

**Chehalis River Basin Flood Authority
Special Meeting
WSU Extension Conference Room
Lewis County Courthouse**

**July 21, 2011
Meeting Notes**

Board Members Present: Edna Fund, City of Centralia; Dolores Lee, Town of Pe Ell, Vickie Raines, City of Montesano; Ron Averill, Lewis County; Dan Thompson, City of Oakville; Jim Cook, City of Aberdeen; Karen Valenzuela, Thurston County; Julie Balmelli-Powe, City of Chehalis; Terry Willis, Grays Harbor County

Board Members Absent: Andrea Fowler, Town of Bucoda

1. Call to Order

Chairman Raines called the meeting to order at 9:08 a.m. She stated there is a tight timeline to complete the requirements of HB 2020. A summary of each are: to study, develop, construct and fund flood control measures throughout the basin; complete the ongoing study of retention structures by December 25, 2011; complete the hydraulic model for the Chehalis River. The State must also draft a report.

2. Introductions

Self-introductions were made by all attending.

Chairman Raines asked Mr. Johnson to explain the budget memo. Mr. Johnson stated that the Flood Authority did not spend \$645,000 of the allocated funds and that money is not available to the Flood Authority any longer.

Commissioner Averill stated there is a misperception about funding. If congress appropriates money in a federal budget to a project, the money stays. If there is money left over in the state budget at the end of a biennium the money is gone; it must be re-appropriated. The total re-appropriation for 2011-2013 is \$1.32 million. That is what the Flood Authority has to work with.

Mr. Johnson continued with the contracts. The Anchor QEA agreement is for \$188,485.06 to finish the fish studies. The fish enhancement contract has two sections to be discussed with Anchor. The supplemental analysis is for \$49,775. Commissioner Averill stated what did get re-appropriated in HB 2020 for the fish study was \$275,000.

Mr. Johnson stated the Flood Authority can request that Lewis County prepare contracts but the actual signed contract cannot be executed until OFM approves it. The budget proviso actually states what the OFM money can be used for. Administrative expenses are ongoing and those are okay with OFM even though there is no agreement in place. Any additional work, such as fish enhancement or West's work cannot be let until the contract is in place. The contract will most likely have specific amounts that can be amended, and what will not change is the \$1.32 million.

Commissioner Averill stated the Corps will be announcing the termination of the Twin Cities Project. They have considered that the Skookumchuck Dam storage is too costly and building levees to Porter is too costly.

Commissioner Willis asked if the Corps will recommend not going forward. Commissioner Averill stated there will be an appeal. He has asked Mr. Goss for alternatives if the project is totally gone or if the Flood Authority can look at other aspects so all the work that has been done is not lost. The Twin Cities Project began in 1997 and has cost \$15 million.

Commissioner Averill continued to say that the HB 2020 also funds the Twin Cities Project and that is for \$1.2 million for the next biennium. If the project is terminated the \$1.2 million is still out there. One discussion the state, the Flood Authority and the Corps need to have is if local studies that look at the Twin Cities Project continue would the Corps consider that an in-kind match if the project is revived. If they do, some of the \$1.2 million could be used for hydrology rather than coming from the \$1.32 million the Flood Authority is working with.

Mr. Johnson continued with the proposed expenditures and stated the supplemental contract for West Consulting is to install gages already purchased but not installed yet. DNR and Weyerhaeuser need to authorize the installation and maintenance of the gages and that may require a higher level of discussion. Originally the contract included contracting with OneRain for a web page subscription but there was a problem with contracting and West will act as the contractor for the Flood Authority and can sign a subscription.

The hydraulic modeling studies have \$400,000 budgeted. There may be optional funding sources for part of that. Lewis County proposed to provide support services for a slightly higher level as in the past which would replace services provided by ESA. Lewis County support services are for \$35,000 which includes legal and staff support. There are two contracts to provide additional contract services, namely Gordon Thomas Honeywell (GTH) and SBGH Partners. That total is \$63,526. One total for GTH is for \$23,000 and that is for a trial period to see how it works out. If the Flood Authority wants to continue with GTH the total would be \$92,000. Contracts are included in the packet handed out along with the scope of work.

Commissioner Averill stated HB 2020 has a number of things that need to be done as stipulations to qualify for the money; this list does not include all of those things. If the Twin Cities money cannot be used for the hydraulic study, that will use up all but \$225,000 for about four or five projects that the bill indicates need to be done. Things on the list are important to continue to get the studies done so we are ready to approve and/or look at other projects. One problem, given the resources, is being selective about choosing the remainder of the projects unless we can tap into the \$1.2 million.

Before continuing with the agenda, Commissioner Averill stated that an email was received from Mr. Mark White with the Chehalis Tribe expressing his concern about Lewis County having ownership of materials or data from a contractor. Mr. Carter and Mr. Plotz both stated that Lewis County as the fiscal agent of the Flood Authority maintains the data and information but it is the property of the Flood Authority. It is not necessary to request information: it will always be available to anyone and will be posted on the Flood Authority website.

Ms. Fund stated she would like the Timberland Libraries to be a repository for all the information also.

3. Discussion of West Consultants Contracts

Mr. David Curtis gave an update on the flood warning system. He stated OneRain received a major upgrade on Wednesday and that is way beyond the price of a subscription. He also stated that, through

cooperation with TransAlta, West has connected to their data access systems regarding the Skookumchuck Dam.

Mr. Curtis stated the contract has four elements: 1) Complete the gage installation with Weyerhaeuser and DNR; 2) Operations and Maintenance of gages over the next year; 3) Public outreach done with the weather service once all the gages are in the ground or before the next flood season; 4) OneRain web subscription.

Mr. Curtis explained that Weyerhaeuser asked West Consultants to sign a permit to go on their property to locate sites. West made extra trips and got safety training to operate on logging roads. The permits were signed and West Consultants did reconnaissance. Now a permit is needed to install and reactivate when there is an update. One issue is that these gages are not in counties that are in the Flood Authority but they are in the watershed.

The issue with DNR is DNR is trying to get a lease agreement for a 10 x 10 lot; a no-cost lease that is now used by logging companies. Extra support is needed there.

Commissioner Valenzuela asked that all the contracts have Lewis County as the “fiscal agent” rather than “lead agent”. She also asked that “gage” or “gauge” be consistent throughout.

Commissioner Willis asked what happens if those gages don’t get installed. Mr. Curtis stated the gages are already in house; he will need to find another location if Weyerhaeuser or DNR does not come through, although these locations are ideal for additional information.

4. Discussion of Fisheries Study/Enhancement Study

Commissioner Averill stated the Fish Committee met on Wednesday. In June there were accusations that QEA was not getting all the data and that there were gaps and that only three varieties of fish were chosen and others should have been looked at for their model. Mr. Paul Schlenger called the meeting on Wednesday to address those issues.

About fifteen people attended and Mr. Schlenger did a thorough job of explaining how they were modeling, the criteria, and why the species of fish were selected. Each area of concern was discussed. Mr. Schlenger stated some information was anecdotal and a scientific study cannot use anecdotal information; it must be borne out of research. There may be some data that the Chehalis Tribe has that was not available. Their representatives stated they would look through the data and provide it. Mr. Schlenger wants to sit down with the technical people on a monthly basis to discuss what has been found and give them an opportunity for their input. A PowerPoint was used at the meeting and it will be distributed to the Flood Authority.

Ms. Powe complimented Anchor on their work. She stated they are doing the best they can by pioneering a model with the best science and using all the variables.

Commissioner Willis stated the meeting was helpful and Anchor got the technical information it needed. They explained what the model will do and what it cannot do. She thought the meeting was very productive and that a good product would come out of it.

Commissioner Valenzuela stated at the previous meeting there was discussion about looking above the proposed dam site. She asked if this was discussed. Commissioner Averill stated it was talked about

and it would be part of the extension in the enhancement study. Ms. Powe stated the extra time this summer will be used for that.

Mr. Johnson gave a brief overview of the Anchor QEA contract. Not all of the money appropriated for last year's contract was used and the balance is gone. The new contract includes the original scope of work and the original amount of money (Attachments A and B). Attachment C is the Enhancement Scope of Work.

