

**Chehalis River Basin Flood Authority
Work Session
Veterans Memorial Museum
100 SW Veterans Way
Chehalis, WA 98532**

**December 16, 2010
Meeting Notes**

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

Consultants Present: Bruce Mackey and Spencer Easton, ESA Adolfson; Pam Bissonnette, FCS Group; Anne Falcon, Larry Karpak, Scott Mahnken, Stan Boyle and Amber Nyquist, EES Consultants

Others Present: Please see sign in sheets

Chairman Willis called the meeting to order at 9:07 a.m. Introductions were made.

1. Upstream Storage Phase 2B Report

Mr. Dave Muller gave some background, stating the project is an iterative process involving the gathering of data, conducting analysis, refining assumptions, identifying additional studies, and then repeating those steps. Phase 2A and 2B are high level conceptual stages rather design stages. Assumptions are refined at each step. Currently there is no budget for geotechnical boring, only for surface type work.

Post Phase I involves Corps feedback regarding the benefit-cost analysis and Ecology feedback regarding appropriate gage and Phase IIA environmental scoping.

Phase IIA showed no fatal flaws through Shannon and Wilson's geotechnical or geology work. EES completed environmental scoping documentation to determine available information and needed studies.

A chart on the PowerPoint showed the project timeline and it is hoped that the Corp will have a decision point in 2 to 4 years as to whether they continue with the Twin Cities Project.

Maps showed the Chehalis River Basin, the proposed project locations and average precipitation in the Basin.

Phase IIB

Ms. Anne Falcon reiterated Mr. Muller's comment about Phase IIB being a very high-level study. The economic and engineering analysis was updated to be consistent with the Corps methodology. The fisheries study is underway and results are not yet available and are not included in the Phase IIB analysis.

Study limitations

The model used is calibrated for 100 year floods and does not reach out into the tributaries. Water quality resulting from the changing flow in the river has not been quantified. Further study is needed to determine those benefits.

Engineering Conceptual Design

This analysis was fine-tuned to look at the Doty gage. Engineers looked at both 40 foot and 2 foot contour interval mapping. It came up with a single purpose structure just for holding flood water. The multi-purpose would provide flood protection and also water augmentation and hydro generation. Construction is estimated to be completed 4 years after permitting.

Design elements were discussed. Earth filled structures are recommended based on topography and cost. This structure would have a diversion tunnel allowing reservoirs to be completely drained if necessary. Intake towers will offer options for intake levels, such as releasing water from different elevations.

Construction costs include construction, development, land acquisition, permitting and environmental mitigation. A 30% contingency has been added in, and there will be operating and maintenance costs and interest during construction.

Diagrams in the PowerPoint showed earthen structure cross sections, structure concept, structure summary and multi-purpose and single-purpose structure heights. Construction cost details were included for the mainstem of the Chehalis and also for the South Fork of the Chehalis.

A question was asked regarding page 5 which only gives estimates for Lewis County. What about the people who live outside Lewis County? Ms. Falcon stated there have been discussions about how holding back water might provide some benefits downstream. It would be a good idea to expand the hydro model.

Chairman Willis asked if there are plans to do studies further downstream. Mr. Muller stated the next step preliminary outline will go to the governor's office. If it is appropriate to continue then the extra hydrologic model will continue. There needs to be additional geotech and fish passage studies and then another benefit cost analysis. It all depends on funding.

Mr. Larry Karpak stated if the dams change the flow coming through Lewis County it will have an impact downstream but he doesn't know the precise change to the flow change. It will not be difficult to take it down stream; there is no tool to do that yet.

Commissioner Valenzuela assumed it will keep the water off of I-5. Mr. Karpak stated with a moderate change to the airport levee water on I-5 could be prevented.

Commissioner Valenzuela asked if a multi-purpose structure would accomplish that. Ms. Falcon stated an upper basin single-purpose structure and levees will keep I-5 dry in a 100 year flood. Commissioner Valenzuela asked if a multi-purpose structure would be high enough to include hydro. Ms. Falcon stated yes. It would need an 80,000 acre foot capacity for flood protection and it is left empty until a flood comes. The 80,000 will always be available for flood control.

