

**Chehalis River Basin Flood Authority
Special Meeting
Veterans Memorial Museum
100 SW Veterans Way
Chehalis, WA 98532**

**March 17, 2011 – 9:00 a.m.
Meeting Notes**

Board Members Present: Dolores Lee, Town of Pe Ell; Jim Cook, City of Aberdeen; Andrea Fowler, Town of Bucoda; Edna Fund, City of Centralia; Julie Balmelli-Powe, City of Chehalis; Ron Averill, Lewis County; Dan Thompson, City of Oakville; Mark Swartout, Thurston County; Terry Willis, Grays Harbor County
Board Members Absent: Ron Schillinger, City of Montesano; Mark White, Chehalis Tribe
Consultants Present: Pam Bissonnette and John Ghilarducci, FCS Group
Others Present: Please see sign in sheets

Chairman Willis called the meeting to order at 9:06 a.m. Self-introductions were made.

1. Review of draft Interlocal Agreement

Ms. Bissonnette asked for comments on the draft Interlocal within the next couple of weeks so a final draft can be brought to the Flood Authority in April. The original draft emailed to the board is different from the handout today, primarily Article 6.

Ms. Bissonnette explained that a county can sign the Interlocal Agreement (ILA) if the flood control zone districts do not come to fruition. As the June 30 deadline draws nearer, and if all the districts have not been formed, the first paragraph will be changed as to the county and a section will be added to allow a county to form a district by August 1. There will be a piece that allows the county to be a signatory without having to amend the agreement.

There was some misunderstanding about who can sign the ILA. Mr. Mackey stated it needs to be any permanent entity; for example, Thurston County's storm water district could be the vehicle to sign the ILA in forming the basin-wide district.

Mr. Carter asked what right do the people have in being charged a rate or tax and where is the legal structure for doing that.

Ms. Bissonnette stated Mr. Spitzer has the RCW. Counties have flood authorities but they do not have the ability to raise additional revenue or bring in other cities.

Mr. Carter stated much of what has been discussed is about raising money. If the counties are involved that is an important link. Ms. Bissonnette stated that will be done. In the event that any county does not form a Flood Control Zone District (FCZD) in time there must be language to make it possible for the counties to sign and address the revenue generation at that time.

Commissioner Willis stated that was discussed in Grays Harbor County. The constituents want the money to come out of the general fund; they do not want money to come from additional taxes. The commissioners have the legal right to bump up property taxes to fund flooding issues.

Mr. Carter asked why go through this if the counties can make the decisions. Ms. Bissonnette stated the counties can only bring in the county; it cannot bring in the cities. It is presumed that the unincorporated areas cannot take care of all the problems. If you want to bring in all the cities then there will be 15-20 members.

Ms. Powe stated if a second group is formed and they do not have a FCZD then the cities are being left out. She thought it was better to leave it the way it is.

Ms. Bissonnette stated this is a temporary thing. If Thurston County needs additional time to form a district, this ILA allows a way to do that without having to amend it later. If the permanent idea is to have everyone in the basin be a member to sign the ILA and raise their money then a FCZD is not needed, and there would be a very large board.

Mr. Carter stated a deadline must be set for the formation of the other districts.

Ms. Powe asked if there is assurance that the other counties would form a district. Ms. Bissonnette stated she will take that question back to Mr. Spitzer.

Mr. Johnson stated there needs to be some kind of mechanism in each county for raising funds and having the authority to do that within the statutory tools. The County Commissioners need to make the decisions as to how to come up with the contribution. The problem is the BOCCs change every couple of years which could change the makeup. Unless there is a mechanism it will be problematic to keep that going.

Commissioner Averill stated he does not know of any general fund that is not in stress. The BOCCs could raise more money at a political risk but that is still limited to a 1% increase. There are financial constraints that mean we should look at raising taxes that are beneficial. He also reported that the Chehalis FCZD had gone through the BRB process.

Mr. Ghilarducci explained what two counties would lose if the third did not form a FCZD. There could be a risk that the county would not contribute its share and put the other counties at risk. There is still a risk: there is nothing that compels a county to impose a tax to raise its share. The risk is there anyway, so what is lost if one of the three counties does not form a FCZD but still commits in the ILA to pay its fair share?

Mr. Carter stated the people who are most affected should organize it and that would not be accomplished this way. If it is a countywide district that includes people not within the zone, those people don't care. Ms. Bissonnette agreed but stated it may be the only way to make the July 1 deadline.

Mr. Bruce Treichler asked if there is a requirement in this process for the counties to form the FCZD or can a county decide – do the counties have latitude to do this however it wants? Ms. Bissonnette stated the expectation was that a multi-county flood organization would be formed by June 30 but the specifics were not dictated.

Mr. Mackey agreed. The language states that an entity must be formed to do these things. Mr. Easton stated the ILA was the decision of the Flood Authority.

Ms. Fund read the specific language. Mr. Mackey stated the Flood Authority has the governance agreement and Mr. Ghilarducci and Mr. Chase are putting together the estimates for operation, etc. Right now the Flood Authority is right on line to meeting the requirements of the legislation.

Ms. Hempleman asked about the signature of approval from the state. Mr. Mackey stated he is keeping Mr. Phillips up to speed, as well as Mr. Donahue. The state will be the ex-officio member.

Ms. Bissonnette stated one recital was added: the 7th Whereas which references the Chehalis River Basin Comprehensive Flood Hazard Management Plan.

There was discussion about the cities having a voice in what happens. Mr. Mackey stated there would be direct representation of the cities on the board with one or two votes. Also, there can be up to 15 members on an advisory committee and a strong advisory committee can be very successful. That is a good way to have the cities represented; that is what the consultants have heard from this group and what they have tried to put into this ILA.

Chairman Willis asked if a vote would also bring the responsibility of payment and what would that look like.