Mr. Bob Montgomery, Anchor QEA, stated there does not appear to be any new or missing data that has not been covered. The components to finish this year are under the existing \$188,485.06. The remainder of last year's contract value will be redirected to the upper watershed study, which includes 8 miles of the Chehalis River and 8 miles of tributaries.

The enhancement scope discussed at the last meeting is to look at opportunities for enhancement in the Chehalis River Basin. Anchor believes it needs to look at the whole basin, not just mitigation for reservoirs, but to improve fisheries in the basin. The accumulative combination of those projects will have a benefit to fisheries in the basin.

The June meeting, and the results of the first year of study, indicate there are some issues. One was sediment and the impact to the river from sediment. Anchor did not have the time or the budget to look at sediment so there is a supplemental task to look at a sediment budget for the upper basin and measure cross sections to see what has happened in the past and what would happen with the reservoir in place. The second issue is additional meetings. Anchor's scope was going to end in June and there were not a lot of meetings; Anchor would like to provide more interaction.

Commissioner Averill stated he would like to see the technical meetings continue and he would like Anchor to attend the monthly meetings to provide updates in person so the Flood Authority members can have an opportunity to ask questions.

Chairman Raines stated Anchor had not been asked to do that in the past. Mr. Montgomery stated Anchor has done a lot of work and they would be happy to share that.

Commissioner Willis stated the original scope of work had a dam proposal in it. Now the enhancement scope talks about improvement to habitat and the language in the bill says fisheries study. She asked if we are still on track with the language in the bill if we do not have a dam.

Commissioner Averill stated his discussion with Mr. Phillips last month was that we are studying the impact of a dam in the river and we also need to look at mitigation. That's what caused the enhancement study.

Commissioner Willis stated people are going to ask why the money is still being spent on fisheries if the dam is not supported by the Corps. She asked how that question should be answered. Commissioner Averill stated without the information contained in the study we don't have the scientific data whether dams will or will not have an adverse impact. Without the study we can't answer that. No one has asked the government to help build the dam. We need studies first.

Ms. Fund asked if Anchor was monitoring the gages. Mr. Montgomery stated they are actually water temperature probes. When they were installed Tribal staff was trained to download the information.

He is not sure if staff is still doing that but they have all the information. Anchor is not planning to remove the monitors; they are constantly recording.

Ms. Powe asked how technical is the monitoring and is there a bearing since the Tribe is not on the Flood Authority any longer. Mr. Montgomery stated it is easy to do – a laptop or hand-held recorder is all that is needed and it doesn't take any time to train. They should be read every 3 to 6 months. Ms. Powe stated she would like to have someone associated with the Flood Authority reading them. Mr. Muller stated the PUD has a fish biologist who could do it.

Commissioner Averill stated Anchor thought that their contract was coming to an end. When the project does go away someone needs to be taught how to do it; we should not deny the Tribe.

Ms. Hempleman stated DOE offered to go out and collect data. Since it is being paid for with state money it would be great if DOE had access and could put the data into its environmental data base. It would probably be linked to USGS also. Mr. Curtis stated if it is in the USGS telemetry system it could also go on OneRain.

5. Discussion of Hydraulic Modeling

a. Update on Corps GI effort

Commissioner Willis stated Grays Harbor County (GHC) is the non-federal sponsor. The Chehalis Basin Partnership (CBP) worked with GHC to accrue matching funds throughout the basin for the Corps project. This started in 2004 and went through 2008. GHC exceeded its match by quite a bit and then the program was kicked out. The County had \$1.2 million worth of match compared to \$475,000 of what the Corps had to spend. GHC quit reporting the match that could have been used for enhancement projects. GHC is going back to see how much match had been spent and identify what the Corps did to use up the match and also where the county is compared to the hydraulic study. Ms. Napier has talked with the Corps and has other avenues she is pursuing; she thinks there are matches that can be added. The county's books show a \$1.4 million match.

If the Corps agrees, there will be enough to cover the match for the hydraulic study but there is no confirmation on this so far. GHC will not sign a contract that is open-ended and the state has offered to be the equalizer in this match. Commissioner Willis asked for that in writing.

The Corps wants to move ahead and they are working on it. GHC asked for a detailed list of how the money was spent. Letters from the former Project Manager have been found; she is back in the states with the Corps and is digging into those numbers.

Commissioner Averill asked if the Corps study is to look to the mouth of the river. Commissioner Willis stated it will be where tidal influence becomes an issue, just south of Montesano. Commissioner Averill stated lower basin hydrology has to include Grand Mound to Porter; in the original study that part had to be extrapolated because there was no data.

Commissioner Willis stated their data goes from Porter to Montesano. GHC wants to make sure that anything the Flood Authority does will go with or enhance this. These levels of hydraulics have a much more technical level that go with it. The Tribe is spending money on specific hydrology that will augment it.

Commissioner Valenzuela asked if the Corps accepts everything that GHC has identified as a possible match, is GHC there. Commissioner Willis stated yes, within a few thousand dollars. The Corps will let GHC know; they are anxious because they don't want the funds to go away. These funds set out by the federal government end with their fiscal year in September. There is a good chance that the Corps has the money but if GHC can't get a signed contract they will sweep the money. Mr. Phillips told Commissioner Willis that there was only a 2-4 week window to work in and that time has already gone by. GHC is trying to nail down this match data quickly – they think they have the credit.

Commissioner Averill stated the money was earmarked for the basin GI study. Senator Murray put equal amounts in for the GI and the Twin Cities project – about \$1.2 million for each over two cycles. In 2011 the money did not get appropriated and the president did not have it in the 2012 budget. If federal money can be obligated and contracts are signed, it does not go away.

Commissioner Willis asked what the earmarked funds can be used for. Commissioner Averill stated Mr. Phillips was in contact with all the appropriate offices and said because the language describes specific uses it can be used for the basin-wide GI study.

Mr. Swartout stated Ms. Napier asked for cost share agreements with USGS because that can be used as a match, also. Commissioner Averill stated Lewis County has an agreement with USGS.

Ms. Powe asked if the match is from the Partnership match. Commissioner Willis stated units that worked with the Partnership but not limited to what the Partnership is doing. It has to be limited to environmental restoration, however.

Chairman Raines asked for an update on the Watershed Cooperative.

Commissioner Willis stated the Watershed Cooperative is looking at the Sickman Ford Bridge and the Tribe is also interested in that. The Tribe has asked for qualifications or proposals for contracts to do the hydraulic studies for that area. They will bring reports back to the Cooperative next week. The Watershed Cooperative meets every 4th Thursday at the Tribal Center. Minutes and agendas are posted on the Grays Harbor County website.

b. Potential Scope of Work for Flood Authority

Commissioner Averill stated a Request for Qualifications will be noticed to complete the model for the entire basin. The objective is to get data from Porter to the ocean but there is not good data from Grand Mound to Porter. We need to get the work done and don't want to be in the same situation as with the fish study: only having 9 months to get the data. He recommended an RFQ siting extensively the type of data we want and look at the bids, select one and talk about a contract at the August meeting.

Mr. Johnson had distributed a revised RFQ. Page 2 has a schedule but after the comments he suggested doing it quicker. The later model of the document incorporates a more accelerated timeline so the contract can be let sooner for critical data collection. The new model must augment the existing model for the upper Chehalis.

Commissioner Averill stated the scope of work on the first page, the first bullet, filling data gaps is not part of the contract described by Commissioner Willis. Perhaps we could work together from Grand

Mound to Porter and from Porter to Montesano with no duplications. Mr. Johnson stated part of the problem is the Corps project is unknown. He did not think they would do it themselves.

Commissioner Willis stated the scope could include language that what the Flood Authority might do is change the scope of work so we could cooperatively work with the Corps. We don't want to do the work over again.

Ms. Powe agreed but she wanted to make sure the Corps' lack of action does not prohibit us from moving forward or setting us back.

Mr. Johnson stated the hydraulic model is the key to everything getting done in the basin. West Consultants and Anchor QEA could have information, as well as other firms who worked for the Flood Authority and they should all coordinate.