Mr. Treichler stated there are discrepancies in costs. Ms. Falcon stated there are construction costs plus interest and operations and maintenance costs. She will make that more clear.

Mr. Penberth was concerned about interruption to Pe Ell's water if the reservoir is drained. Mr. Muller stated the pipeline may have to be relocated but there would be no cost to Pe Ell for that.

Ms. Falcon continued with the PowerPoint and the economic analysis overview and the Corps' methodology.

General Assumptions for Phase 1 were based on the 2007 flood. Phase II looks at 10, 50, 100 and 500 year floods. Estimated benefits were based on the probability of a flood occurring and came up with estimated benefits over 50 years.

Flood Reduction Benefit Cost Methodology

The raising of I-5 is not in DOT's budget and it is estimated the structure will not be built for at least 10 years. The chart shows other benefits and costs.

Ms. Falcon briefly summarized the rest of the PowerPoint. She explained slide 49, Benefit Cost results, that shows that the South Fork does not make the benefits costs ratio and the upper Chehalis does.

There was some discussion on the benefit in terms of recreation at the dam. Mr. Muller stated recreation assets would be addressed in future studies and would be done through permitting.

Mr. White stated the word "potential" was used often. These are not facts. This will not pass a peer review with those issues. Mr. Muller stated the report is preliminary and assumptions were made. There was not enough in the budget to do all the studies. Mr. White stated he thought the studies were a waste.

Ms. Powe stated a study is to take the best information and decide whether or not to go forward. When the Flood Authority was approached to do studies, it did not use all the money; if there was a fatal flaw the study could be stopped. Now there is a higher level and we still won't spend all the money at once. It tells us if we should go to another level of study.

Ms. Falcon stated all the comments would be incorporated regarding costs not being included. The Corps is clear on what we can use on benefit and cost. There are costs or benefits that the Flood Authority would like EES to add but the Corps does not quantify those. We do not have that information but we do acknowledge there are areas that need to be addressed.

Mr. White stated the statements are not backed up by facts. Ms. Falcon stated she would make sure that is done with a technical appendix. Cost questions will be answered. There was some padding left there because this is a high level design; we made sure we were in the mid-range.

Mr. Treichler asked why the single purpose was not monetized. Ms. Falcon stated she could not include the environmental benefits in both the single and dual purpose. On the reservoir there is no benefit under a single purpose. There is no water augmentation for single purpose during the summer and there would be no reservoir behind the structure; it could be positive or negative. Once you get your

fish study and you find there are benefits or costs those could be included. We did not want to overstate the benefits.

A question was asked if the PUD would fund the hydro dam. Mr. Muller stated no. The primary purpose of the project is for flood control so funding for the hydro would come from the feds. The PUD would fund about \$45 million of the hydro element if you do the dual purpose. The funding would not come from taxes. There would be an element if the flood control piece makes sense, for annual maintenance, and the local citizens would need to cover that.

Mr. Muller would like all questions to be asked at the January meeting so a final draft can be completed.

2. Break

The meeting recessed for 10 minutes and reconvened at 10:20.

3. Open Discussion

Mr. Mackey referred to the memo in the member's packets. Each member should express his or her issues in forming the Flood Control Zone District (FCZD). Everyone must listen to the others' perspectives. The goal is to see if you can address critical pieces to put together an interlocal agreement.

Commissioner Valenzuela stated the Thurston County Board of Commissioners has discussed its continued participation after June 30. They have passed a resolution laying out 12 principles that form the bedrock of its negotiation of the FCZD.

Ms. Powe clarified that Chairman Valenzuela would prefer to go non-structural but if non-structural could not be funded, would she support structural. Commissioner Valenzuela stated yes.

Ms. Fund stated the issue is mutual trust in what others are doing particularly in regard to building in the flood plain.

Mr. White stated misinformation has to stop: stop expressing opinions as fact; stop cherry-picking the studies. Dams are not looking good right now and we have to look at other avenues.

Commissioner Averill stated there are different perceptions of what can be accomplished and what is right and wrong. One solution is water retention but there has not been an alternative. We need to hold back about 100,000 acre feet and the studies we have funded are working at that. Damages from flooding could be reduced and he does not think there is a way except through water retention structures. The only approved project is the Twin Cities project and it is still unknown how that will go. Some jurisdictions are already working on their own projects and we must all work together to provide long term solutions.