Mr. Johnson stated the purpose is to address flooding in the region and it is not only the people in individual counties that are affected, yet the agreement would put the cost of mitigation on those four entities, particularly Lewis and Grays Harbor Counties. The beneficiaries of projects are the state and the feds. They are included in a voice at the table but where is the governance for costs they would provide. Most of the cost will be borne by Lewis and Grays Harbor Counties. The state and the feds would benefit tremendously considering the \$10 to \$40 million dollars a day loss if I-5 is closed. That impacts everyone up and down the west coast.

Chairman Willis stated that may be the deal breaker. Where is the state's contribution? Her constituents want to know where their dollars are going to be spent.

Ms. Lee would like to see wording in the ILA that includes the cities, something that gives the cities a say.

Commissioner Averill asked Ms. Lee if she would like to have a vote or be on the advisory committee. Ms. Lee stated she thinks it should be a vote.

Chairman Willis asked if a city has a vote then does the responsibility of payment come with it and what would that look like.

Mr. Thompson stated, regarding the state benefits, that the state has paid for what the Flood Authority has done so far and felt the state would be a partner as the transition is made into the new entity.

Ms. Powe stated the cities do pay because they have the largest assessed value. Damages should be in the formula. Payments should be proportionate to the damages.

Mr. Ghilarducci stated Mr. Chase's economic analysis showed one billion dollars as total damage from the 2007 flood. Of that, one-third was a state-wide impact. You could say that the state should pay for

a third of everything but that could limit its contribution if the one-third was exceeded. He thought it would be negotiated as an aside.

Commissioner Averill agreed with Mr. Thompson. There is also the HB3374/3375 bonding which has sustained the Flood Authority since 2008. That money would go on to the next iteration. If the Twin Cities project passes and goes to construction there will be a 65% federal share. On the other hand, we don't want to let them off the hook because there is the GI study and other things that must be considered. I-5 has been in a series of widening projects and those will benefit us, which is another contribution. We must keep the dialogue going. Our main future concern is maintenance and operations costs, which is all local responsibility.

Ms. Fund stated the costs were associated with economic losses; damage did not include Grays Harbor County; it only included Thurston and Lewis Counties.

Ms. Bissonnette stated further consideration needs to be given to state and federal shares, voting members, damages, cities. Right now there are 5 voting members.

Discussion went to Article 5. Commissioner Averill stated the composition of the zone district was changed to allow each county to have a representative on the board for unincorporated areas and the two largest counties would have a representative from unincorporated areas plus the Tribe. That would be 6 voting members. The largest counties would select one city in Lewis County and one city in Grays Harbor County.

Mark Swartout suggested a representative from both the upper watershed and lower watershed and caucus for those.

Mr. Cook stated we have not done a good job conveying to the people; we need specific language to get people on board. The counties are not willing to override the people. How do the people have control over the money being spent and who is represented? It goes back to being a better salesman and explaining and there is too much misinformation. The default would not fly in his opinion.

Ms. Bissonnette stated the board needs to get resolution that empowers it and go back out for public meetings. If you have something you agree on you can answer those questions.

Mr. Treichler asked how is there going to be public participation on the advisory board and decision making.

Mr. Ghilarducci stated those are contentious issues. It is important for the next outreach to be clear about what you want to gain from the outreach. If you are waiting for public support you won't get it. The expectation might be to eliminate the misinformation and provide information on facts. Some people won't be listening in spite of your best interests.

Chairman Willis asked what goes out for a vote. People are supportive of certain things but are wary of large expenditures or projects and they want to vote on projects.

Ms. Bissonnette stated that can't be completely delegated here. Mr. Mackey stated people don't want other people making decisions on what is being spent and on the projects.

Ms. Bissonnette stated the options at this time are a city seat for Lewis and Grays Harbor County; not for Thurston County. The other option is for a seat from a city in the upper basin and one in the lower basin. Commissioner Valenzuela likes the watershed boundary with 7 members, 6 voting members and one ex-officio member. Ms. Powe stated four out of the 6 live in an area that got 20% of the damage.

Ms. Bissonnette stated voting and membership are different things. If you want weighted voting – allocation of money from an area – it is not based so much on damages. If you look at the information from Mr. Chase the largest contributor is Grays Harbor County so that county would have a larger vote followed by Lewis County, Thurston County and the Tribe. Grays Harbor County could do its own projects through its own FCZD. Based on Article 6 it would result in Grays Harbor County paying the largest share but with weighted voting, or one person, one vote. When thinking about membership, should there be shared decision making or weighted voting. If all directors have one vote that would protect the smaller areas.

Ms. Fund asked if those with larger damages would put more money into the pot. Ms. Bissonnette stated no; the damages are paid for by FEMA.

There was more discussion on who should vote. Ms. Bissonnette stated membership is different from voting. Who do you want making that vote?

Ms. Powe thought the boundaries should be determined to know who was in or out and budget allocation should be handled first.

Mr. Carter stated a FCZD does not have to include the entire watershed. Chairman Willis stated that does not change how many people sit on the voting board. We are trying to determine how the votes will come out by manipulating the cities. What we need to know is who will be on the board.

It was agreed that all the cities in the WRIA would be included. Mr. Johnson stated the BOCC is elected by the cities as well as the unincorporated areas in the county. As an example, Commissioner Averill was elected by both incorporated and unincorporated voters; and, he represents those people, so the commissioners do represent the cities. If you have representation based on the WRIA, then county commissioners would provide appropriate representation as they are elected by all.

Mr. Carter stated we aren't talking about counties. This is a FCZD that is going to have a vote in each county so it could be a city representative on the FCZD or it could be an elected commissioner. Commissioner Averill stated initially they will be appointed until the general election and then the county seat may not necessarily be held by a county commissioner.

Ms. Bissonnette stated Article 11 could include a process by which two city caucuses would determine who the city representatives would be. Ms. Powe asked if it designates that cities in the WRIA have to be cities that are agreeing to be in the district.

Ms. Bissonnette stated they will be in already.

Mr. Swartout stated if a person represents multiple cities, it would behoove that person to meet with the new organization and get feedback as to how to vote. If a lower watershed creates its own caucus and they meet on a regular basis for feedback there is representation there, plus representation on the

Board Advisory Committee. The more everyone works together and the less divided they are the more that will be accomplished.