Mr. Muller suggested adding a bullet in the scope that the consultant would coordinate with the Corps and their consultant on the hydraulic modeling but retain the schedule deadline, and that this consultant does not get held up because the Corps has not progressed.

Ms. Powe asked if the Twin Cities project should stay in the scope of work even though it is null and void now. Commissioner Averill stated it should be used as a placeholder.

6. Break

The group took a short break, reconvening at 11:10.

7. Discussion of Draft Work Plan/Subcommittees/Staffing

Chairman Raines stated the purpose of forming the subcommittees was so everyone shares in the homework. The original document from June has no changes to the Executive Committee. Community Outreach: The Tribe is #4 but she would like to bump them to #5 if they decide to participate and insert Bucoda. After discussion with Mr. Phillips it was decided it is best to have a Projects Committee that is basin-wide rather than upper and lower because of potential conflicts. She asked if there were comments on the subcommittees.

Ms. Powe stated the Outreach Committee should read Pe Ell, not Bucoda.

Chairman Raines stated there had been a question about subcommittee meetings being subject to the rules for a quorum. Four or five members does not constitute a quorum and therefore there is no issue regarding noticing the meeting. Once the committees are concrete, specific meeting dates can be established and a person assigned to take notes.

Commissioner Valenzuela asked how the committees will be staffed. Chairman Raines stated it is up to each group – someone designated within the group will take notes.

The meetings will be posted on the Flood Authority website and no voting will take place at the meetings; anyone can attend.

Chairman Raines stated she would email assignments next week to set up the first meetings.

Regarding staffing issues, Chairman Raines stated putting the meeting agendas together and coordinating different things is a big task and beyond her expertise. She talked with Lewis County about what they need to bring someone on board without going through the RFQ process. A scope of work was distributed that would represent what Ms. Lara Fowler and SBGH Partners could accomplish. Ms. Fowler has offered a 3-month trial period and Chairman Raines is confident in her qualifications and that the work will be done in a timely fashion.

There was discussion about Ms. Fowler's association with Lewis County PUD being a conflict of interest. Chairman Raines stated Ms. Fowler's association with the PUD has no bearing on her ability to do the task. She has a tremendous knowledge in this area and she is neutral and unbiased.

Ms. Fowler summarized her background: dispute resolutions and working on complex natural resource issues. She is a mediator and a neutral facilitator.

Ms. Fowler stated the Flood Authority has a phenomenal issue before it. How do you get information to the table and work through it? There has been focus on one project with the recognition that there is a lot in play. The Flood Authority has been asked to climb Mt. Everest without knowing how to do it.

Ms. Fowler stated her proposal is that she and Greg Hueckel and Scott Boettcher (SBGH) will work together. She recommends a trial period of three months: if she is helpful she will stay; if she is not helpful she will not continue. She stated Mr. Muller is fine with her severing her relationship with the PUD. Her role is a targeted role with Scott and Greg working on the technical side. She stated Greg could answer questions at the afternoon meeting.

The Flood Authority was given three documents. One is a cover memo giving an overview, the second is a PSA with GTH that outlines the scope, and Attachment A is working with the Executive Committee and the Flood Authority to set up and coordinate meetings and work with the Outreach Committee to make sure information is available. A question was raised about how studies will be peer reviewed. Sub 3 (a) speaks to that issue. The last item is the potential scope of work, coordinating with OFM to develop the study that the state has required.

A question was raised about Ms. Fowler's budget. Mr. Johnson stated it was comparable with Mr. Mackey's and he did not think it was out of line. Commissioner Averill stated FCS charged \$500,000 and both of these contracts combined [GTH and SBGH] are considerably less.

Commissioner Willis asked Ms. Fowler to describe her work with the PUD. Ms. Fowler stated she was asked to review the Phase I study to determine if it could be part of a basin-wide solution. She attended many meetings, met with the Flood Authority to get a handle on the basic need to move forward with the focus of water retention being a piece of it. She is coming at this by looking at changes in climate and that impact and how to deal with 100 acre feet of water; if systems are showing higher highs and lower lows; looking at the water retention side but looking at other options as well.

Commissioner Willis asked if OFM is going to require that this contract goes out for bid. Mr. Carter stated neither counties nor cities are required to do so and the state does not require it. Mr. Carter had written an opinion on this matter and it would be available for the afternoon meeting.

8. Public Comment

Mr. Treichler stated he was glad to see technical expertise independent of the contract. Chairman Raines stated the Flood Authority is not looking for a facilitator like ESA but a coordinator to work in conjunction with the fiscal agent to ensure things get done within the timeline.

Mr. Curtis stated he is the president of the National Hydrological Warning Council which develops warning systems and resources for flood warning systems. They are in the middle of staging a training event, probably in Washington, working with the National Weather Service to bring that to fruition. It would be a good opportunity to participate and learn more about operating a flood warning system.

Mr. Jay Gordon stated he has watched this process for three years and encouraged everyone to get on with hiring Ms. Fowler. He has watched the dysfunction and heard that the Flood Authority needs help with facilitation and discussions. Sit down with farmers, the fishing community, communities, cities, and others and get good information. Ms. Fowler comes well recommended. Because of the tight timeline, the legislature will ask for results right away.

9. Adjourn

There were no other issues before the Flood Authority and the meeting adjourned at 12:00.

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

**July 21, 2011
Meeting Notes**

Board Members Present: Vickie Raines, City of Montesano; Ron Averill, Lewis County; Jim Cook, City of Aberdeen; Karen Valenzuela, Thurston County; Dolores Lee, Town of Pe Ell; Julie Balmelli-Powe, City of Chehalis; Edna Fund, City of Centralia; Dan Thompson, City of Oakville; Terry Wills, Grays Harbor County
Board Members Absent: Andrea Fowler, Town of Bucoda

Handouts/Materials Used:

- Agenda
- Meeting notes from June 16, 2011
- Chehalis River Basin Flood Mitigation Program
- Draft of ILA between OFM and Lewis County
- Expenditure Review

1. Call to Order

Chairman Raines called the meeting to order at 1:32 p.m. She stated many documents had been sent out via email the day before the meeting and the morning of the meeting and she would ensure that they were all available on the web site.

Commissioner Willis asked that documents be sent out a day or two before the meeting so everyone has a chance to see them.

Chairman Raines stated a lot of the last minute information was due to the fact that Mr. Phillips had many meetings to attend when he returned from his vacation but all of the emailed documents were provided in hard copy at the morning meeting. Chairman Raines stated it is her goal to have everything sent out a week in advance if at all possible.

2. Introductions

Self-introductions were made by all attending.

3. Approval of Agenda

Chairman Raines modified item 12: to add "extension" to the Approval of Scope of Work for Fisheries Enhancement. There were no additional changes. The motion was made by Commissioner Averill to approve, seconded by Ms. Fund. The motion carried.

4. Approval of Meeting Notes

Chairman Raines entertained a motion to approve the meeting notes from the work session and business meeting of June 16. Mr. Cook made the motion; Ms. Lee seconded. The motion carried.

5. Public Comment

There was no public comment.

6. Reports

a. Chair's Report

Chairman Raines stated she had talked about committees and staffing at the morning session and those topics would be discussed later in the agenda.

b. Member Reports

Chairman Raines stated the City of Montesano reported to her that what they have regarding flooding is on hold until action is taken further by the Flood Authority.

Mr. Thompson stated the Oakville Harris Creek culvert project as of the meeting last month had funding in place and the start date was to be August 11. A series of catastrophic events followed and now the project has been postponed until the fish window in 2012.

Commissioner Willis gave a report at the morning session on the hydraulic study that Grays Harbor County is trying to put together with the Corps. The work is continuing on that.

c. Correspondence

Chairman Raines stated again that the emails that went out would be available to everyone on the web site.

7. State Team Report

Mr. Phillips had not arrived yet and Chairman Raines stated his report would be given later in the meeting.

