

Chehalis River Basin Flood Authority
WSU Extension Conference Room
Lewis County Courthouse
Chehalis, WA

January 21, 2010
Meeting Notes

Board Members Present: Ron Averill, Lewis County; Karen Valenzuela, Thurston County; Terry Willis, Grays Harbor County; Mark White, Chehalis Tribe; Jim Cook, City of Aberdeen; Kahle Jennings, City of Centralia; Brandon Atoch, City of Oakville; Alan Carr, Town of Bucoda

1. Convene Work Session

Chairman Averill called the meeting to order at 9:10 a.m. The Chair stated the morning session is a work session and many times the principals are not here. He feels uncomfortable representing the County since the Chair is to remain neutral. Unless there is an objection, in future work sessions, he will refer to the facilitator to lead the work sessions.

2. Introductions

Introductions were made by all attending.

3. Coordinated Study

Mr. Mackey presented information on the coordinated study. The first memo in the packet was context and the second was how it might work. The Flood Authority has several things it is looking at already. As you go through the Ripe and Ready studies and get more information from Earth Economics more options will be looked at regarding how you will identify projects and how to implement those.

Today we have both the Twin Cities Project and the storage facilities proposed by the PUD. To determine whether or not there are benefits of storage facilities coupled with the Twin Cities Project and taking a transparent look, there should be information about other studies and other ways to mitigate flooding in the future. Another issue: if you have the Twin Cities Project approved then benefits and costs are attributed to one project and there is the fear that it may compete with other projects. The coordinated study suggests looking at a smaller structure, a flood only structure, to see if costs and benefits coupled with those of the Twin Cities Project is economically feasible. This is a way to think about looking at projects in a way to avoid the competition.

Mr. Mackey demonstrated on the whiteboard the storage facilities and the Twin Cities Project. The Twin Cities Project is a \$100 million project and the storage facility is a \$300 million project. The coordinated study looks at building the 80,000 acre structure and its ability to reduce flows through the Chehalis River. You could then look at potential benefits for the people on the rest of the river. The Colonel (of the Corps) was clear that the river is something he can control given the timing of events. With this type of structure you could coordinate with other structures down the river. Part of the impact of the river is the water backing up because the river is full, i.e. the bathtub effect. Consider the impact of holding the water at the 80,000 acre structure. The idea is to look at a structure with less cost to build and to add the benefits and costs with the current benefits and cost of the Twin Cities Project. He demonstrated how that works. He explained the ratio of benefits to cost. If you look at a smaller flood control structure that might cost \$100 million but the benefits are only \$80 million that might

appear as infeasible. If you look at them together, you have a positive benefit cost. (100M ration: 130 over 100)

It might be prudent for the Flood Authority to consider another project in lieu of the Twin Cities Project because funding in the future for something else is slim. There is also 10-15 years before the dams are built. Perhaps there is a way to have a smaller structure with the same modeling as the Corps' because if it is feasible you are open for match and you avoid the conflict and jeopardizing the Twin Cities Project. By doing this, the study would look at reducing flow in the river and it also looks at the impact of other possible structures. That information could lead to what happens if you do something else in the river. The intent is that the PUD Phase 2 continues on its current route; this is a refinement of that proposal.

Commissioner Averill stated he understood we were looking at three options: the PUD project which is under way now and provides two dams holding water and some hydro. We wanted to separate three objectives out to see if there are more attractive solutions. From the PUD perspective there is not necessarily primary interest in one solution; there are other options.

Mr. Dave Muller stated the PUD perspective is to get as much information as possible on alternatives. If Phase 2B goes forward, it will include multi-purpose alternatives. You have all the pieces and those will allow a coordinated study. The later stage of the coordinated study is a combination of options. You need to find the best overall benefit cost.

Commissioner Willis asked if we could go into the second part of the feasibility study with the PUD without going in a different direction.

Mr. Mackey stated the Corps has talked about hydraulic modeling with the PUD. We asked if there is a minimal structure.

Mr. Muller stated when the study came up he was asked if the PUD could expand its scope of work. It could but it was not budgeted by the Flood Authority and we thought it would be better to do Phase 2B as outlined originally and do the analysis of a smaller structure. The two pieces, engineering and hydraulic modeling and timing of flows, compare to the upper river. In the end you feed that into the benefit cost.

Commissioner Willis asked what the cost estimate is.

Mr. Mackey stated that is what we are asking; we could put together a proposal.