Ms. Powe stated the same points are always brought up. We have looked at levees and water retention and best available science shows that it has a potential to work. Mellen St. is a chokepoint but it cannot be taken out. She would like to quit harping on building in the flood plain. That is done – we see the mistakes so let's move forward. There are people living in the flood plain because of bad decisions but those people should not have to suffer because of the bad decisions. Find solutions that work. It looks

like big dams will work so let's move forward with that. She would like natural solutions but the flooding will not be solved non-structurally alone.

Mr. White stated the issue is not with the people who built in the flood plain in the past. The City of Chehalis still permits building around the airport. That tells him that the City of Chehalis is not serious in stopping flooding but interested in economic development. The areas behind the levees are not out of the flood plain. We have to stop doing what we have been doing and learn from our mistakes.

Mr. Schillinger stated the Boards of County Commissioners have a big job and he would like to see specially elected people for a flood district who will focus and deal with the flood issues full time.

Mr. Thompson stated the City of Oakville would like to see the chokepoint at the Sigmund Ford Bridge addressed. It would like to learn about downstream hydrology, perhaps river mapping and a gauge to go along with hydrology for early warning. The City wants elected flood supervisors, wants to know what their terms would be, the taxing status, and that the status of Oakville would be equal to other votes in the zone. The city council was explicit that if you are a voting supervisor you pay your fair portion to be able to vote.

Mr. Cook stated Aberdeen wants to make sure if it pays it gets certain benefits. There are 11 jurisdictions in the Flood Authority but there are more than 11 jurisdictions on the Chehalis River. They should have as much voice as anyone here. Malone and Porter flooded this past week even though Chehalis did not. We need to get even representation throughout the Basin. The FCZD needs to distribute the decision making, get representatives from the entire river and deal systematically with all the issues.

Chairman Willis stated she needs to know that the members are in this for the long haul and the constituents need to know that. We keep going back and discussing things that should be taken off the table if they are not feasible, such as taking out the Mellen Street Bridge. Right now all we have is the Twin Cities project or a retention dam. We can concentrate on those and make decisions to take them off the table or determine if they are viable.

Commissioner Valenzuela stated the Flood Authority has looked primarily at levees and water retention. Cost benefit analysis are not an exact science and the 1.4 is based on assumptions. If dams don't work, and they might not work, what do we do in the meantime? There are many things, which if we do well, would lessen the need for the other things we are unsure will pan out. We are doing our due diligence; there are some people absolutely opposed to the levees. We have to add to our list of things to look at.

Chairman Willis stated in order to accomplish anything we need to determine what to focus on and determine what level we will take it to as a viable project. The early warning system is a forward direction. She would like to work on multiple tasks but concentrate on a few to ensure their success.

Ms. Bissonnette stated there has been a lot of discussion about projects. Those are not going to be decided in the next six months. The question is how to craft an interlocal agreement that provides you with the decision-making capabilities when the projects are ready to be decided.

Mr. Thompson stated Oakville does not need to know a date and time for fixing the chokepoint at Sigmund Ford Bridge but wants options or opportunity built into an interlocal to do something about the

chokepoint. He wants to make sure the interlocal agreement allows the opportunity for projects to be worked on.

Ms. Fund went back to mutual trust. When Mr. Phillips talked at the last meeting he talked about “noise” in the background. There are different opinions and we have to come to a resolution. The phone conference was a discussion about agreement on legislation. There was no “noise” in the background. We also need to pay close attention to the funding sources that Keith mentioned.

Mr. Penberth stated the public has a right to know what the commissioners are doing. If this legislation passes it will mean more taxes. He stated the cost of the dam is being overlooked and that is why it has not been built already. He does not want a dam that will protect someone else’s property.

Ms. Bissonnette distributed an outline of what will go into the interlocal. The items to concentrate on are 3.1, 3.2, 4.3 and 7.5c. These need to be figured out. She also stated there had been no discussion on boundaries. Commissioner Valenzuela stated the Flood Authority does not agree on the boundaries.