8. Corps of Engineers Report

a. Twin Cities Project

Mr. Goss reported that the benefit cost ratio had been discussed quite a bit. In the 2003 general evaluation report, the benefit cost ratio report was 1.34 and the project was authorized in 2007. The Corps did an economic evaluation and hydraulic analysis incorporating data from the new floods. The benefit cost ratio now is 0.65, below 1. The reasons are loss of benefits as the authorized project does not offer 100-year protection. One of the benefits the project had previously was the protection of I-5 but without the 100-year protection that cannot be counted as a benefit.

There have been changes on the cost estimating analysis and the Corps is now directed to use a risk-based cost analysis which has different contingencies. The reason for that is to avoid initial low cost in early design and steep increases as the project moves through design. An example is the levee contingency went from 25% to 45% in cost and the Skookumchuck Dam modifications went from 35% to 63%. There was also an increase in the construction management and pre-engineering design work. The haul distance was another issue, going from 3 mile round trip to 10 mile round trip and an increase in fuel costs.

The Corps cannot pursue constructing the project as authorized; there are some options to move forward but there is no resolution to proceed. The first is to evaluate the flood protection measures under a basin-wide GI or a Continuing Authority Program (CAP). The latter would be limited to \$10

million total with a federal and non-federal contribution. Another option would be to reformulate the Twin Cities under another general evaluation report but that would require re-authorization. The third option is a limited evaluation report to look at the authorized project and portions of it may still be incrementally justified in a stand-alone project and those could be built without re-authorization, such as the airport levee. He asked for questions.

Commissioner Averill stated that this project started in 1997 and in excess of \$15 million has been spent on this project, only to discover that it is not cost benefit ratio. He is piqued because he had asked for the past year if the Corps had seen any problems with the project and was repeatedly told no, the cost benefit ratio was going ahead. He stated he felt sideswiped and the cities of Centralia and Chehalis probably feel the same, not to mention the state. This project was designed to protect the Twin Cities and the corridor.

Commissioner Averill has been a critic of this project – it has huge holes in it and within the last few months those holes have gotten greater. Whatever the design was in 2003, given the fact that we've had two major floods since that time it is obvious that the 100 year levels that we expected in 2003 have changed. To say that the project will not be built to 100-year level flood protection and then tell the cities of Centralia and Chehalis that they can't build in the floodplain because the levees don't give the required FEMA protection to get their insurance, makes the project a non-starter.

Commissioner Averill would like to make this at least a placeholder and not just terminating it at this point, as we look at options to do better by all of the jurisdictions. The Corps' cost benefit ratio has always bothered Commissioner Averill. It is a ratio that benefits large metropolises. If there are a lot of people and homes you can come up with a good cost basis. When you take a rural population, 150,000 people in the basin, it will be very hard using the standards the Corps set to come up with a good cost benefit ratio. FCS was asked during the process of establishing a Flood Control District what the damages were in the 2007 flood. It was \$900 million dollars in the basin, and we have a project as originally designed around \$157 million against \$900 million and there is a 0.65 ratio! There is something wrong here. He understands that the Corps is using different data than what FCS used and that is something that needs to be discussed with congressional representatives.

Mr. Goss stated he agreed with many of Commissioner Averill's comments. The cost estimating and how the Corps is directed to do it with the risk analysis made a huge impact with the different contingencies. The Corps knew there was some loss of benefits when it was at a 1.34 and did not know the significance. The Corps wanted to look into it, to see if there was some kind of viable project that would benefit the county and the cities to go forward. When it got through the hydraulic modeling and making adjustments in the economics it was 0.65 and lower than what was anticipated.

Commissioner Averill stated the State is the non-federal sponsor on this project and he would not like to lose the record of all the data. He would like to obtain a copy of the data on what has been studied, the conclusion, the cost, etc. for the county.

Mr. Goss stated by September there will be a report that documents the work done since 2007 as well as any outstanding items that did not get completed and have some recommendations on portions that can be picked up again.

Ms. Fund asked if the Flood Authority wanted to look towards a basin-wide solution, can this project be put on pause and as we move forward modify it so it could be a basin-wide project rather than going through reauthorization.

Mr. Goss stated it could be paused for lack of funding as the main reason. If the Twin Cities project is reformulated that means the Corps does another general evaluation report that would require authorization and go back to the feasibility study. If a limited evaluation report is done that would not require reauthorization and certain components could be built if they meet the stand alone cost benefit ratio. The limited evaluation report is just for existing portions – it cannot be expanded. There is not a way to take the existing Twin Cities project forward without reauthorizing it and expanding it geographically.

Ms. Powe stated she is extremely upset with the time and money wasted since 1996 on this one general investigation study. She asked if it is possible to add the studying of water retention to the Twin Cities project or if that takes it back to the basin wide GI that is with Grays Harbor that will cost \$24 million and take 14 years to complete.

Mr. Goss stated if water retention is added outside of the study area of the Twin Cities that would require reformulating and that would require reauthorization.

Ms. Powe asked if this study could be moved forward would it have to be through reauthorization. Mr. Goss stated that was correct. Ms. Powe stated it had been discussed about adding flood mitigation and risk management and she asked if the mothballing of the Twin Cities GI removes the stipulation that we have to have two without project conditions on the basin wide GI.

Mr. Goss stated if the project was terminated and no longer on the books as a project then you would not need to evaluate for the Twin Cities. It is an authorized project until it is terminated so it would require both without project conditions. He stated the \$24 million was reevaluated and a caveat was the Corps did not want to not include a full 35% design for water retention. The \$24 million is a significant amount of funds to design to 35% for any water retention structure like a dam. Without that about \$8 or \$10 million can be taken from that figure. If water retention does go forward, the 35% design is not in that \$12 million dollar figure.

Ms. Powe asked how much the Corps has spent on the Twin Cities project. Mr. Goss stated back through the 70's it has been millions of dollars; he did not know the exact figure.

Mr. Goss stated there is additional data that will help, especially looking basin-wide for certain portions; there is some hydraulic modeling data for the Twin Cities area only for the 100-year flood.

Commissioner Willis stated she assumes the basin-wide GI is by itself and if that is the case we start from scratch. Mr. Goss stated a basin-wide GI would mean getting a Project Management Plan (PMP) so there is a dual purpose GI basin-wide eco system and flood risk management. He stated there was some reluctance in Congress to sponsor a separate GI for flood risk management.

Ms. Fund asked at what percentage was the design complete. Mr. Goss stated about 25%. She asked, knowing what Mr. Goss knows and understanding that we want a basin-wide solution, what road map would he put out for them. Mr. Goss stated it is important for everyone to get together and work on a common goal. A splintered effort makes it difficult and there is duplication of efforts and additional

dollars spent that would not be necessary. There are challenges, one is the pace of the Corps, but if we work together towards a common goal it would be helpful.

Ms. Powe asked with the mothballing of the GI the Corps is not looking at any other options at solutions to flooding in the Chehalis Basin.

Mr. Goss stated the Corps won't have funding so things will come to a stop. The Corps needs direction with the local sponsor, which is the State, assuming they will want input from the local stakeholders. He believes there will be some discussion between now and September as to what to pursue and there may be some other leads to doing a project.

Commissioner Valenzuela asked if this is the final decision or if there is an appeal process. Mr. Goss stated there is an appeal process. Before that step data will be reviewed, there will be a discussion with the State to see if it is satisfied with the numbers and if this is the proper way to proceed. He was not sure of the actual appeal process.

b. Basin-wide General Investigation

Mr. Goss stated he met with Commissioner Willis and Ms. Napier last week and they went through additional cost share information. Additional information prior to 2006 has been requested on costs for contracts, previous labor, and scope of work under those contracts. He hopes to have that information in a week or two.

Commissioner Averill clarified that when there is talk about the basin-wide general investigation study we are talking about the original one, dating back to 2001, which is for ecosystem restoration. Specifically what is being talked about is the hydraulic study of the basin from Porter down river. Mr. Goss stated it is without project conditions and includes the Twin Cities area for which there is already some data.

Commissioner Averill stated Commissioner Willis pointed out that this was looking at Porter down river and the problem working with FCS was that while it was good data in Lewis County there was not equally good data from Grand Mound to Porter. FCS had to do some extrapolation on what their findings in Lewis County meant down river. The data that is available from Grand Mound to Porter is incomplete and he asked if the Corps is working in that area or not.