Commissioner Averill asked if this is an RFQ process.

Mr. Dave Carlton stated a price cannot be submitted in an RFQ. That is only for qualifications.

Commissioner Valenzuela stated the Corps indicated the PUD project would supersede anything else, that we can't add another study to the Corps project. Now there is a different water retention proposal instead of considering the original PUD proposal.

Mr. Mackey stated you would have both at the end of the day. They continue to look at larger structures. When the Corps presented their analysis, even with the large structure, only 80,000 acre feet would impact the flow. The Colonel was clear that the PUD had to think about proposing a \$300 million project and replace the \$100 million project. The Colonel said he could not combine these two projects. He must look at the Twin Cities Project and the Basin GI study. If there is a way to combine them and look at minimal structure, is there a positive cost benefit. The politics after that, if it does turn out, is up to Congressman Baird, etc, to change the wording of the water retention act and state that a joint project is considered and continue with the project as outlined. If it met all of the environmental issues, consider that as well. The Colonel understood that if a study came out and made sense there is a political way to change it.

Commissioner Valenzuela asked the purpose of the scaled down version of the PUD proposal.

Mr. Mackey stated the Colonel stated there is no way to look at a \$300 million project and compare it to \$100 million project and get the benefits to lower the levees to make that happen. By scaling it down, there is a possibility of reducing cost but we don't know the numbers. The other idea is to figure out how to eliminate the tension between Twin Cities Project versus the benefits of other projects in the future. By combining the two, you are not trying to compete.

Mr. Muller stated the PUD is continuing with the two structures. The Colonel wants a cost benefit for flood control only; later you can add hydro, etc. Phase 2B adds the other elements and the Twin Cities Project.

Mr. Mackey stated it gives you compatible data and in the future you are more qualified for a match. If you use hydraulic studies for other things you are compatible with federal statutes and open for funding.

Mr. Kahle Jennings stated we are trying to capture a surplus in cost benefit ratio in the Twin Cities Project and leverage that to take advantage of a structure upstream that might demonstrate a cost benefit ratio.

Mr. Mackey stated we are trying to get away from reducing the levees. There is a risk: if you propose more than a 20% change you could lose federal funding and not have a project at all. The Flood Authority must decide if it is a risk they want to take. His advice is have something to replace it and know when would it be available. This is trying to get away from the argument that once you build this you cannot build anything else.

Commissioner Willis stated the hydraulic modeling under GI study was started by the Chehalis Basin Partnership for other uses. We wanted to know where the water was and that's why it started. If you reverse what you are saying, you are saying use the dikes by themselves and that studies show this is the way to go. If we were to build the dam with hydro power it won't prove out on a cost ratio basis. They are not a stand-alone project at all in that case. The dams are there to protect housing and animals; the dollar amount is not high enough to make the cost ratio and if they are not then in reality we cannot do the dams so we have to do what you are proposing to get both the dikes and the structures.

Mr. Dave Carlton stated we don't know yet how it will pencil out.

Mr. White stated projects get rated on benefit cost. Relatively speaking, flooding here is minor compared to other parts of the state. He asked if we can bring the ratio down.

Mr. Carlton stated it goes through Congress so they can do what they want to do. He is not sure if benefit cost plays into it very much. Bringing the ratio down won't hurt the chances of funding. You are trying to maximize the benefits of upstream storage. Is a storage structure of any size economically feasible? We don't know the answer yet.

Mr. Mackey stated if the Corps is looking at a project and you get more total benefits and the cost benefit ratio is lower, they like that.

Commissioner Averill stated Keith Phillips wanted to determine what the feasibility was. He offered that the governor's office would fund it. If you take the smaller option: a smaller dam is less money. What are the adverse effects of year-round water retention compared to three month retention? He is not suggesting passing the biological aspect.

Commissioner Willis stated protecting I-5 is also critical to the success of the governor's office staying behind this project. She asked if the dike project did not exist could you protect I-5 with just the dams.

Mr. Muller stated we need a combination. The hydro information shows that with minor improvements to Airport Rd, I-5 would be protected. We have the Corps procedures to follow and that continues to go forward. This would be to gather technical and economic information for the Flood Authority to make a more informed decision and it won't jeopardize the Twin Cities Project.

Mr. Cook stated there is no one proposal that will cure the problem; it will take a combination. The historical data we are compiling is of great value but is not the end all. Your study is not only water retention but hydro feasibility. He asked if that was to increase cost benefit and what is specifically devoted to hydro.