Mr. Mackey stated December and January will have times set aside to visit the jurisdictions in person or on the phone. Mr. Thompson asked Mr. Mackey if he would attend council meetings and Mr. Mackey stated he would.

A public comment was made about the reference to public vote. Has the Flood Authority thought about taking a vote on a flood control district? That is the only way the public is going to pay attention and understand what is involved in this process.

Ms. Bissonnette stated that is one issue that will be in the interlocal agreement. There can be a vote on a variety of things: projects, the formation of the FCZD, supervisors, funding sources and projects.

There was discussion about public involvement and public participation. There is a need for better advertising for public meetings.

A question was asked about the difference between a Flood Control Zone District and a Flood Control District. Ms. Bissonnette stated a Flood Control District has only one way to raise money and that is by special assessments for a project. That district is created by a public vote. The Flood Control Zone District can be crafted with or without a vote and has three ways of raising money and it does not have to have a specific project in order to come into being. It is a planning agency and an implementer. It has to be voted in by the county commissioners or the public. That decision has not yet been made.

Mr. Batker stated there are not tools available to look nationwide at all the natural assets and possibilities for built structures and to look at scenarios for different sized levees or widening floodways. He encouraged the Flood Authority and the Corps to move forward with modeling. A lot of money has been wasted on flood protection that sometimes created worse damage. He was pleased that Ecosystems’ report was used in the analysis.

Mr. Batker stated there are other counties that are looking at different districts and funding. He stated we need to get out of the box. He complimented the Flood Authority for not rushing to build something. The Board has been patient and taken the time and has been very responsible.

4. Adjourn

There was no more discussion and the meeting adjourned at 12:07.

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

**December 16, 2010
Meeting Notes**

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

Others Present: Please see sign in sheet

Materials/Handouts Used:

- Agenda
- Meeting Notes from November 18 work session and business meeting and December 3 conference call
- Ongoing Efforts Update
- PUD Next Steps in Water Retention Basin Plan
- Revised Multi-County Flood District Formation Legislation
- Memo re: South Fork Retention Structure
- Expenditure Review

1. Call to Order

Chairman Willis called the meeting to order at 1:33 p.m.

2. Introductions

Self-introductions were made by all attending.

3. Approval of the Agenda

The agenda was approved with a change to move Item 11 up after Item 8.

4. Approval of Meeting Notes

The Chair entertained a motion to approve the meeting notes from the November 18 work session, business meeting and the December 3 conference call.

Commissioner Valenzuela thanked Ms. Pat Anderson for the excellent notes from Mr. Phillip's presentation on November 18. Ms. Fund stated that Ms. Anderson had made a CD of the presentation for Ms. Fund to present to the Centralia City Council and that it was available for anyone who wanted a copy.

The business meeting notes and work session notes were approved. Commissioner Averill stated there were a couple of scrivener's errors on the phone conference notes and he would see that corrections were made. The conference call notes were approved for content.

5. Public Comment

Mr. Vince Panesko stated he has read technical reports and there are a lot of unknowns in this [PUD] report such as costs that have not been factored in. A feasibility study should start out stating what costs are not available and with the costs and benefits that are known there is a range of .5 to 2, as an example. This document alludes to 1.2 as a certainty.

Under the 'storage only dam' there will not be a reservoir. The river will run through a tunnel. On Mr. Panesko's property there has been a tremendous movement of gravel and sediment. A tunnel will plug up with gravel and sand and there needs to be an operating cost of clearing that sediment. The cost number is faulty because of that omission.

The report states the power dam will be filled up in November. The purpose of the dam is to prevent flooding. If there is a major storm how can flooding be prevented when the dam is full. The report states the dam will be emptied before a major flood hits. The report does not address how much water will be emptied in what length of time and there is also no way of knowing when a major flood will hit.

Mr. Bob Amrine of the Lewis County Conservation District had attended a long range planning meeting and flood damage reduction, water retention and ecosystem restoration came up during that meeting. The group looked at what can be done and Mr. Amrine is requesting the presence of conservationist Rick Noble at the next Flood Authority meeting so he can explain some farm bill programs. There are some small things that are already being done and there are more things that can be done.

Chairman Willis stated Mr. Phillips mentioned some programs that are out there and that they might work into the flood reduction plan. She asked for confirmation that that is what Mr. Amrine was referring to.