Ms. Bissonnette stated the membership would be appointees of three counties, WRIA 22 and 23, the Tribe, with the state as an ex-officio member – 7 members total.

Mr. Swartout stated each county has its own say as to how to raise revenues and how to appoint a representative, the requirement to raise money and how they will do that and who will be the supervisor, elected or appointed. Each area will be independent on choosing.

Mr. Carter stated that other parties may not wish to have someone voting on it solely with the flood district. The folks that have to give you a say if the river is going to have improvements are going to give you a say that your interests are not vested completely in actual flood control because of the boundaries that go beyond the district.

Ms. Swartout stated that the board may choose to include Bucoda.

Mr. Carter stated decisions your group makes include people that are not affected in Thurston County. Those that are contracted will provide voting power of people outside the basin.

Mr. Swartout stated the state will give us \$1.2 million and \$645,000 is for a consulting firm. Anything left over can be rolled over. How much will we need to contribute to that organization by July 2012? Thurston and Grays Harbor Counties can take the time to do public outreach – it does not have to be by August 1 of this year. There will be enough money to get this organization through 2012 and Thurston County will have to form a district by 2013.

Commissioner Averill stated all that is available now is property tax raised by a FCZD and the tax must take place by October 1, otherwise it will not get caught in the next tax cycle. There is not as much time as Mr. Swartout thinks.

Mr. Swartout stated there is time because a rate boundary can be created. This new organization may not need more revenue until 2013.

Commissioner Averill stated this is an ILA between independent bodies.

Chairman Willis stated a decision needs to be made. The Board can't sell this to the public unless it knows what is in the agreement.

Commissioner Averill stated we are forming (FZCD) to recommend district projects and fund it. The ultimate decision of the money would be theirs.

2. Break

The Chair called for a short break and reconvened the meeting at 11:10.

3. Continuation of draft Interlocal Agreement review

Ms. Bissonnette stated topics to decide are membership issues, voting, state and federal participation, public votes and Article 6: Allocations of money from jurisdictions.

Mr. Ghilarducci explained the Cost Allocation Analysis that he distributed and how it relates to Article 6. He stated that Article 6 is different in that he brought in the actual numbers rather than referencing them. He tried to make the terminology more consistent; the approach itself has not changed.

Mr. Ghilarducci used the starred lines on the Potential Allocation Bases. The assessed value (AV) factor in Article 6 has to do with line 4. Direct economic value added per day is on line 9 and total direct and indirect economic activity is on line 11. Ratio is line 12, about 71.3%.

On the Proposed Approach Chart negotiated cost share (top box) is always available for what is being considered. Mr. Mackey stated if there is something that will benefit everyone (the early warning system, for example) you could use the lower box. 90% of the benefits will be in the top box. This is where who benefits and who pays will be very clear and negotiated, not driven by who sits on the board.

Section D of Article 6 gives a number of factors to consider in the cost sharing. It impacts the share assigned to each county; it does not determine how the money is collected. Commissioner Averill asked if it uses assessments and rates. Mr. Ghilarducci stated if the amounts vary within the district you have to use rates.

Mr. Ghilarducci stated if a project has proportional value he used the 71/29 split between flood plain cost and contributing area. It is up to the counties to decide how they do it. Ms. Bissonnette stated this is after you subtract state or federal money or the local share. For the part associated with the contributing area, inside the basin, outside the floodplain, the portion is allocated to participants based on direct or indirect economic benefits.

Mr. Mackey stated if you want a permanent organization you need to raise the \$645,000 to keep things operating, put a staff together and do the capital planning. This is the formula you might use to get to money raised. Looking at bigger projects you will go back to the other box for negotiating how it works.

Chairman Willis stated in Grays Harbor County's workshop it was broken out with so much property tax to keep the district going. There was a range from 2 to 5 cents per thousand. Mr. Ghilarducci stated if everyone was assessed property tax at 8 cents per thousand it would generate a million dollars.

Ms. Bissonnette stated section F in the new material was a reflection of proposing something back for future development. This is all based on existing development. The blank spaces are for numbers but there could be additional allocation based on jurisdictions that don't adopt the flood hazard management plan. They would be about the same factors that would generate the surcharge. If all development was prohibited in the floodplain then the AV over time would go up less in those areas around the floodplain. The same is true for the economic development. This table would capture that if it is kept up every year.

4. Public Outreach

Mr. Mackey stated because of the time perhaps the public outreach discussion could be conducted after the afternoon meeting. There is another meeting scheduled for March 31 and that will be to make decisions on transitions to keep the organization functioning.

Chairman Willis asked if there was agreement as to the makeup of the board, including cities having their own caucuses and the WRIA. Ms. Bissonnette stated she could write it up that way and bring it back to the board. She asked how everyone felt about the allocations. Commissioner Averill stated he needed time to digest it but on the surface it looks good.

The meeting was recessed at 12:00 and was to reconvene following the afternoon business meeting.

***** RECESS *****

Chairman Willis reconvened the morning work session at 2:42 p.m. She asked the board members to initial the afternoon sign in sheet next to their name to show that they were in attendance.

The Chair recognized Ms. Bissonnette.

Ms. Bissonnette stated because of the interest in sediment management in the river there will be a meeting held by the Washington Association of Flood Management agencies on April 6 at the University of Washington. She offered to send out the meeting notice if anyone is interested. Before attending, you will be asked to fill out a survey that describes your interest. Ms. Bissonnette is going because it may be an option for the Chehalis River in other major capital projects. Commissioner Averill stated there will be people from Lewis County attending that meeting.

Ms. Bissonnette stated the board needs to determine how it will approach the next round of public meetings. Her recommendation is that those are set up after April 21, which is the next official Flood Authority meeting. That would give the Board whatever can be finished up today, what can be finished on March 31 and hopefully the final Interlocal Agreement on the 21st. That is important because that document will allow the board members to answer a lot of questions that have been raised by the public. The meetings should be as close to the April 21 meeting as possible so all the information received at the meetings can be sent back to the board. On May 19 the final ILA should be ready; if more work still needs to be done there will still be one more meeting in June, or you could hold another special meeting.