Mr. Goss stated he would check and get back to Commissioner Averill.

Mr. Goss stated the Corps is working on the Skookumchuck levee – three sites, or 365 feet of repair – which is cost shared with the City of Centralia, a \$250,000 project with an 80/20 Federal/City split. Commissioner Averill stated this is the existing Skookumchuck levee and it is being brought up to its original condition, which is not a 100-year level but a 50-year level.

Ms. Powe asked if the GI gets mothballed, would any work that would be part of the solution still be part of the match. Mr. Goss stated work in kind would have to fit in with the PMP with the state. If it did you would assume the feds would get more money and that could be counted as work in kind; if there is no other money, it is moot.

7. State Team Report

Chairman Raines stated Mr. Phillips had arrived and she thanked him for his time.

Mr. Phillips stated he had a couple of handouts which he distributed. He was asked to discuss the funding and he had some thoughts on the work of the Flood Authority, what it might be and how he recommended that work could be accomplished.

The first handout was titled "Chehalis River Basin Flood Mitigation Program" and it showed the 2011-2013 appropriations. The Capital Budget Proviso was attached and he summarized the implications of it in monetary concerns. Of the \$3.875 million for flood mitigation work for the next two years, about \$2.98 million is left over, or money that was appropriated in the last state biennium that has been re-appropriated for continued work. That number depends on final invoices that could come in as late as August 10, so it will be something less than that. That money is divided into three funds: \$1.32 million for the Flood Authority or flood districts; \$1.2 million is to match Corps work on the Twin Cities project; and up to \$1.355 million is for the OFM report and if there is anything left over it will be available for other projects in the basin.

Regarding the \$1.32 million, the state is ready to go with that funding agreement. Any ongoing work that the Flood Authority has in terms of staffing or Flood Authority costs or continuing contracts will be covered back to July 1 so there will be no gap in funding for on-going work. For new contracts and studies, Mr. Phillips recommended holding off signing the contracts until the State's agreement is signed.

The \$1.2 million is only good as long as there is a Corps project to match up to. To the extent that the Corps puts a project on hold there is still a project that we can match up to; it may or may not count but the money is still available for the state agencies to do work. If the money is needed for something else the legislature might need to tweak the language to allow that.

Mr. Phillips stated the \$1.32 million is two years' worth of money, so as the Flood Authority thinks through how to spend it he advised that some of it is held back for the second fiscal year. There is no guarantee that the legislature will give any extra money in January – there may not be a capital budget.

The second handout was a draft of the Interlocal Agreement between OFM and the Flood Authority. Mr. Phillips briefly explained that there are new rules for interlocal agreements between government agencies and the statement of work needs to be specified in performance-based terms with specific deliverables and their associated budgets and timelines. That not only includes projects, but also things like staff time as an example.

Mr. Phillips stated this draft document is a proposal – a mutually-agreed upon document. The language must meet the Flood Authority's needs as well as the State's. The Flood Authority will need to adopt a work plan for each year and it will be a product and deliverable to which a budget can be attached.

In terms of ideas for the 2012 work plan, a couple of them are required by the legislature. One is hydraulic modeling. Mr. Phillips believed if the Flood Authority is doing work that is relative to flood assessment and the Corps is doing work relative to modeling, and the Tribe is doing work relative to modeling, even though they are all for slightly different purposes they all look at similar data and structures. There are probably only a few technical experts in the state and he thought they should be brought together and asked to minimize duplication and maximize use of the resources and do the work in a way that can be used as a match for the Grays Harbor GI.

Another requirement is the work around the water retention proposal in terms of completing the fish impact studies and including the evaluation of potential mitigation and/or enhancement measures. The Flood Authority may have a little more time to complete that if the legislature sees that it is working to complete a product.

Mr. Phillips stated the other items: downstream bridges, early warning system and alternate measures report are his recommendations that the Flood Authority can consider. As the work plan is put together think about priority work both for up-stream residents and down-stream residents. Some projects do both. Think about the match and what can be done now as to what might take a while, some smaller projects and some projects that will take a basin-wide comprehensive effort. He still thinks it is too early to say there is only one way to accomplish the goal.

It may be possible to look at doing something to the downstream bridges that minimize flood risks without passing those risks down to the next bridge. If a solution is found for a given bridge it might fit within the transportation funding discussion rather than the broader flood mitigation risk discussion. There might be an opportunity to take it to a different funding venue.

Mr. Johnson commented on the language regarding downstream bridge evaluations in Centralia and he thought it should be downstream of Chehalis.

Mr. Phillips stated any of this language can be changed. This is the Flood Authority's document as well as the States'.

The Early Warning System has value and good progress has been made on that.

Mr. Phillips stated he does not have a final answer from OFM but it is highly likely that this money will not be able to be used for operations and maintenance (O & M) costs for the Early Warning System. That's because this is 20 year bond money and technically 20 year bond money is not used for anything that is not going to go for 20 years. They are okay with studies and funding things that lead to infrastructure, but when it becomes O and M it is considered on the other side of the capital budget line.

A report is due next summer. OFM cannot do this work without the Flood Authority's help and since the Flood Authority knows the projects and whoever Mr. Phillips brings in will be talking to the Flood Authority to see there is agreement, priorities, getting documentation right as to where the issues are, such as retention, bridges and the freeway. Mr. Phillips encouraged the Flood Authority to make this part of its work plan and he may be able to bring extra resources in for that part of the work plan as he needs to dedicate the extra resources to the reporting work but he can't promise that until mid-August.

There was something that he did not include in his handouts that fits with the alternative measures. He had seen a proposal from the conservation districts in the basin to step up to a piece of this report to look at flood easements on rural lands, small drainage in culvert blockages, livestock solutions and other things that are important to the rural citizens. Engage the conservation districts in a conversation about what they want to do and what the Flood Authority is authorized to do to see if it can fit together, or perhaps OFM resources can fit it together.

Mr. Phillips stated this is not an exclusive list, nor is it a mandatory list. It is something he is putting forward to think about. He asked for questions.

Mr. Johnson asked for clarification on the gages. It is technically difficult to get all the counties in a position where they can contract for those services, particularly considering the jurisdictions don't have the expertise or the funds to do it. He asked if there is any alternative funding mechanism we could discuss other than each individual member paying out of their own pockets.

Mr. Phillips stated he did not know of other resources but it should be looked into; it is not a lot of money. He understands that the local governments are not in any better place than the state government and he is willing to entertain some alternate approach for the first year.

Commissioner Valenzuela understands this is a placeholder document for the agreement between the state and Lewis County and Mr. Phillips is encouraging the Flood Authority not to begin spending until this is in place. Later in the agenda the Board is being asked to approve a number concepts and scopes of work. She asked if those actions might be premature.

Chairman Raines stated that during that conversation we did say that we would not be signing those contracts until after the agreement with OFM and Lewis County was agreed upon.

Mr. Phillips stated that would work, given the time frames we have and making progress for the citizens' sake and authorizing environment, have the discussions and get the work thought through. That will not be an impediment. Hold off on the final signing until the OFM agreement is signed.

Commissioner Willis stated there was a discussion at the morning work session about what it means to assist OFM to get to this list of projects. What does it mean when it says we are going to work with OFM? Are we bringing things forward to them or are we actually doing the work and presenting it to them? There could be a cost factor coming with this.

Mr. Phillips stated he does not know yet. If he has enough extra resources he will hire someone to do a lot of the legwork and drafting, someone who will come to the Flood Authority to present and get feedback. If he does not have a lot of resources and there is still a report to produce, he is going to ask all the state agencies to contribute time and technical expertise and find someone to act as facilitator and lead author and he will ask what the Flood Authority can contribute to help write this. At this point the language is not finished and it can be done by the middle of August, or it can be general and we will have to work our way through as to what it means in terms of allocating resources. The Flood Authority will be short on money for what you want to do with the \$1.32 million and you have to make decisions on priorities. It might be best to assign a minimal amount of money to this or ask the state to take it out and you will work with the state as the legislature assigned us to do.