Mr. Amrine stated that was correct. There are programs such as the environmental quality incentive program, the wildlife habitat incentive program and the wetland reserve program. Mr. Noble can explain how those programs work on private land with landowners. These are annual programs that have sign up limitations that are based on the program itself.

6. Reports

a. Chair's Report

Chairman Willis reported on the discussions at the work session. Phase IIB Upstream Storage was discussed with Mr. Muller and EES Consultants. There was an open discussion amongst the board members about issues they would like to see resolved as the group moves forward to form a flood district of some type.

b. Member Reports

Ms. Fund stated the Centralia Chief of Police reported that when the emergency operations center was put together it sent out public service announcements. It was discovered that the radio stations are not manned on weekends and efforts will be made to ensure that the announcements are received by a particular person or in a timely manner. Ms. Fund also stated that to date the city has raised 138 homes in Centralia.

Commissioner Averill read a piece of correspondence that was received from a constituent regarding flood control which involved a by-pass of flood waters from I-5 to the ocean.

c. Correspondence

Chairman Willis had three pieces of correspondence. An e-mail from Ms. Anderson explained a change on the Flood Authority web page to make the page less cumbersome. A letter was received from the Port of Grays Harbor sent to Colonel Wright with the Corps of Engineers, supporting the Corps' work on flood issues. A letter was also received from David Burnett, Chairman of the Confederated Tribes of the Chehalis Reservation. Mr. Burnett addressed several issues that he would like to discuss with Chairman Willis as he considers the Tribes' continued involvement with the flooding efforts.

Chairman Willis stated she did call Mr. Burnett and his concerns were discussed. He is working with the Flood Authority to resolve these issues.

Copies of all correspondence are available to anyone who is interested.

d. State Team Report

Mr. Donahue stated that over the weekend with the report of a storm coming emergency managers and personnel were activated and regular briefings with the National Weather Service were taking place throughout the event. Culverts were inspected as well as the condition of levees and stream gauges to monitor the situation.

In preparation for the flood season, DOT has instituted a commercial vehicle pass system that will be implemented when highways like I-5 are either closed or severely restricted. In the case of Chehalis, it would provide for a system where commercial loads would register on the internet and carry a pass with them so traffic can be controlled over Highway 7.

Mr. Donahue stated the governor's office released a budget yesterday. As part of the transportation budget, an item that was promoted by DOT called Lewis County Detour for Freight Mobility Project has been proposed by the governor at \$2.8 million consisting of \$1.6 million in the next biennium and \$1.2 million in the following biennium. That project is a list of measures that would include variable message signing, cameras for monitoring traffic and flood conditions, communications equipment that can be used by interagency staff, the National Guard, DOT, local jurisdictions, etc., and there is a list of minor improvements to the route that would involve large trucks.

Over the past several months Mr. Donahue has discussed the formation of a flood district with various managers and staff at DOT with questions about how DOT might be able to contribute to ensure there is good communication between DOT and other agencies. He took the liberty of signing up on the calendar that was passed around at the morning work session to have a discussion with Ms. Bissonnette and Mr. Mackey.

e. Corps of Engineers Report

i. Twin Cities Project

Ms. Kristen Kerns reported the Corps is continuing to work on the development of the benefit to cost ratio. To date the hydraulic modeling has been completed for the with and without project conditions with continuing implementation of quality control on that model.

The environmental mitigation draft report was completed and significant comments have been received. There will be some revisions which may or may not decrease the cost and mitigation requirements for the Twin Cities project.

The Corps is working with DOT to have that department do a gross appraisal for the real estate. The Corps is continuing to work with Headquarters to revise the cost share agreement with the state so they can contribute in-kind services for this phase of the project.

ii. Basin-Wide General Investigation

Ms. Kerns stated the Corps is working to issue a hydraulic model for the study targeted for 2011. That model will be for a single purpose environmental ecosystem restoration but it is applicable if the project is to move towards two purposes and the Corps is able to exercise that agreement.

The Corps is also working with Grays Harbor County to verify their in-kind services they have done in the past for ecosystem restoration so the cost share records can be brought up to date.