Ms. Bissonnette stated FCS Group would take care of all the logistics and Mr. Ghillarducci, Mr. Mackey and she will attend. A stronger role [during the meetings] of the elected officials on the Flood Authority Board would be advisable because the public wants to hear from their elected officials rather than from the consultants. FCS can write up information that can be used in the newspapers that explains what was heard at the last round of meetings, what has been done about it and how the interlocal agreement would address those concerns. FCS would also provide all of the materials for the meetings.

Ms. Bissonnette asked if this recommendation is acceptable. If it is, she will start immediately getting ads placed, preparing materials and locating meeting places.

Chairman Willis stated the people who attended the public meetings in Grays Harbor County specifically asked for more information in the newspaper about what the Flood Authority is doing. She stated the Chronicle has been very good about putting regular articles in its paper. Chairman Willis stated the attendance at the meeting in Montesano was very disappointing and she would like to see better attendance.

Mr. Thompson suggested setting up a radio call-in period where people could call the radio stations and ask questions of other knowledgeable people. This would be a good way to reach a lot of people. He asked who could help with this. Ms. Bissonnette stated FCS could answer the technical questions; board members could answer policy and political questions. She stated FCS could certainly set it up.

Chairman Willis stated there are radio talk shows in Grays Harbor and she suggested that the members from Grays Harbor County could meet to be on those shows and then the entire basin would be covered.

Ms. Fund brought up post cards again. She would like to try to overcome the barriers surrounding the sending of post cards for meeting notification.

Ms. Bissonnette stated she will ask Chris Hoffman to respond to that. She remembered from the last discussions that post cards worked in some counties and did not work in others. Ms. Fund stated post cards only went out in one county because Mr. Hoffman had difficulty getting the address lists.

Ms. Fund stated it might be beneficial to talk to school districts and fire districts. They have newsletters that could contain information; perhaps utility statements could include information. Videotaping is also a possibility. The Centralia Council meetings are put on Channel 3 and this could be done. Ms. Fund has a friend who offered to make a disc for \$500 that could be made available. There is also a group of people who have been attending the council meetings and the Commissioners' meetings and they have a website. She could not remember the exact name of the group.

Ms. Bissonnette stated the FCS Group is not a local group and they are not elected officials. It can give the Flood Authority Board the notice and the elected officials can contact these groups, etc. Response is much more likely coming from local officials.

Ms. Fund did not think money should be spent on refreshments.

Ms. Bissonnette stated she needs the dates for scheduling these meetings. Chairman Willis stated they should be scheduled as soon as feasibly possible.

Ms. Bissonnette listed the issues that still need to be dealt with on the Interlocal Agreement: improvement to the membership section; weighted voting or current voting, and this is tied to the allocation methodology. Since the Tribe will not be voting there are now 5 votes.

Commissioner Averill stated that despite the fact that the letter was received from the Tribe, it was always understood that the Tribe would not be a participant in the Flood Authority unless they chose to do so; and, when the FCZD is formed and the Tribe feels it would be beneficial to them, perhaps they might ask us to join the Board. An opening needs to be left there in the event this should happen.

Ms. Bissonnette was asked what change would be made in the Interlocal based upon the announcement from the Tribe. She stated it would be in the very first paragraph where it names the members. The Tribe could become a new member later, as anybody could. The Tribe could be left in the definitions to make it clear which Tribe is being referenced. Ms. Bissonnette stated nothing needs to be changed or it can be changed just enough so that they can come in at any point that they want.

Commissioner Averill suggested talking to the Governor's Office of Indian Affairs before a decision is made on that. Chairman Willis thought it would be best to leave them in and adapt the first paragraph to include "the signatories that agree to" and list those at the end. Those who sign are included and those who do not sign are not included. She did agree to discussing this with the governor's office.

Chairman Willis asked if this is an open-ended contract to allow anyone to come in. Ms. Bissonnette stated there has not been much discussion about that but there is a section that talks about the addition of new members which is in Article 10. The members must agree on allowing a new member in.

Chairman Willis asked if these new members would be a county. Ms. Bissonnette stated it would be somebody who would get an allocation, so it would be any Flood Control Zone District or Tribe.

Ms. Bissonnette continued with the other issues still to be resolved. One is public voting and she stated if the board chooses it could make it required to have a public vote, recalling that this group has only two options for a vote: to get the members voted upon with the new legislation or under the existing legislation when you do capital projects that require bonds. This is found in Section 7.2 and the first option could be eliminated, which is the advisory vote, and make it the only way to finance capital would be with general obligation bonds. That would require a public vote and that takes away the ability to sell revenue bonds. Revenue bonds cost more but if that option is eliminated there could be no debt financing without a public vote that was binding.

Something else to think about: there is nothing in the ILA that requires the ILA authority to transfer itself over and utilize the new legislation when it is available. It is an option. If you want to promise people that they get to vote for these board members you could make it not optional.

Commissioner Averill stated the legislation allows voting for supervisors as an option; they could also be appointed.

Mr. Swartout had comments from Commissioner Valenzuela.

7.1 references to the Flood Management Plan. Ms. Bissonnette stated it is referencing the existing plan; there will not be a new one. She will make that more specific.

7.2 (i) should say the initial Capital Improvement Project Plan. Ms. Bissonnette stated it will be defined in the definitions.

(i) Advisory vote- Mr. Swartout stated this organization is going to be made up of three specific counties, each of which will be responsible for raising their own revenue for their contribution. Shouldn't each county be able to choose if they want an advisory vote for their portion rather than putting it into this ILA? Would the ILA be precedent over the counties that sign it that they are saying they will do an advisory vote?

Commissioner Averill agreed with Mr. Swartout. It is at the discretion of the county commissioners of the three counties to decide how they raise money.