Chairman Willis stated Mr. Phillips pointed out there are some allocations for dollars but the ILA is not signed yet. There was a discussion about whether the Flood Authority will go out for bids on an RFQ or RFP. Does OFM have an opinion or criteria on how that is done? What a jurisdiction does might be different from what OFM or the state would do.

Mr. Phillips stated rules for state contracting and acquisitions are different than what local governments are required to use. After a certain dollar threshold is reached the state does have to advertise or allow some competition, or prepare documents that indicate why this is the correct choice. Local governments do not have that obligation and therefore there is more discretion to decide who will do

the staffing or consultant work. OFM rules do not apply. Mr. Phillips has obligations to get the funding, but the jurisdictions have their own legal obligations for going forward from there.

Mr. Phillips offered some suggestions about how the Flood Authority goes about doing its work. Neither is in the funding agreement yet but if agreement can be reached, he would like to put them in the funding agreement.

The first has to do with technical review of products. There was debate about the peer review and the Tribe and some state agencies were not comfortable with whether their comments were solicited or whether they were heard or responded to. Mr. Phillips stated one way is for the funding agreement to say when there is a major study for technical work, send it to the federal, state and Tribal agencies with expertise and/or jurisdiction and ask for their comments. When comments are sent back you will have some cheap expert review and you will know what the agencies are thinking. Further, require the contractors to include those comments in the back of the final report. He does not think the contractors should be paid to respond to each comment. If the comments are on the record and there are disagreements, it is better to have that out in the open rather than having to face it in a future permit fight.

Another suggestion has to do with government to government consultation with Tribal governments. The state is obligated to consult with the Chehalis Tribe on things that the state does when they request it or when their involvement is needed. To the extent that the Tribe was a member of the Authority we did not necessarily need separate consultation. We met with their council and they were clear that they would join the process and their conversations would happen at the Flood Authority meetings. They are no longer here and the state has an obligation. Mr. Phillips would like to put that obligation on the Flood Authority, at least in part. When the Flood Authority produces a work plan and sends it to the state to look at, send it to the Tribe and ask for their comments. Either offer to meet with them to discuss them or ask for them in writing. This is not about control but rather about open dialogue with partners or neighbors. If you need the state to be involved, either party can bring the state in.

Mr. Phillips explained government to government consultation. The Governor's Office of Indian Affairs does government to government relations training which is open to anyone. There are specific training days or one can be put together for fifteen or more people.

Chairman Raines commented on reviews and sending project information to state agencies and the Tribe. She believes the Tribe should be included. Her concern is the time frame. Most of the board members have tried to communicate with the Tribe. It was expressed that the board would like them back at the table and to work with them and Chairman Raines hoped the Flood Authority would get the same respect and desire to work together in return.

Mr. Phillips spoke with a tribal representative and told him we did not have thirty days on this issue and the Tribe probably needed thirty days to make sure the tribal deliberations can happen within the customs of its government. The response was fairly constructive: if time is short, they would be willing to do it through a meeting. Their only request was that it was on the record and that was a reasonable request.

Commissioner Averill stated Mr. Phillips put the Tribe in both peer review and consultation. Mr. Phillips stated technical review is sent to agencies with expertise and jurisdiction. If it is a subject where the Tribe does not have expertise or jurisdiction they are not included. If it is a fish or modeling issue then

the agencies with views should be included. That is different than consultation. Consultation is when the proposal is presented and the reasons for doing it and asking for opinions.

Commissioner Averill stated there are two tribes that claim jurisdiction on the Chehalis and asked if we should be dealing with both of them.

Mr. Phillips stated the Quinault have asked the state for consultation and the state has offered consultation. No agreement has been reached on when and how the consultation will take place. They have not asked to consult with the Flood Authority and Mr. Phillips did not think it was fair to put that on the Flood Authority. Mr. Phillips needs to continue to work on that on behalf of the governor with the Quinault.

Ms. Powe asked regarding the Tribe if Mr. Phillips was talking about reviewing a study when it is finished or the scope of work before a study begins.

Mr. Phillips stated the best approach is to start with the work plan. They do not want every document, every study or every staff report. That would be unreasonable and it would not be effective.

Ms. Powe asked if it was the fish study would the Flood Authority have to wait for a response before it moved forward. Mr. Phillips stated no. Start with the work plan. To the extent that you are looking for their technical input, send it out to everyone at the same time and state that any comments will be made part of the record as it moves forward and include the deadline for comments. It must be appropriate to your schedule, what you need, the nature of the subject, and the mutual opportunity to have that conversation.

Mr. Phillips was asked if he would comment on the questions raised about the Corps project. He stated the governor's office is disappointed with the news from the Corps. The state appreciated that the Corps called from Washington DC and Mr. Phillips was able to ask a lot of questions. The Corps has committed to a detailed close-out report and the list of things the state has requested of them is two pages long. That can be made available to anyone who would like to see it. Mr. Goss has made sure he has sufficient resources from the Corps so none of the progress that has been made is lost due to lack of documentation. Mr. Phillips thanked the Corps for the options given for moving forward.

The state needs input from the Flood Authority. The state needs to tell the Corps at some point whether or not it should terminate and go back to either the General Investigation work or go back to what is called the continuing authority program with the Corps. General Investigation projects are big or little projects; continuing authority programs are small projects and do not need to go to Congress. Or, do we re-formulate the existing project. It can be re-formulated big or small. The state has a decision to make as the non-federal sponsor; the Corps will wait for its decision and the state needs the Flood Authority's input as to the correct response. The federal delegation has already called to find out what is next and perhaps the state, the federal delegation and the Flood Authority need to have a conversation about what role the federal government can provide to help on these projects. If that is of interest to them and to the Flood Authority, Mr. Phillips is willing to help facilitate a conference call or a meeting with their field staff.

Mr. Phillips stated the state will remain engaged with the Flood Authority regarding how progress is made on mitigating flood risks in the basin.

Commissioner Valenzuela asked if there had been any talk about appealing the Corps' decision. Mr. Phillips stated the state would go through the process that Mr. Goss outlined: every expert would go over the data. Mr. Phillips will find out if there is a case to be made that is different from the Corps' conclusion. If there is, the state will appeal. If it looks like there is a problem then the state will need to start vetting the two general alternatives. If anyone has a technical expert who would like to crunch numbers Mr. Phillips would be glad to include that person.

9. Approval of Draft Work Plan, Staffing

Chairman Raines stated that with the information that Mr. Phillips provided today, she would like to be able to come back with the work plan with the items outlined in his fiscal agreement. She would like to move forward with the staffing, however, and asked for approval on the Gordon Thomas Honeywell/Lara Fowler personal services agreement. The only change to the agreement is to modify the words "lead agency" to "fiscal agent" and a few grammatical errors.

Commissioner Averill made a motion that the Flood Authority approve Lewis County entering into a contract with Gordon Thomas Honeywell LLP (GTH) on behalf of the Flood Authority. Ms. Fund seconded the motion.

Commissioner Willis stated she had asked Ms. Fowler at the morning session if she was recusing herself from working with the PUD and she asked if GTH is doing other work for the PUD.

Mr. Muller stated the PUD does have a contract with GTH.

Commissioner Willis stated she has an issue with this. While she is familiar with Ms. Fowler's work and is highly impressed with her, there is a concern that there could be a misperception about coming to this agreement, that it has been a hasty decision and it has not gone out for bid; that the public might think this was not done in a fair manner. We can legally do this but for appearance of fairness this is not being done properly.

Commissioner Averill pointed out that while the PSA is with GTH, when we get into the deliverables, it specifically cites Lara Fowler. Also, this particular contract was built to go for only one quarter so that confidence might be built up before a decision is made for the entire period.

Ms. Fund stated her observation of Ms. Fowler is her work is always fair and sees all sides. When Ms. Fund sees someone in action that is the best judge of what that person will do. Looking at paperwork in an RFP does not tell how well someone will do. Ms. Fund thinks Ms. Fowler is a perfect fit and the three month contract will allow everyone to see how she works. The Flood Authority has been involved in so much process that a lot of things don't get done. She would like to see the Flood Authority move forward.