Mr. Muller stated preliminary expense of the dam was \$335 million; hydro was \$34 million and the PUD would fund that. If you build a minimum facility you have no head any time of the year and no storage.

Mr. Johnson stated in considering retention or levees and changing heights, some of us have seen proposed flood maps for the upper Chehalis that would suggest that the flood plain and flood way would be substantially modified. The data has been compiled since the 1930's and it went up from 39,000 cubic feet per second (cfs) to nearly 80,000cfs which suggests there is more water coming down the river. If you build levees you don't want to build them where they are too low and have to come back to raise them. The data suggest more water is going to come down and that was based on the 1996 flood which was less volume than the 2007 flood.

Mr. Mackey asked how the Flood Authority wants to proceed this afternoon. Should ESA develop a scope and Request for Proposal based on the supplemental budget? The way the budget is proposed is a reallocation of current funds which takes less scrutiny but it is also to be used as funds become available.

Mr. Johnson stated if the Flood Authority decides to go this way will additional monies be asked for because the budget suggests we have \$1million to look at a flood district.

Mr. Mackey stated it either comes out of the hydraulic modeling or you would come back with a first project to propose and tell OFM you will use part of that money.

Mr. Jennings stated Centralia is in favor of this.

Commissioner Averill stated Mr. Mackey would report to the Board at the Flood Authority meeting this afternoon.

4. Break

The group took a break and reconvened at 10:20.

5. Regulatory Work Group

Ms. Ann Root stated there is an error on the staff report, page 9, #1. It should read "Compensatory storage may not be effective in all situations..." The word "not" was left out.

Ms. Root stated the Regulatory Work group comprised of Flood Authority members and jurisdictional staff. She thanked everyone for putting in their time.

Ms. Root presented the Powerpoint:

- Purpose of Group, which is detailed in the staff report.
- Regulations evaluated were local floodplain regulations, CAO, Shoreline Management Act.
- Approach - summarized recommends from Community Rating System and flood plain managers, met with jurisdictions representatives; the work group evaluated the recommendations; the work group developed recommendations pros and cons.

The group came up with two recommendations: *Basic* which all jurisdictions should consider and *Ideal* which might be appropriate in some cases but might not work in all jurisdictions.

The Basic Recommendations are covered in the staff report.

In answer to a question, the BFE (base flood elevation) is a FEMA established number; if there is more restrictive data you can call that the BFE. It must be higher, it cannot be lower.

Ms. Root stated all recommendations apply to new construction; none is retroactive. There are programs for relocating out of the flood plain.

Mr. Dave Carlton stated FEMA has a pre-disaster grant which is competitive. There are elevations and buy-outs. Recommendation #5 and 50% damage applies to existing structures.

Ms. Root stated the grant programs are discussed in the regulatory program.

Under "Ideal Recommendations" Compensatory storage does not mean if you fill in the floodplain you will dig out the same amount of area in another part of the floodplain. It is not digging a hole. It has to

function hydrologically the same as what was filled. There are substantial CRS credits for this and that is why it was left in.

Recommendation # 2: zero rise. Mr. Carlton stated originally this was strictly conveyance and ignored the storage. FEMA has a 1' floodplain base and this was an attempt to keep the flood base. It has been expanded to provide impacts for storage. If you fill right to a bank all the water has to go some place.

Commissioner Averill asked if this can be enforced.

Mr. Carlton stated it goes back to compensatory storage; you have to do it right. The applicant would need to do a lot of engineering to prove there is no upstream or downstream impact.

Recommendation # 3 would require a public hearing through the hearing examiner.

Pros: reduce risks; reduce emergency management costs; protect health and safety; higher CRS rating and reduced insurance premiums.

Cons: increased development costs; increased enforcement; additional permit review; land use implications which may conflict with GMA and decreased tax revenue potential.

The Flood Authority has no authority over any jurisdiction to adopt these recommendations.

Next Steps: review and discuss recommendations; include recommendations in revised Comprehensive Flood Hazard Management Plan (CFHMP); recommend that member jurisdictions adopt recommended regulatory changes.

Mr. Mark Swartout stated at this point the CFHMP will come to the Flood Authority but will not be adopted; the jurisdictions will adopt it and there will be requirements to implement it. You must look at the Plan and look at the recommendations to decide if that's what the community wants.