Ms. Bissonnette stated that is correct, but this vote is not about raising money. You would have a very specific project list and all the costs associated with them. This vote would be on the project list and

bonding for the projects. The money would still have to come from the FCZD in the counties. They can vote or not but they are still obligated to come up with their share.

Commissioner Averill argued that there would be no vote conducted under the ILA. They might come up with projects but the authority to collect money either lies with the current FCZD or the county itself. The decision to go to a vote has to be made by that county.

Ms. Bissonnette stated she would take it back to Mr. Spitzer but what he has told her is that this ILA statute empowers the new entity to sell bonds but it can only do it under certain circumstances.

Mr. Swartout stated from what was heard at the public meetings people were asking what projects are going to be done, what are they going to cost and how much do the taxpayers have to pay. Going back out for a public vote on capital projects with an approximate cost is good but the missing piece is when someone goes to vote on this they want to know how much it is going to cost them.

Ms. Bissonnette stated assuming Mr. Spitzer is correct and that you can sell bonds and vote on them, that is not a vote on the financing; however, the public information that has to come out is the cost per month in each county. It would have to be in the voter's pamphlet as to what it would mean to the taxpayer. When you go out for bonds, if it is going to rely on an existing funding source, that vote is not on the tax or fee rate but it is included in the information.

If Mr. Spitzer is wrong, what would happen if Lewis County says yes to its share of the bonds and Thurston County says yes and Grays Harbor County says no. That is why this language is necessary. She will make sure this is clarified and there is an answer to the project list and what the citizens are going to pay.

Commissioner Averill stated when the Twin Cities project goes to the construction phase it will move out to one of the counties or to one of the FCZD. When this project went through the governor's office there wasn't anything involving something in more than one county. We were anticipating that there would be a district sooner and that the construction would move back to whatever that authority was for the basin.

Mr. Swartout spoke to 5.4(b). He would like the supermajority defined with a percentage because a number would change with the number of members.

Regarding new membership, a suggestion is that if the Tribe wants back in, they would be allowed to come back in. With other new members, Commissioner Valenzuela would like that to be by a supermajority vote, and it should be added as (6).

Mr. Cook stated that to be a member of the Flood Authority a specific geographical jurisdiction was required. Ms. Bissonnette stated the new amendment from the Senate states that membership must be someone in the jurisdiction.

Commissioner Averill added that when the Flood Authority was first formed, the members had to be on the main stream of the river. Mr. Swartout stated land use authority was required, also. Ms. Bissonnette stated that could be added. Mr. Easton stated the land use authority is in there; it does not say the jurisdiction has to be on the main stem.

Mr. Swartout stated it would not need to state the main stem but the flood plain or the basin. Mason County would not qualify for someone with land use authority in the flood plain but they have land use authority within the watershed.

Ms. Bissonnette stated one issue is state participation. She cannot come up with something that would bind the state. You could sunset yourselves: if you do not get state or federal help by a certain point you are done because you cannot do it on your own.

Commissioner Averill stated any major project is financially out of the means of the taxpayers in the district. An approach might be that any substantial project that required major funding would not start without state and/or federal participation.

Mr. Swartout referred to 7.2(i) and (ii) and Article 8(a). In 7.2 there is a choice but in 8(a) there is not a choice.

Ms. Bissonnette stated 8(a) equals 7.2(ii). Commissioner Averill suggested reversing the two statements made in 8(a) so they match 7.2.

Ms. Bissonnette asked if the Board felt sufficiently comfortable with the way the public votes have been handled in this document. Is there enough opportunity in it for public votes?

Commissioner Averill stated in theory it looks good. In reality, there is a huge expense every time a vote is conducted, so votes are done with reluctance. The only way to do them and stay within bounds of paying for them is during a general election when there are other things on the ballot and the costs can be shared. When considering a junior taxing district, such as a FCZD, it is going to have to pay in three different counties and there will be some reluctance to spend that money.

Ms. Bissonnette stated 7.2(i) mentions the "initial" plan. This term was chosen with great care because if you are going out with a 20-year plan and subject it to an advisory ballot do you have to take it out to a ballot every time it is amended? No. Once you have the public's buy-in to a master plan of improvements you can proceed, even if you have to amend it. In the advisory ballot approving the entire master plan allows for amendments. There is precedent for it in the state. You could not do that with the bonding requirement.

Mr. Swartout had a question on Article 11, the advisory committee. There could be a possibility that a county or the counties are not represented at all on the flood authority if it is all FCZD supervisors and there is no mention of county participation. Ms. Bissonnette stated she can craft some language that would cover that.

Mr. Swartout stated in that same paragraph Commissioner Valenzuela would like to see the advisory committee establish its own by-laws subject to approval of the Board.

Commissioner Averill asked if this is an advisory committee for the interlocal as opposed to the advisory committee for each FCZD. Ms. Bissonnette stated that is correct. After the morning discussion about two city appointments she was going to add a phrase (if there is no objection) that says it will be the city members of this group that select the WRIA 22 and 23. Other things that could be put in here, or have in the by-laws, is that they must be consulted on capital project lists, the budget and rates. In other words, the board would have to get their recommendation before the board could act.

Mr. Swartout asked for the definition of “facilities” in 7.2. He believes in the plan there is a mix of structural and non-structural projects. Ms. Bissonnette stated “facilities” means all of them and she will make that clear.

Ms. Bissonnette stated since there have been no objections she assumes everyone is okay with these changes.

Ms. Bissonnette summarized the changes that had been discussed. She clarified the boundary which is WRIA 22 and 23 minus Black Lake. Until the Tribe wants to come in their boundary will not be included. She needs to address liability.

Ms. Bissonnette went through the Articles to make sure they had all been covered.

Article 5

5.1 – There needs to be more discussion on this section.

5.2 – Provision for an Elected Board of Directors

Commissioner Averill stated at the interlocal level that is not a practical thing to do. Ms. Bissonnette stated this allows the Flood Authority to answer when you are asked, do the public ever get to vote on the board members. You can say there is a provision for allowing that in the interlocal agreement.