Ms. Lee asked Mr. Muller if the work that GTH is doing for the PUD would have any conflict with what the Flood Authority is doing. Mr. Muller stated three individuals at GTH, Lara, Jim Waldo and Cindy, have been working with the PUD and Lara would be removed from the PUD work; the other two would still be involved and employed by the PUD.

Ms. Lee asked if any of that work would be a conflict. Mr. Muller stated he did not think so.

Ms. Fowler stated Gordon Thomas Honeywell is a law firm with about forty-five attorneys. The firm as a whole has worked in a variety of areas, primarily natural resource work. Lawyers have a professional responsibility and concern about conflicts of interest that is taken very seriously. Ms. Fowler has spoken with Mr. Waldo and Mr. Muller and she and Mr. Waldo may both need to be removed from the PUD to deal with any real or perceived conflict of interest. Cindy works with government affairs which is a separate business and is totally separate from the law firm.

Ms. Fowler heard the question if the firm works on other projects for the PUD. In the past the firm has but currently they are working on flood-related issues with the PUD.

Ms. Powe stated the Flood Authority is under a time crunch and to hire someone who has not been involved with the Flood Authority and bring them up to speed is a huge obstacle that she did not think the Flood Authority should undertake. The work Ms. Fowler does, especially with the Washington Water Trust shows that she is a neutral person, and she has a good overview of what is going on with the water in the basin.

Commissioner Valenzuela stated her comments were not about Ms. Fowler but about the Flood Authority's due diligence and in this case she did not think that was done. Members of the Flood Authority just got a copy of this contract last night. It is a contract with Gordon Thomas Honeywell which is a firm that works for the dam proponent. There is not enough distance between the dam proponent and proposer and what we are asking the firm to do for the Flood Authority. She feels this is the opposite of fair and open and transparent government; this is not an example of good government and she will vote against this motion for these reasons.

Ms. Fund called for the question. The motion passed 7 to 2, with Commissioners Valenzuela and Willis opposed.

Chairman Raines stated the next item is the contract with SBGH Partners, specifically Scott Boettcher and Greg Hueckel.

Commissioner Averill moved to approve the PSA between Lewis County as Fiscal Agent for the Flood Authority and SBGH Partners. Ms. Lee seconded.

Chairman Raines asked if there was any discussion.

Mr. Thompson stated in reviewing the contracts between GTH and SBGH and looking at the scope of work, it appears that both of these companies will be working together at some point. Previously ESA was our staff and he asked if these two contracts would fill in the gap left by Mr. Easton and ESA.

Chairman Raines stated to some extent, yes.

Mr. Thompson then asked how Mr. Hueckel and Mr. Boettcher came to be considered for this position.

Chairman Raines stated Mr. Boettcher is present and could answer questions. In Chairman Raines' outreach she spoke with Mr. Bruce Treichler and told him of her plans for staffing. The Chair explained that there is a considerable amount of work for her as chair and she needs assistance in staffing to ensure that scopes of work go out or contracts deliverables are received. Chairman Raines stated Mr. Phillips and Cindy Zender, former Chief of Staff, highly recommended Ms. Fowler and Mr. Hueckel. She

stated on a city level she has not had to go out for bid on a personal services agreement and if it does not appear transparent she apologized but going out for bid is not required.

Chairman Raines agreed with a comment that Ms. Fund made and that is that the Flood Authority needs someone who has followed the Flood Authority. Chairman Raines is new and she has had to seek information about the early warning system, hydrology studies, etc. She has watched Ms. Fowler communicate with WDFW, DOE, and other interested individuals. Chairman Raines wants a basin-wide solution. She does not care what it is or where it goes but there needs to be something that will protect everyone within the basin and we need to work together on it. She needs someone to help this group and also with the "friction" over the last few months, to help rebuild some of the trust that has been lost, and to provide neutrality. The Chair believes that Ms. Fowler provides a neutral view and opinion and she expects the same from SBGH. The biggest promoter of SBGH was Keith Phillips on the technical side of things as well as their experience at the state level on projects.

Commissioner Willis stated her objection to this particular process. She is not familiar with this group and would have liked more time to go back to her staff with the information provided. The Flood Authority has been accused of being slow in getting things done and now things are being done quickly without due process. The appearance of fairness has failed on this.

Commissioner Valenzuela asked if they could hear from Mr. Boettcher as she had questions for him.

Mr. Boettcher introduced himself as one of the principals for SBGH Partners.

Commissioner Valenzuela asked Mr. Boettcher about his background. Mr. Boettcher stated he had spent 20 years working for DOE and for the governor's office of regulatory assistance. Most of his career was working on behalf of the applicant; the applicant is often the entity that spirals between the different regulatory agencies. He integrated governmental processes at state and federal levels. His business partner, Greg Hueckel, is retired from WDFW. He was assistant director for the habitat division for about 12 years. He and Mr. Boettcher worked very closely when they were in state government and they had a plan that when he retired and Mr. Boettcher was looking to do other things that they would join forces. The kind of work they like to do is just like this where there are a large number of players, the issues are complex, the technical language is confusing and true sound decisions come with everyone working together. What they can do and why they were contacted is that they would be the extra arms and legs to help the Executive Committee get to the point that in eleven months the Flood Authority has the report that Mr. Phillips spoke of that lays out not only the solutions that you are conceptualizing, but also what makes it exciting to the legislature to fund and the partnerships and the synergies that can come from that. These are difficult issues and SBGH needs to work with Lara who has an extensive amount of knowledge and credibility in your process, and be those extra arms and legs to get to a solution that has plagued this area for quite some time.

Ms. Powe stated knowing that both Mr. Boettcher and Mr. Hueckel have worked in state government and knowing that the projects coming up are a hydrology study and a fish study, and that Mr. Phillips has recommended them, it is apparent that they are the right people to help move this along.

Mr. Boettcher stated Mr. Phillips used to be his supervisor and that state government has a lot of long relationships. Mr. Boettcher and Mr. Hueckel have some relationships that they use to good benefit.

Chairman Raines stated she trusts Mr. Phillips' opinion and his recommendation was very high.

Ms. Fund stated she is glad when a retired state employee can help in his area of expertise. When someone works in government for a long time he or she gains all the ins and outs and learns how to get things done, which others would not know. She appreciated his willingness to come out of retirement and help the Flood Authority; his expertise is difficult to find.

Commissioner Valenzuela agreed with what Ms. Fund said and stated she would be voting against the motion because of the way it was brought to the Flood Authority – as a done deal – and that is not good transparent government.

Mr. Boettcher stated his and Mr. Hueckel's resume could be provided. Commissioner Valenzuela stated that would be helpful as she knows nothing about them.

Chairman Raines stated a handout with their qualifications was distributed last week at the meeting with Mr. Phillips because the question Commissioner Valenzuela brought up was related to the PUD.

Commissioner Valenzuela stated it was only given to her. Chairman Raines stated for the record that later in the day it was sent out to all the Flood Authority members.

Chairman Raines repeated the motion to approve the PSA between Lewis County as Fiscal Agent for the Flood Authority and SBGH Partners. There was no other discussion. The motion carried 8 to 1 with Commissioner Valenzuela opposed. Commissioner Willis stated she voted in favor with reservations. Her earlier comments were her reservations.

Commissioner Averill stated one more motion is needed on the staffing because Lewis County needs authority to make an agreement with OFM plus Lewis County's staffing in terms of acting as the fiscal agent. His motion was distributed to the Board which he read: move to authorize Lewis County staff to provide administrative support service to the CRBFA for contract administration and necessary legal review, financial administration and accounting and record keeping, including note taking, and to reimburse Lewis County for the same not to exceed \$35,000 consistent with the manner in which it has provided such services in the past and to act as fiscal agent for the Flood Authority with authorization to enter into such contracts and agreements as they are approved by the Flood Authority including with the state office of Office of Financial Management for funding. Mr. Cook seconded the motion.

Chairman Raines asked for questions or comments.

Commissioner Averill asked for a friendly amendment to add Mr. Johnson as the fiscal agent for Lewis County to act on the behalf of the Flood Authority in administering the budget.

The motion carried unanimously.