Commissioner Averill stated the Committee looked at all the options and the 11 jurisdictions had different plans but few were consistent. What would the model be to encourage consistency? There is no authority in the plan itself; however if the Flood Authority adopts the plan it encourages the jurisdictions to adopt it to come into compliance.

Mr. Carter asked if House Bills 3374 and 3375 require us to adopt a CFHMP.

Ms. Root stated it is not required but recent legislation is a basis for uniting flood control and is based on implementing a Plan that might fit those requirements.

Ms. Root stated we have not asked you to make a formal decision; a revised flood plan will come at a later date.

Commissioner Averill stated this is a process we have been involved with from the beginning. A new plan has been written by chapter and the BAC has looked at each chapter. He charged each local planner with looking at this process and get feedback to us. The larger jurisdictions might have done that.

Commissioner Averill stated the Counties are not in one watershed. We are talking about the Chehalis Basin portion of the plan.

Ms. Root asked if the Flood Authority was comfortable with including these recommendations into the Plan. Lewis County said yes and there was no objection from any one.

6. Flood District Formation

Mr. Mackey stated ESA Adolfson put together comparisons of flood control districts and flood control zone districts. Research was done by people who have implemented these districts. In the proposed supplemental budget there is a \$1 million placeholder for governance and finance structure. If that passes, how do you want to proceed? You can put out an RFQ for a flood control zone district. However, after discussions, he is not sure you are ready to take that step. ESA can put out an RFQ to bring together alternatives available to the Flood Authority, stakeholders, and BOCCs and then come back and put together a process for forming whatever district you choose. ESA would work with who you choose so some type of flood district is in place soon.

Commissioner Averill would like to do this sooner rather than later. Also, no matter which provision of RCW you use (district or zone) it is a function of the collective BOCCs to make that happen. It goes beyond the three representatives of the counties; once we have clear guidelines of what we can do and can make decisions, we need to go back to all boards and the Tribe or do it individually. There are so many questions in terms of what you can do and cannot do that this requires expertise that we do not have available to us and prefer going out for an RFQ. A District is a municipal corporation that can cross boundaries and we don't know how to do that. The plan that is required to get across to the voters as a district is a more difficult process than a flood zone. It appears to be more adaptable to long-term operations. We need to look at what we can do in a zone and go with the proposal that ESA has put forward.

Commissioner Willis agreed with going with the proposal.

7. Trout Unlimited

Commissioner Averill stated last week at the invitation of Trout Unlimited we were asked about what is going on in the Chehalis River Basin, not just with the Flood Authority. Commissioner Averill talked to the group as did other commissioners, John Donahue, Mark White and others. Questions were answered. Commissioner Valenzuela focused on Earth Economics work; Commissioner Willis focused on the Chehalis Basin Partnership and its relationship with the Flood Authority as it is still a point of confusion. She showed how they overlap with the two GI studies. The meeting was a good format and exchange and it was the first time in public that the Flood Authority could show the differences between the members of the group. His only criticism was he would have liked more questions and answers with the audience. Mark White focused on fisheries and would have liked more questions and answers, also.

8. Adjourn

The meeting adjourned at 11:26 A.M.

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

**January 21, 2010 – 1:30 P.M.
Meeting Notes**

Board Members Present: Ron Averill, Lewis County; Dolores Lee, City of Pe Ell; Jim Cook, City of Aberdeen; Karen Valenzuela, Thurston County; Terry Willis, Grays Harbor County; Bill Bates, City of Centralia; Chad Taylor, City of Chehalis; Andrea Fowler, Town of Bucoda; Brandon Antoch, City of Oakville; Mark White, Chehalis Tribe

Board Members Absent: Ron Schillinger, City of Montesano

Others Present: Please see sign in sheets

Handouts/Materials Used:

- Agenda
- Meeting Notes from December 17, 2009 Work Session and Business Meeting
- Letter from Department of Ecology
- Ripe and Ready Projects Update
- Memo from ESA Adolfson re: Coordinated Study
- Draft Resolution to Approve Ripe and Ready Basin-wide Studies
- Amendment to OFM Interlocal Agreement No. K331
- Budget Adjustment Recommendation dated December, 2009
- Memo from ESA Adolfson re: Flood District Formation
- Expenditure Review

1. Call to Order

Chairman Averill called the meeting to order at 1:36 P.M.

2. Introductions

Self introductions were made by the Board members and audience.

3. Approval of Agenda

There were no changes to the agenda and it was approved without objection.