5.4 – Board Actions and Voting

FCS did not get specific direction on all of these, whether they were supermajority or not, so they erred on the side of making them more supermajority than just majority. Ms. Bissonnette asked the board to look at this and decide by the 31st.

There was discussion about the precincts and districts. Ms. Bissonnette stated that for each member there will be a precinct; 5 members, 5 precincts. If there are 11 members there will be 11 precincts.

Mr. Thompson stated the public at past meetings have been pretty adamant about wanting to vote for supervisors. Ms. Bissonnette stated that decision is open. The “may” can be changed to “shall” if that is the desire of the Board.

5.6 – Budgets, Financial Management and Borrowing

Ms. Bissonnette stated this is fairly standard but the blanks do need to be filled in. The default is Lewis County. Chairman Willis stated Grays Harbor County’s prosecuting attorney had some questions about this, particularly reimbursements to other counties. She will send the language to Ms. Bissonnette.

Mr. Swartout stated he spoke to the Thurston County treasurer and asked her what the districts are charged for financial services and there is a percentage of the investment income of the amount they are managing. In this case, if the state authorizes the Flood Authority to get \$1.2 million that should be transferred to the treasurer in a lump sum rather than reimbursed.

Commissioner Averill stated currently the arrangement is that the money provided under state statute all rests with OFM. When Lewis County incurs expenses it sends a purchase order to OFM and they reimburse Lewis County. Mr. Swartout stated Lewis County has to charge for providing the service.

Article 6 will be looked at by the board members before March 31. Mr. Swartout thinks this section needs to be simplified; if it needs to be complicated, it could be backed up with economic factors. Ms.

Bissonnette stated all the definitions can be put in the appendix with the table and just have the 71% and 29% in this article.

Mr. Carter stated percentages are going to change from time to time. Ms. Bissonnette stated there is a provision to update them. She thought every year the county assessor (or someone) would have to estimate new construction, sales tax, etc. and probably every two or three years this would be updated. It would go back to the board and there is a place for the board to approve the new factors. That is necessary because this table is based on development today and new development in the future could be very different.

Article 10 – Addition of New Members

Ms. Bissonnette stated she would add something special pertaining to the Tribe and land use authority requirements for members.

Article 11 – Advisory Committee

Ms. Bissonnette will add that if counties are not already on the interlocal board they can be on the advisory committee. By-laws will be established by the advisory committee and approved by the Board. There will be city caucuses to appoint city members.

Article 12 – Indemnification and Hold Harmless

There is a question about how much liability shielding a FCZD provides to a county. Ms. Bissonnette will discuss this with Mr. Spitzer and she recommends that this section be taken to the County Risk Manager.

Article 22 – State Approval and Acceptance

Ms. Bissonnette stated given the discussion about the state's financial involvement, this could be reviewed with Mr. Donahue and strengthened some.

Article 23 – Execution

Ms. Bissonnette explained that all the signatures do not need to be on one document.

Mr. Carter asked if the issuance of bonds assumes there are three FCZD and a storm water district or are they also considering there are no districts and it is a county with the others. Ms. Bissonnette stated it is assumed that these are FCZD. This morning the discussion was a stop-gap knowing that the state is going to fund this for another year. By the time you go out for bonds, it is assumed there will be a FCZD or the new legislation, not the interim body.

Mr. Johnson, going back to state acceptance and approvals, stated this language should reflect the requirements that the state had for grant funding to fulfill those requirements. He also suggested that it should also reflect the agreement that the Flood Authority has with Lewis County and specific deliverables that tie to the funding. Mr. Johnson will provide language to Ms. Bissonnette.

Mr. Carter stated all three counties are insured by the same risk pool. It might be appropriate if we had Merle Hill's input on this agreement and the liabilities that are being assumed. Mr. Carter understands that insurance for the flood district might not be offered by the risk pool.

Chairman Willis stated the word "Authority" is used throughout the document but it refers to different bodies in different parts of the document. She asked for more clarification between the initial authority and the secondary authority.

Chairman Willis stated a lot had been accomplished during this meeting and thanked everyone for staying.

5. Adjourn

Adjournment was at 4:07 p.m.

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

**March 17, 2011 – 1:30 p.m.
Meeting Notes**

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

Board Members Absent: Ron Schillinger, City of Montesano

Others Present: Please see sign in sheets

1. Call to Order

Chairman Willis called the meeting to order at 1:30 p.m.

2. Introductions

Self-introductions were made by all attending.

3. Approval of Agenda

Chairman Willis asked if there were any corrections to the agenda. Hearing none, the agenda was approved.

4. Approval of Meeting Notes

Chairman Willis asked if there were any corrections or additions to the meeting notes of the special meeting on February 17, 2011. There were none and the meeting notes were approved. There were no additions or corrections to the meeting notes for the business meeting and they were also approved.

5. Public Comment

Mr. Robert Kling, Kling and Associates, stated Lewis County has what he calls man-made dams. These dams are the Galvin Rd between the Centralia Industrial Park and the Chehalis River, Mellen Street, and Highway 6 in Adna. These roads keep the river from flowing in its natural path. They cause Lewis County to be a holding pond during flood season by raising the flood level 3 or 4 feet higher than it naturally would have been. A 3 to 4 foot reduction is about what has been proposed by building dams at a cost of about a half million dollars. Mr. Kling estimates it would cost \$5 to \$7 million to put causeways in – bridges that would open up the river to allow the river to flow more naturally. He suggested thinking about restoring the natural, original and unimpeded flow of the Chehalis River, starting at Grays Harbor County and working back to Adna and make the causeway just below the Reservation a little larger so that there is no flood damage to the Tribe. This would also protect the fish, which he encouraged.

6. Reports

a. Chair's Report

Chairman Willis stated the Thurston County Commissioners held a briefing on the formation of a Flood Control Zone District which she attended to learn how Thurston County might go about doing that.

Grays Harbor County also had a flood control zone district workshop with about 17 people participating. People on both sides of the issue spoke and the meeting was taped and is available on the website if anyone is interested in listening to it. Ms. Bissonnette was in attendance and was able to answer a lot of technical questions. There was some agreement but there were many things that were not agreed upon. It was agreed to hold another workshop.

