made a motion. Commissioner Valenzuela stated she had not but she would make one. She moved that the fisheries sub-committee continues to serve as liaison to Anchor throughout the study. Mr. Jim Cook seconded.

The Chair opened the motion for discussion.

Ms. Fund understands that Commissioner Valenzuela's motion does not allow for other Flood Authority members to vote. The Chair confirmed that.

Mr. Mackey stated if you pursue that too far you will have a quorum of the Flood Authority. Chairman Willis asked the down side to that.

Mr. Bob Johnson stated the reason for sub-committees is so that there is not a quorum of the actual committee which allows the sub-committee to do things that could not be done in a meeting of the Flood Authority. If there is a quorum and decisions are being made and the meeting has not been appropriately noticed as a meeting it becomes an issue. That is the reason for sub-committees: they are not a quorum of the full body.

Discussion followed and it was understood that the sub-committee would consist of four Flood Authority members, the Chehalis Tribe, the PUD and WDFW.

There was no other discussion and Chairman Willis asked for the motion to be repeated. She then asked if there were any objections to the motion. There were none and the motion passed.

## **11. Ecosystem Services**

Mr. Mackey stated the Flood Authority contracted with Earth Economics to conduct a study of ecosystems services which looked at the value of non-structural ecosystems available in the Chehalis Basin and the value of those and also asked that Mr. Dave Batker came back to summarize his report after everyone had a chance to read his report.

Mr. Batker gave an overview of his report. He touched on several points. First, it is not possible to assess all the assets that provide flood protection within a Basin, such as forests, levees, dams, wetlands, or other proposals. There is no model to put that together. Secondly, we don't value all those assets equally. Natural assets have not had a dollar value on their flood protection value and those are not included in the cost benefit analysis. This study looked at a number of these issues. There were 22 ecosystem services that are identified in the report and were reviewed and are present in the Chehalis Basin. Twelve of them were valued; the total value is about \$1.3 to \$11.6 billion dollars worth of benefits provided. Those are benefits that we do not have to pay for. If they should be lost, however, then we do have to pay.

This type of benefit transfer analysis is used in other places. The result has been a widening of flood ways, moving levees back, etc. There have been profound effects on investments in the UK and China, for example, for flood protection.

Mapping the occurrence of flooding across the landscape has been improved upon. If there is an investment in a levee or dam there are beneficiaries who can be identified, and there could be someone who receives damage. Earth Economics was not charged with mapping the ecosystems services but we did give examples as to how they can be mapped. Mr. Batker believes this is the next generation in flood protection in basin-wide analysis as it is crucial to modeling flood protection.

Earth Economics set out to discover how flood protection modeling could be better done. We don't have the tools to look at a basin-wide approach or the amount of protection provided by the forests or wetlands or that dams would provide. If there was a heavier rainfall or a more even distribution of rainfall how would the investments change? This kind of model is coming and we are interested in pursuing that with the Flood Authority and working with the Army Corps of Engineers. If we did have flood modeling with the right kind of hydrology we could run scenarios to include various elements.

Another area looked into were funding mechanisms. If you can map the beneficiaries, the provisioners and the impairments, it gives you a better and more fair structure for looking at funding mechanisms for a flood authority or other institutions, rather than bill everyone the same with an incremental increase in property taxes. Those who benefit may pay a higher rate; those that are impairing may pay a little higher rate and provisioners can be reimbursed. There is an example in the document about this type of mechanism in place in Costa Rica.

We looked at a set of flood protection project selection criteria. There are two areas: expected physical impacts and resource and government requirements. Mr. Batker recommended looking through this portion of the report because there is a scenario where you can measure financing and different expenditure options and perhaps see increased benefits.