4. Approval of Meeting Notes from December 17, 2009

Chairman Averill stated without objection the meeting notes from the business meeting and work session on December 17, 2009 would be approved. There was no objection and they were approved.

5. Public Comment

Mr. Jay Gordon, Elma, stated he works for the Dairy Association and is a lobbyist for that association. He encouraged the Flood Authority to keep working. He spoke of the flood control district and flood control zone district stating there are several of these districts in Whatcom County. This is a task for the Flood Authority to consider and Mr. Gordon encouraged the Flood Authority to contact Whatcom County to learn of their experience and talk with the farmers, Tribe and local governments who are involved with that issue.

6. Reports

a. Chairman's Report

Chairman Averill summarized the work session stating the coordinated study which was discussed at the work session is on the agenda for today's meeting.

Since the start of the Flood Authority one of the objectives was to look at the Flood Hazard Management Plans of the jurisdictions that are members of the Flood Authority. There are huge differences between the various plans. ESA Adolfson in coordination with those jurisdictions has been studying that issue and has written what might be considered a model Flood Hazard Management Plan for the Basin. The Authority does not have the authority to have a Flood Hazard Management Plan implemented by the jurisdictions; that is the responsibility of the individual governments. As we come closer to a model plan, we will be asking the jurisdictions to look at that plan and their own existing plan and the changes they might make to come closer to the model which is recommended. That will be done through the normal government processes, which includes planning commissions and city councils holding public hearings and voting on the adoption of the plan.

Another issue discussed at the work session was the best approach to take for forming a permanent body to look at flooding in the Chehalis Basin: a Flood Control District or a Flood Control Zone District. They are both provided for by law in the RCW. They have different approaches and much of what is contained in the implementing of rules in both bodies are the same with some areas that might look better than others. We will be discussing these options later this afternoon.

b. Member Reports

There were no member reports.

c. Correspondence

Chairman Averill has received three pieces of correspondence. One is a letter from the Department of Ecology, a copy of which is in the member packets, regarding the State comments in scoping retention studies under Phase 2B. Phase 2B will be discussed later in the meeting. Questions on this letter may be directed to Mr. Muller.

There were no questions.

The 2010 appropriation process is ongoing by continuing resolution. The joint committees of both the House and Senate came up with final figures for appropriations to the Twin Cities Project and to the Twin Cities GI Study, each of which will receive \$672,000.

Since the last meeting, a number of the Authority Board and state agencies attended the annual winter meeting of Trout Unlimited in Lacey. A panel discussed what is being done in the Chehalis River Basin for mitigation. A letter was received from Trout Unlimited, which Chairman Averill read. It thanked the Flood Authority members and others in attendance for their participation and sharing their working knowledge. The letter stated that Trout Unlimited understands that stakeholder collaboration is a key to success.

d. Facilitator's Report

The Facilitator will report later in the agenda.

e. Corps of Engineers Report

Mr. Bill Goss stated the Chehalis Basin-wide Project Management Plan will be distributed at the end of this month with comments being received in February. In late February the comments will be reviewed and the document finalized. As far as the ongoing studies go, until the PMP is signed the Corps will provide coordination but it will not go into analysis of the studies. That information will be used towards the project but at the current time the Corps is not doing any in-depth studies or reviewing information.

Regarding the Twin Cities Project, the Corps met with the City of Chehalis officials last week to discuss some issues and concerns. A meeting is scheduled for January 26 with the City of Centralia to brief the city council on the two projects in the area.

On the 35% design there may be some significant scheduling issues that need to be addressed. On January 28 we hope to have better information on durations and what can be done to eliminate or minimize these delays.

Chairman Averill stated the meeting on January 28 is at the Aerie Ballroom on Tower Avenue in Centralia.

f. State Team Report

Mr. Antonio Ginatta with the Governor's Executive Policy Office stated he would make the governor aware that there are scheduling concerns relating to the Twin Cities Project.

There are some flood bills that are being looked at in the Legislature; many of them are motivated by the Howard Hanson Dam situation but do have applicability in the Chehalis Basin and Mr. Ginatta will be tracking them to ensure the governor has her voice heard on those issues.

The governor thanks the Flood Authority for its continued hard work on the flooding issues and support for some of the initiatives that have been discussed, especially at the morning's work session such as the coordinated study and the regulatory work by the task force.

Mr. John Donahue stated the state agency staff is also tracking the scheduling issues. More information will be available on January 28 and he will be interested in hearing from the Corps at that time.