The morning work session was to go over the draft Interlocal Agreement. At the end of the business meeting today the morning work session will reconvene to continue the discussion.

b. Member Reports

Ms. Fund stated a gentleman did an analysis of the fill near Wal Mart and how much that causes flooding and the impact of that fill. She would like him to address the Flood Authority so they can learn more about the scientific review.

Commissioner Averill stated Mr. Karpack had done some of the original work for Lewis County with Northwest Hydraulics to see if water retention was feasible and he provided input to the first phase of the study done by EES Consultants. He prepared a paper for the Chronicle and the article showed the impact of the fill.

Chairman Willis asked if it was possible to get a copy of that paper.

Commissioner Averill stated a communication was received from FEMA that March 14 through March 18 marks the 2011 Flood Awareness Week. It speaks to various measures that FEMA is doing and mentions the problem of flooding throughout the nation. He will ask Ms. Anderson to send that to the Flood Authority distribution list.

Mr. White announced that as of today, the Chehalis Tribe will no longer be a part of the Flood Authority. He submitted a letter of resignation from Chairman Burnett to Chairman Willis. Mr. White stated he has been on flood authority boards for about 10 years with changes back and forth as to what do. He does not think some jurisdictions are taking this seriously and the Tribe feels it is an economic and political show rather than a solution to flooding. He understands that without the Tribe's support it will be difficult to move forward with a solution on the river. The Tribe will oppose anything that stands in the way of protecting fisheries. Until the Tribe feels that this group is serious about a flood solution, it cannot be part of it.

Chairman Willis read Chairman Burnett's letter into the record. A copy of the letter will be made available to anyone who is interested.

Mr. White asked the Flood Authority to remember that all things are connected and no one thing can change by itself. No matter what you do it is going to alter something else, so consider the ramifications of everything that goes on.

Ms. Fund stated she was sorry to see Mr. White leave and that he was welcome back at any time.

c. Correspondence

Chairman Willis stated a letter was sent out – permit of entry – to the owners of the Riverside Fire Authority station located at Garrard Rd in Lewis County. The request was for the Chairman to sign to allow entry onto the property to maintain a real time rain gage.

d. State Team Report

Mr. Donahue was not present; his report will be given at next month's meeting.

e. Corps of Engineers Report

i. Twin Cities Project

Mr. Goss stated a group performed a site visit to look at potential changes for levee alignment, possibly decreasing the environmental impact on wetlands which in turn would decrease costs of mitigation. They were at the Fairgrounds, the game farm and the Dillenbaugh Creek site. It's possible to make the footprint of the levee to not be on the wetlands.

Additional information is being collected downstream from Grand Mound, looking at the potential affects and impacts for the revised 100 year flood event. The Corps would like to get a better structure inventory downstream and get additional hydraulic modeling downstream. That will show what the impact will be and if any structures would be affected.

The Corps is working with the state to set up schedules for some potential future technical workshops.

ii. Basin-Wide General Investigation

A draft scope of work has been put together on hydraulic modeling for the Basin-wide study for without project conditions to coordinate with the scope of work with Grays Harbor. This is for the single purpose GI ecosystem restoration. If in the future there is a local sponsor entity and another purpose is added to the Basin-wide GI for flood risk management this data would be used for that second purpose also.

Ms. Fund asked for more information about the technical workshops that Mr. Goss mentioned.

Mr. Goss discussed with Mr. Donahue that when issues come up and there is technical data to discuss to bring it to the Flood Authority with a topic and date as to when to get participation from technical members, city and county staff and interested parties.

Commissioner Averill stated the first technical study was divided into five subject areas: culture, hydrology, engineering and some others. Mr. Goss stated it was geared toward the environmental, hydraulic and technical issues. When there is data to discuss it would be helpful to have a workshop with technical people from Public Works or consultants present.

f. Lewis County PUD Report

Ms. Lara Fowler stated Mr. Muller is working on an update to the Phase IIB report and it should be available shortly. Ms. Fowler understands it will be a clean version with a table of comments and responses to those comments.

OLD BUSINESS

7. Ongoing Efforts Update

Mr. Mackey stated nothing has changed on the Ongoing Efforts Update with the exception of the Early Warning Program and the Fisheries Study.

Regarding the Early Warning Program, Mr. Mackey received a note from Mr. Dave Curtis stating that the reconnaissance research permit was obtained from Weyerhaeuser. This is to review potential gage

sites. Several locations have been reviewed and four sites were selected for rain gages and are now in negotiation with Weyerhaeuser to get an installation permit. They did get a right of entry agreement with the Riverside Fire Authority. That was signed by Chairman Willis and that is proceeding. They also got an access agreement from Green Diamond.

Discussions are taking place with the National Environmental Satellite Data and Information Service and it has been learned that they can submit the GOES radio license application without having the actual gage (latitude and longitude) locations so those final locations can be entered after the installation. As weather permits they anticipated specific gage installation, which Mr. Mackey identified.

Commissioner Averill asked if a copy of that report is available. Mr. Mackey stated it is an e-mail and he can have it sent out electronically.

Commissioner Averill stated he was confused because the Riverside Fire Authority is the old Lewis County Fire District 12 and the City of Centralia Fire Department. He asked why Grays Harbor is giving permission to go on a Riverside Fire Authority site. He asked if RFA goes into Grays Harbor County.

Chairman Willis stated she was asked as chair of the Flood Authority to sign the agreement between the fire authority and the Flood Authority. Commissioner Averill noted that that clarified the issue. The site is in northwest Lewis County near the border with GHC.

Mr. Mackey stated he had forwarded the memo from Anchor QEA with the update on the fish study. He summarized that memo.

Ms. Powe stated the low flow readings were going to be conducted in September and October and those are not the best months to do those. She asked if that is because of the timeline of the contract. Chairman Willis stated the readings would be done backwards from how they normally do them because of the deadline of June 30.