Mr. Batker stated that it is likely that within the next couple of years there will be a proposal for a watershed investment district. The concept of that district is to look at flood protection, salmon restoration, waste water, drinking water and storm water and see how those investments can be better coordinated to reduce total costs. In this watershed, since one of the most important assets to protect is I-5, maintenance costs need to be brought in from outside the watershed. How do you set funding mechanisms for flood authorities or watershed investment districts which access fairly federal funds, state funds and local funds? Rural areas have always provided great ecosystems services; they are the provisioners for ecosystems services and they are not rewarded for that. If we did measure the value provided by rural areas there would be more of a flow of benefits into the area.

Mr. Batker stated there is a rather wild idea that could be considered. This basin has been heavily logged and there is a lot of potential for carbon sequestration. The longer the rotation the greater the flood protection value provided by that timber and that could be a source of income from outside the basin. If there was a funding mechanism between the Western governors, which is being set up, or the US or globally, this basin could have a source of income there.

Mr. Batker continued by saying we need to recast our vision of flood protection and ecosystem services and the suite of benefits provided. He was excited to participate in this project and feels there is still a lot of potential. Flood protection in the United States is going to be dramatically changed in the next five to ten years.

Mr. Batker concluded with next steps which include further modeling and mapping efforts which would look at provisioning, beneficiaries, impairments and scenario analysis and modeling. It is important to develop a prioritization and reporting methodology to prioritize flood projects and investments. There is a lot of potential in thinking about funding mechanisms other than the typical mechanisms we have and how to get gains on salmon restoration and flood protection.

The Flood Authority has done a good job in looking at cross-jurisdictional partnerships with the structure of the Flood Authority and you should think more about how the federal and state funding mechanisms can be put together.

Ms. Fund stated Mr. Batker had one wild idea and asked if he had another.

Mr. Batker stated one suggestion would be for the Flood Authority to calculate the dollar value provided by the Twin Cities Project locally, to the state and to the federal government, and the maintenance for that levee would be shared by the federal, state and local jurisdictions. Another bold approach might be to look more carefully at the benefits of natural systems and the overlap between flood protection, salmon restoration, forestry, fisheries, and other crucial areas that are tied to economic development in this basin.

Commissioner Valenzuela recalled that Mr. Batker said transfer or purchase of development rights is another way to reward the rural land owners who traditionally provide ecosystem services. She asked about the responsibility of local governments to do good zoning to begin with.

Mr. Batker stated every piece of property provides a huge number of ecosystem services. Some of those services are public goods and benefits and some of them are private goods. A timber owner can gain by cutting timber but they don't gain anything for providing flood protection or water filtration. That is not even considered an asset. Another effort is to have that value counted as assets and another project is to look at land use planning in how to include that full set of benefits and the evaluation of them. Six public utilities this year will go to the government accounting services board which decides how accounting is done for public utilities. They will say if we had a filtration plant it would count as an asset on our land. Since the forest is doing the filtration for free there is no asset value. They cannot borrow money to restore the watershed and they don't have the size of operations and management budget that they would have if they had a filtration plant. The proposal is to calculate that asset value and have that included. If a private land owner can show he is providing flood protection that could be counted as an asset also.

Chairman Willis asked if there were other questions for Mr. Batker; there were none.

## **NEW BUSINESS**

### **12. Expenditure Report**

Mr. Bob Johnson reviewed the expenditure report. Not shown on the report is the Anchor QEA contract which would be included in Studies. The balance is approximately \$1.2 million that will be \$900,000 less when the Anchor contract is deducted. The balance would be \$400,000 of unencumbered funds to be used for continued operation of the Flood Authority and any other studies that may come along.

The second page has a breakdown of the individual items that were paid during the last period. Mr. Johnson stated he has copies of the Anchor QEA contract that have been signed by Anchor. When it has been signed by all parties it will be e-mailed to the Flood Authority members.

### **13. Confirm Next Meeting and Board Requested Topics**

The next meeting will be September 16, 2010 from 1:30 to 3:00. There will be a special meeting in the morning from 9:00 to 11:30 at the Veterans Memorial Museum to discuss the flood district formation.

### **14. Adjourn**

The meeting adjourned at 3:18 p.m.