Also on the 28th will be a meeting on the progress report on the project which will include all of the work since the last time the group met last April. Some highlights: work on cultural resources, environmental issues, hydraulic modeling, and engineering progress on both levees and the Skookumchuck Dam. A lot of work has already been done on updating the economic benefit calculations for the project, and finally public involvement. We need to think ahead about the public involvement in the next 35% milestone.

g. Lewis County PUD Report

There was no PUD report.

OLD BUSINESS

7. Ripe and Ready Studies Report

Mr. Mackey stated the Ripe and Ready Studies update is in the member packets. He summarized some of those projects.

The Early Warning Program consultant has been meeting and following up with stakeholders.

Ecosystems Services was addressed at the December work session. Mr. Mackey spoke to Mr. Batker earlier this week and a draft report should be completed this week and will be sent out to the Flood Authority members before the February meeting.

The General Investigation group will be meeting on February 4 to go over all the material. The group will meet with the Corps staff on the 25th to proceed.

8. Coordinated Study

Mr. Mackey referred to the memo dated January 14 and the attached coordinated study. This issue was discussed during the work session. The Flood Authority and property owners are looking at many solutions and there are a lot of different interests. The Flood Authority reflects those whether it is the Twin Cities levee with the Skookumchuck Dam, whether it is the upstream storage facilities, stricter regulations, buy-outs, non-structural options and floodplain restoration which will all be looked at over time. The Chehalis General Investigation will provide the Flood Authority with the opportunity to look at a variety of these Basin approaches, structural as well as non-structural, but that will take several years. Once a flood district is formed there will be a way to pursue many of those over time. However, the governor, the legislature and the Flood Authority also see significant benefits in proceeding with the Twin Cities Project and a lost opportunity if the federal funding is jeopardized.

At the same time, you are also looking at the possibility of flood mitigation structures on the main stream; hence, the coordinated study. This would let Phase 2B continue as it is and also look at the option of having the Twin Cities Project continue and consider one upstream storage facility focused on flood mitigation. Rather than a very large structure, look at an 80,000 acre foot structure that would have an impact on the amount of water that flows down the Chehalis River. What is unique about this approach is that the coordinated study proposes the benefits and costs of both projects. This approach avoids the competition in counting and dividing the benefits between two projects and it avoids jeopardizing the authorization of the Twin Cities Project because it assumes the continuation of that project.

The idea is to focus on a water storage facility designed solely for flood mitigation to determine whether the benefits of a single purpose storage facility can meet federal guidelines. Once that is completed the hydraulic modeling and the benefit cost analysis could be applied to other potential structures. This offers a transparent look at both projects using comparable data and being consistent with federal requirements. This could be completed in about a year and information will be available from other studies. It will all be tied with the hydraulic modeling and benefit cost analysis to look at additional ways to mitigate flood hazards.

Mr. Mackey asked if the Flood Authority thinks there is value in having this kind of information to make threshold decisions on feasibility with the possibility of pursuing the combination of the Twin Cities and a single purpose storage facility. If the Flood Authority determines there is value in going forward with a coordinated study, ESA will develop a scope and request for proposals and those will be brought to the

Flood Authority for its consideration. As a caveat, none of this will occur if the supplemental budget does not pass.

Chairman Averill summarized the proposal and asked for discussion. There was no discussion and without objection ESA Adolfson would be authorized to pursue this study. There was no objection.

9. Upstream Storage Analysis Phase 2B

Mr. Mackey stated at the previous meeting a proposed resolution was presented to the Flood Authority to approve Phase 2B and the Flood Authority asked ESA to take another look at it. The sub-committee recommends approval of the scope of work for Phase 2B. Mr. Mackey read the resolution.

Chairman Averill stated the subject before the Flood Authority is the authorization to go to Phase 2B based on the funding that was applied for to allow the additional \$230,000 in expenditures. He asked for discussion.

Mr. Mark White stated a question asked at the previous meeting is if it can be used for matching funds.

Mr. Mackey understands Mr. Goss is still waiting to hear from the Corps' attorneys to determine if the Chehalis Basin-wide GI and the interlocal would allow for consideration of match, and in addition to that, it would need to meet Corps standards and requirements.

Mr. Goss has not heard from the Corps' attorneys.

Mr. White asked if the Flood Authority can proceed without that information.

Commissioner Willis asked how far we can go before we are told we cannot use it as a match.

Chairman Averill stated if we are not given permission to use it as a match the Flood Authority must make a decision as to whether we want to go forward without the match or not. He asked Mr. Goss if we were to start on the process, at what point can we not use this for a match.