8. Special Meeting Update

Chairman Willis stated the Board talked about the draft Interlocal Agreement at the morning's meeting. There had been some changes made since the first draft and the Board went through the document page by page to make comments and corrections. That conversation will continue at the conclusion of today's business meeting, as well as discussion on the public participation meetings that need to be scheduled.

9. Legislative Outreach

Mr. Mackey stated the legislative web site provides updates to Senate and House Bills. He looked at Senate Bill 5265 and 1660 which are the multi-jurisdictional flood control zone district legislation and there was an amendment proposed on the Senate side.

Ms. Bissonnette explained by stating that it appears they are trying to make sure that any supervisor that is appointed or elected has to reside in the jurisdiction that is either going to pay the rate and charges or is going to contribute in lieu of money a commensurate amount. They want to prohibit any supervisor from taking a policy vote of any kind that isn't representing a jurisdiction that is subject to the financing piece of it.

Commissioner Averill asked if the term “supervisor” is being used for FCZD. Ms. Bissonnette stated yes, and this also came up in another bill that had nothing to do with FCZD. In that case a board member in a sewer district was outside of the multi-jurisdictional sewer district that was collecting charges and that person was voting on sewer rates that his district was not subjected to. When the legislature discovered that, this bill was directed at any kind of circumstance like that.

Commissioner Averill stated if they say one has to live [in the footprint] that would mean that a county commissioner who would normally be a supervisor of a FCZD, unless they chose another method, might not be able to serve because he/she doesn’t live within the footprint. Ms. Bissonnette stated it does not say you have to live within it but you have to represent that jurisdiction.

Chairman Willis asked if the word supervisor is interchangeable with commissioner. Ms. Bissonnette stated the way the FCZD legislation reads there is a Board of Supervisors, so the supervisor is the board member.

Mr. Mackey stated he also looked up House Bill 1497 and Senate Bill 5467 and these are the governor’s capital budget and as far as Mr. Mackey knows there have been no more changes; however there is a public hearing scheduled on the House side for March 23 at 6:00 p.m.

Chairman Willis asked if anything has been heard from the governor’s office on the proposal for the state to be the non-federal sponsor for the GI. Mr. Mackey stated he had spoken to Mr. Phillips about that and he said that they are still very supportive of the Flood Authority and the actions that are being taken but given the federal funding and deliberations on where the Flood Authority is going he wanted to wait to see how some of those things settle out. Mr. Phillips was still positive about honoring the request.

Chairman Willis asked if anyone heard how the revenue projections came out.

Mr. Jay Gordon stated there is a \$6 billion + deficit.

10. Transition Planning

Mr. Mackey distributed the transition planning report to get the Board prepared for the meeting on March 31. It is assumed the Board will have some kind of signed interlocal agreement and the issue to think about and try to make a decision on is the work that the Flood Authority needs to do in the first two years and to give some serious consideration to the kind of staffing needs that will take. Mr. Mackey has made some recommendations as to how to proceed to do that. This is to determine what you are going to do with the \$645,000 for the first year or two and if you want to put this in place as a permanent organization, how will you fund and staff that in the interim. There are other issues but those are the time-sensitive issues.

Chairman Willis reiterated that the meeting Mr. Mackey spoke of will be on Thursday, March 31 starting at 9:00 a.m. at the Veterans Memorial Museum. The meeting may extend past the 11:30 timeframe. It is a public meeting and anyone is invited to attend and participate.

NEW BUSINESS

11. Expenditure Review

Mr. Johnson referred to the expenditure review and noted there is an unencumbered balance of a little over \$402,000. Governance expense was about \$48,000 and ongoing studies totaled \$100,793 and the Early Warning System expenditures were about \$27,000. The second page has the detailed expenses to date.

12. Confirm Next Meetings

The next regular meeting will be on April 21, 2011 beginning at 1:30 p.m. at the Lewis County Courthouse. The morning special meeting will be at 9:00 a.m. at the Veterans Memorial Museum. A work session on transitional planning will be on March 31 starting at 9:00 a.m. Chairman Willis stated it may be necessary to extend that meeting into the afternoon. There will be a lunch break if it is necessary to continue later than 11:30.

13. Adjourn

Chairman Willis asked if there was anything else to come before the Board.

Ms. Mary Toole referred to Mr. White's statement earlier in the meeting. She asked how the Twin Cities project is going to help the basin-wide flooding. She could understand how it would help Chehalis and I-5 but not everyone else in the basin and she assumed this was a basin-wide study.

Commissioner Averill stated the Twin Cities project began in 1997 and went to 2003 and stopped because of funding. In 2007 it was approved again. That project is not under the auspices of this Flood Authority but under the governor's office. The Flood Authority is kept apprised by the Corps of Engineers on the progress of that project. The project does include some additional water retention in addition to the levees. The additional water retention is intended to mitigate for what additional water might be forced downstream when the levees are created. Mr. Goss can give more specific details, but it is currently run separately from the Flood Authority. It is the General Investigation (GI) study that is intended to look at the entire basin.

Ms. Toole stated it did not appear to her that the Corps of Engineers and WSDOT are communicating.

Commissioner Averill assured her that they are coordinating their projects. The new Mellen Street interchange will correct the current problem where that interchange goes under water during a flood event and there is no access to the hospital. That project is not under the Flood Authority but it is done in concert with the Corps and WSDOT.

Ms. Toole would like to see the paper that was spoken of earlier, and she thinks dredging the river might be a solution.

Chairman Willis reiterated what Commissioner Averill said about the Twin Cities Project. If the Flood Authority went away tomorrow, that project would continue. She also agreed with Ms. Toole that there needs to be coordination between all agencies and entities because everything is related to each other.

Commissioner Averill stated the highway widening projects come under the Southwest region of WSDOT up to Grand Mound. As the different regions design their projects they do coordinate with the Corps of Engineers and the design for the Mellen St. interchange is compatible with the Corps' designed project.

There was no other business to come before the Flood Authority and the meeting adjourned at 2:35 p.m.