Ms. Powe stated based on Mr. Phillips comment that the money is for a two-year period she thought that mileage should be paid by each jurisdiction rather than be an expense of the Flood Authority.

Chairman Raines asked if that was for the BAC. Ms. Powe stated for all Flood Authority members, the jurisdictions that they are representing should bear the cost of transportation to get them to and from the meetings. She stated that was a motion. The motion was seconded by Ms. Fund.

Mr. Cook stated for the last few months the City of Aberdeen has been paying his travel expenses. He has no problem with the motion.

Ms. Powe stated her motion was partly based on the fact that the meetings would now rotate between jurisdictions and the members would not always be traveling to Lewis County; all members would share the expense.

Commissioner Willis supported the motion and the fact that the meetings would move around. She felt it would be advantageous to the Flood Authority members and also to the citizens of the different jurisdictions.

There was no other discussion. The motion carried unanimously. (*NOTE: At the August meeting, Commissioner Valenzuela stated she would have abstained from this motion had she been given the opportunity to do so).

10. Approval of Next Steps for Early Warning System

Commissioner Averill stated based on what Mr. Phillips said the majority of this contract may not be payable through the funding that is coming from OFM. He stated the contract should be approved for the extension of getting the two remaining gages installed. He made a motion to approve the second supplement to the Personal Services Agreement between Lewis County acting as fiscal agent for the Flood Authority and West Consultants, Inc., with the proviso that we will need to seek other funding sources if the OFM funds cannot be used for operations and maintenance. Ms. Powe seconded the motion.

Mr. Johnson stated Mr. Phillips, Mr. Curtis and Mr. Johnson discussed this matter and there may be a solution. Mr. Phillips is going to work on that so the major part of that work may be fundable under the money. If not, he will try to find another way. There will be a language change that will satisfy his needs.

Commissioner Willis stated language was talked about in item 22, to add "on behalf of the Flood Authority". This was regarding ownership. She officially asked that that language be added. Chairman Raines stated it will be added prior to signing.

Mr. Johnson stated that he made those changes during the lunch hour, including the spelling of "gages". Chairman Raines asked that Ms. Anderson get copies of those to be distributed and put on the website.

There was no other discussion and the motion carried unanimously.

11. Approval of Next Steps for Hydraulic Modeling

Chairman Raines stated the Request for Qualifications for Hydraulic Modeling is dated July 25 with a due date of August 8.

Commissioner Averill made a motion that Lewis County be authorized as the fiscal agent for the Flood Authority to request qualifications for a Chehalis River Basin Flood Authority hydraulic model. Ms. Lee seconded.

Commissioner Averill stated he is mindful of comments that Mr. Phillips made and it appears that we are trying to rush things; however without hydraulic modeling much of the work we need to do cannot get

done. There is a possibility that the Corps model, if approved, will only get part of the basin that needs to be looked at. Commissioner Averill believes the Flood Authority should start the process of getting a request for qualifications from firms to address the areas that are of immediate concern to the Flood Authority in terms of looking at a hydraulic model that addresses flood mitigation. While we may need to slow down on part of this, the RFQ should be out so the process of selection can begin.

Ms. Powe proposed an amendment to the motion. Because of the need to get this signed in August she asked that the scope of work and the RFQ are sent out and that the responses are reviewed by the Executive Committee to bring a recommendation to the next meeting of the Flood Authority.

Chairman Raines asked if the amendment was acceptable to Commissioner Averill and to Ms. Lee. It was.

Commissioner Willis stated under the scope of work the evaluations, bullet #3, and bullet #4 has to do with the Twin Cities Project. There was a question whether those two items should still be in the scope of work.

Chairman Raines stated Commissioner Averill's comment was because the project had not actually been terminated that it would stay as a place holder and there is no harm in leaving it in there.

Commissioner Willis spoke to the consultations with the Tribe. Knowing that they are doing hydraulic modeling and it has to do with the Sickman Ford Bridge, which is in the scope of work, it should go out to the Tribe in the same manner as Ms. Powe's amendment.

Commissioner Valenzuela stated there was a motion made and then an amendment to that motion was made. The amendment was not being discussed and it should have been before going on to the original motion.

Chairman Raines repeated the amendment. There was no other discussion and the motion carried unanimously.

Chairman Raines repeated the motion that the RFQ for hydraulic modeling be sent out.

Commissioner Valenzuela asked how the 4th bullet would be dealt with since it is referencing a project that has apparently been terminated. Chairman Raines stated it has not yet been formally terminated so it will be left there as a placeholder. If the project is terminated, it does not apply and until it is terminated it will be left there.

There was no other discussion. The motion carried unanimously.

12. Approval of Scope for Fisheries Enhancement Work

Ms. Fund made a motion to approve the Personal Services Agreement between Lewis County on behalf of the Flood Authority and Anchor QEA. The second was by Dan Thompson. There was no discussion and the motion carried unanimously.

Chairman Raines asked for approval of the Executive Committee so that committee can meet on the RFQ regarding the hydraulic modeling. Members of that committee previously slated were Chairman Raines representing the City of Montesano, Commissioner Valenzuela representing Thurston County;

Julie Balmelli-Powe representing the City of Chehalis and Dan Thompson representing the City of Oakville.

Commissioner Averill made a motion to approve the Executive Committee as slated. Mr. Cook seconded.

Commissioner Willis stated this item should have been noted as a change in the agenda at the beginning of the meeting and requested that in the future changes to the agenda be noted early in the meeting.

There was no other discussion and the motion passed unanimously.

Chairman Raines stated there was another item that was not on the agenda but it was discussed earlier. She wanted authorization on the record for the Department of Ecology to conduct the readings on the gages. The Tribe does it now but there was discussion about having DOE provide the information to state and local agencies including the entities within the Flood Authority. Ms. Lee made the motion; Mr. Thompson seconded.

Commissioner Averill stated the discussion is about monitors that were put in the water by Anchor QEA, they are not USGS gages or West Consultant gages. He did not think that Anchor would have any problem with DOE keeping records of those monitors and as long as the Flood Authority has no objection, we just need to state there is no objection.

Chairman Raines thought the concern was more from DOE to make sure they had permission to go on to other lands. She did not think a vote was required.

Ms. Hempleman believed the offer was still good; she would confirm that and let Chairman Raines know.

13. Expenditure Review

Mr. Johnson there was a report for the period as well as a close-out report for the entire biennium. The first page includes the governance, studies and Early Warning System budget amounts and total expenditures. The column at the far right indicates the money that was authorized through the budget but not expended at the end of the biennium.

The second page is a detail of what was spent from July 1, 2009 through June 30, 2011. It includes salaries, supplies, goods and services, etc. The total was \$2,845,612.06 and matches the total expended funds on the first page.

Mr. Johnson stated from what Mr. Phillips indicated the administrative portion of what has been going on we can continue to bill despite the fact that we don't have a contract. Any new work cannot be billed until the contract is signed with OFM.

Commissioner Willis stated Mr. Phillips' handout stated what was left over was \$895,000 and the unencumbered amount on Mr. Johnson's report is \$654,387.94.

Mr. Johnson stated Mr. Phillips did not get this report – he was working from old data, information that he had as of the end of May. There were still a few invoices received at the last minute.

Ms. Fund asked if all the information, data and publications from ESA get turned over to the county. Mr. Johnson stated hard copies and electronic copies were received from ESA. Ms. Fund stated the Timberland Library would take copies of any information to make available to the public.

14. Confirm Next Meeting and Board-Requested Topics

Chairman Raines thanked Commissioner Valenzuela and Mr. Swartout for scheduling the August meeting in Rochester.

Mr. Swartout stated the location is in the old school building; directions will be sent out before the meeting.

Chairman Raines asked if there were specific items to include on the agenda.

Commissioner Averill stated the current agenda questioned whether there would be a morning meeting. If the Executive Committee is going to look at the RFQs the morning meeting might be a good time to review the recommendations.

Chairman Raines stated there would be a morning meeting for that purpose.

Mr. Swartout stated tables and chairs will be furnished for the meeting but to his knowledge there would be no recording capabilities.

15. Adjourn

The business concluded and the meeting adjourned at 3:41 p.m.