Mr. Goss stated currently everything that is ongoing has been discussed with counsel. They have looked through authorization documents and the PMP to see if there is language that states the work that has been done can be credited. He is expecting an answer very soon. If the answer is yes, the work being done still needs to be looked at under the federal process.

Chairman Averill asked if we authorize it today will that mean that we cannot get it done or is it still possible to use it as a match.

Mr. Goss stated it depends on the answer from counsel. If you start the process and counsel states it is not allowed then it is cut out. If there is a new agreement and verbiage to include it initiated and completed before you start, then it could be counted.

Mr. Mackey asked if we meet at the end of February and we are in close agreement, are we looking at a month or two months until we have a signed PMP.

Mr. Goss did not wish to comment at this time.

Mr. Taylor stated the Flood Authority needs to move forward on this project. If the cost sharing was important it should have been discussed before we started on this project. We did not discuss it; we have started it and are beginning Phase 2 and we need to continue. It's great if the cost share comes through but if it does not, we have already started so let's move on.

Chairman Averill asked Mr. Muller to comment as the Flood Authority is at a standstill. He asked where EES stands in terms of further delays.

Mr. Muller stated EES completed its work on Phase 2A at the end of October, which was reported on in November as well as the scope of work for Phase 2B. Nothing else has been done since that time; they are awaiting authorization to proceed.

Ms. Willis asked if there was an obligation when the money was appropriated to use it for a match.

Chairman Averill stated a portion of the money was a federal match: \$47 million was match for the Twin Cities Project predominately, unless that project does not go forward. If that is the case the money can be used for another project. The \$2.5 million did not have that encumbrance on it and the funding for this project is coming out of that \$2.5 million. There was no requirement that there is a match; on the other hand we are getting appropriations from Congress for both the Twin Cities Project and the GI study. Both of those are a 50/50 match. Chairman Averill is looking for in-kind match as much as possible so we can get maximum use out of the appropriation that Congress is providing on the federal side of the House. That is what has prompted the issue of the match.

Commissioner Willis stated at this time we do not have any match other than what came from the Chehalis Basin Partnership in the GI and nothing has been approved through the Corps at this time because of the PMP.

Ms. Lee asked what the impact would be if we do not go forward at this point.

Commissioner Averill stated if we do not go forward EES has no authority to continue with Phase 2B.

Mr. Muller stated an option would be to approve the resolution and to hold authorization to proceed until you get the answer from the Corps.

Mr. White stated there are some significant issues DOE mentioned in its letter. It asked if this project has any benefits downstream or not. He asked if these issues would be addressed in Phase 2B.

Mr. Muller stated they would be addressed in Phase 2B. Those are the questions we needed answers to when we did the scoping work.

Mr. White stated he was especially concerned about the information on the gauges and the quality of the data.

Mr. Muller stated the Grand Mound gauge data was used because it is more complete. They correlated it to the data they had at Doty but that data was not complete. It needs to be revisited based on the review.

Mr. Taylor stated if the Corps states this does not qualify for cost share and we decide we will not go forward, that means we started not knowing whether we had cost share and spent money on a study that we cannot use. We will be throwing money away. The answers we are going to get from this study are important and we need to move forward regardless. If the cost share is that important, it should have been addressed before we started.

Commissioner Willis stated from her position she is not considering not doing the project. Her consideration is what the best gain is for the dollars we have to spend.

Ms. Lee stated she agreed with Commission Willis.

Chairman Averill stated what is before the Flood Authority is the approval of the Chehalis River Basin funding for Phase 2B of the upstream storage feasibility analysis and authorization so Lewis County can amend the interlocal agreement with the PUD to include the additional \$230,000 funding in the proposed scope of work. There is a friendly amendment pending Corps response on in kind local share. As Chairman Averill understands this, the advantage of going ahead with this is we can release the money as soon as we have a decision one way or the other.

Mr. Mackey stated if the Corps states it could count for match we would proceed. If they say it does not, you can address it at the next session.

Commissioner Willis would support the friendly amendment but her patience is running short.

Mr. White wants to make sure the issues in the DOE letter are added to the scope of Phase 2B.

Chairman Averill stated this would also be considered a friendly amendment if there were no objections. There were none.

Chairman Averill stated shall the Flood Authority go ahead with the approval of Phase 2B pending the Corps response on the in kind local share and answering the questions of the DOE report? Without objection the motion was approved.

10. OFM Budget Amendment

Mr. Johnson stated at the last meeting there was discussion regarding the money that was allocated and how it was spent in some of the line items. Mr. Johnson presented a proposed second amendment to the original OFM agreement and it shifted some of the money around. The total amount remains the same, \$2.5 million, but there is a slight decrease in the amount that would be allocated for salaries and wages to the lead agency and employee benefits as well. Supplies would remain the same; Other Goods and Services (costs associated with other staff members) is short; Consulting Services will be amended to accommodate the additional work that was authorized for ESA Adolfsen which would take money out of Studies. Travel remains the same.

Mr. Johnson's recommendation is to make a recommendation to Lewis County BOCC to authorize and sign that agreement so it can be sent to OFM for their signature. That will enable us to be paid for some outstanding items.

Mr. Johnson stated the original OFM manager was only concerned that we did not exceed the bottom line and we could use the money as we felt necessary. The new manager would like to see more specific expenses.

Chairman Averill asked for approval of the amendment between Lewis County and OFM. There was no objection; the amendment was approved.

11. Officer Elections

Chairman Averill stated at this time nominations are open for Chair of the Flood Authority.

Mr. Cook nominated Terry Willis for Chair; seconded by Karen Valenzuela.

There were no other nominations; Commissioner Willis was elected Chair.

Chair elect Willis thanked Commissioner Averill for his leadership and his knowledge of the subject of the Flood Authority. Getting to this point and being able to make tough decisions was through his leadership. Chairman Willis stated she would take this position very seriously.

Mr. Cook nominated Ron Averill for Vice Chair; Ms. Lee seconded.

Mr. White nominated Karen Valenzuela; Mr. Atoch seconded.

There were no other nominations. A motion to close nominations was made and seconded. The nominations were closed.

A vote was taken by hand; Commissioner Averill had five votes; Commissioner Valenzuela had four; Commissioner Averill was elected Vice Chair.

12. Flood Districts

Mr. Mackey stated the original legislation that created the Flood Authority, and with the interlocal agreement, a goal was to create a flood district as soon as practical. ESA Adolfson has undertaken some research with professionals who have created flood districts of various kinds, presented a comparison between a flood control district and a flood control zone district pointing out pros and cons of both. Mr. John Ghilarducci gave a presentation from his perspective at the previous work session.

ESA Adolfson is recommending a Request for Qualifications (RFQ) for a firm to go through a two-step process. The first would be to help the Flood Authority, other County Commissioners, stakeholders and others understand the differences and the pros and cons and come to a decision on how to proceed. Once that decision is made, ESA would work with that consultant to do all of the work that is necessary to form some type of governance and finance structure.

The Flood Authority can make the decision and ESA will have the RFQ ready to go; however it would be contingent upon the supplemental budget in the Governor's budget being re-appropriated which requests \$1 million to carry this process forward.

Chairman Willis stated the work session covered this conversation and asked for questions from those who did not attend.

Commissioner Averill stated when the Flood Authority started it was in the charter to work towards a flood control district. In subsequent research, there are a number of counties that have formed flood control zone districts but flood control districts are much smaller than any county. The rules for forming those districts are archaic and the Flood Authority went to the legislature to try to get some of those rules changed and voter approval was successfully changed.

We know less about the flood control zone and Commissioner Averill is in favor of obtaining better background as how the two compare. Each jurisdiction, if we are going to go forward, needs to know what the flood control zone looks like and what the jurisdiction has to do.

Chairman Willis asked if there was opposition to moving forward with the RFQ. There was none. Chairman Willis stated Mr. Mackey should proceed.

NEW BUSINESS

13. Expenditure Review

Mr. Johnson stated there were two expenditure reviews in the member packets. One is a more detailed report itemizing where the money has gone so far. The monthly report is for the period ending 1.12.2010. The balance remaining is \$2,364,652.97. The other report shows where the funds went with respect to salaries, benefits, supplies and all other itemized line items.

Chairman Willis stated she appreciated the detailed report. Mr. Johnson asked if that should be continued. Chairman Willis stated yes.

14. Confirm Next Meeting and Board-Requested Topics

The next meeting is February 18 which will begin at 1:30 P.M. There will also be a morning work session beginning at 9:00 A.M. at the WSU Extension Conference Room. Chairman Willis encouraged the board members to attend.

15. Adjourn

There was no other business and the meeting adjourned at 2:45 P.M.