Ms. Fund asked when the cost benefit ratio would be completed. Ms. Kerns stated originally the Corps was looking at a January time frame; however there have been some significant glitches in the hydraulic modeling and that may put the time frame back some.

f. Lewis County PUD Report

Mr. Dave Muller stated there were a lot of good comments received at the work session regarding the Phase IIB draft report. The document will be revised and he asked that other comments and questions be received by Mr. Muller by the meeting in January.

Mr. Muller addressed Mr. Panesko's comments about flood storage. The multi-purpose project is to include 80,000 acre feet of flood storage and an additional 65,000 acre feet of storage which is the elevation of the reservoir for winter operation. The reservoir would be dropped in the fall to give the 80,000 acre feet prior to flood season. Potential additional acre feet from the 65,000 might be able to be dropped in advance of a storm. The report does not make that clear so it will be clarified.

It was clear from this morning's session that more information is needed which would require more studies. The next steps memo includes those and that was also sent to the governor's office. The state's budget is a concern but there is hope that the studies can proceed with some of those steps.

Mr. Muller stated if questions could be submitted by the January meeting the report will be revised. He is interested in seeing the updated benefit cost information from the Corps. Some of the methodology they are using are applicable to what the PUD is doing. It would be helpful to wait until that information is available. Mr. Muller stated he would be happy to meet with anyone.

Commissioner Valenzuela stated the Flood Authority members have different ways of looking at the benefit cost ratio. Some people think that 1.14 is good news, others think it is not good enough. Is there a plan for a peer review of this part of Phase IIB?

Chairman Willis stated no, there is not. It did not come up for discussion and there was no place to do that. Commissioner Valenzuela asked how this is to be evaluated in that case.

Chairman Willis stated she did not know the answer to that question. Commissioner Valenzuela suggested that might be one of the questions for Mr. Muller for his re-draft.

Commissioner Averill stated the Phase IIA study was made available to state agencies for comment. DOE did comment on that study and he presumed the same would be done on the Phase IIB study. It

will be available for state agencies to make comment. If the state agencies are doing this, then they are giving us a peer review. The question is whether the Flood Authority pays for the peer review out of its budget or if the state agencies pay for it out of their budgets. Commissioner Averill suggested it should be part of the agencies' budgets.

Ms. Chris Hempleman, Department of Ecology, stated she did not have an opinion on the peer review question. The agencies will review it: WDFW and DOE have talked about that. She does not believe there is the expertise at the state level to evaluate the actual cost benefit. The state can evaluate the qualitative alternative analysis and some of the assumptions and environmental elements, but for the actual cost benefit, which is the heart of this study, expertise at the state has not been identified.

Commissioner Averill stated he does not think EES has, either. We are far from a final figure on that. These are preliminary numbers and there will be other issues that come up before there is a final cost benefit analysis.

Chairman Willis stated there were some intense conversations about what was in the report, how it was worded and what it actually meant. We need to keep in mind what items do go to peer review and which do not and answer those questions as we move forward.

Ms. Powe added that the benefit cost ratio was looked at by the Corps and in the end it will be the Corps that will approve that. At this point we do not need a peer review.

OLD BUSINESS

7. Ongoing Efforts Update

Mr. Bruce Mackey stated the ongoing efforts update was included in the member packets. Some items have already been discussed or are on the agenda.

Regarding the public involvement, there was quite a bit of feedback for Chris Hoffman and FCS Group. Mr. Hoffman is working on a proposal that would offer several options and the costs which he will have for the Flood Authority prior to future public meetings.

Mr. Mackey gave a progress report on the early warning program. The contrail web page is still under construction but running internally and major progress has been made. They are linking to the National Weather Service in Seattle and several other resources. New inundation maps and navigation procedures for access have been implemented and they are looking at readability of the inundation maps. The Chehalis River at Centralia is included in the inundation maps and in the next few weeks the Chehalis River at Doty, Porter, and Grant Mound will be added.

All equipment for the installation of gauges has been delivered and is awaiting installation. Several potential sites for new gauges have been investigated and they discovered additional gauges or additional capabilities that they did not know existed. This will allow installation of gauges in different places. Mr. Mackey described these.

West Consulting is planning on attending the Flood Authority meeting in February to make a short presentation and answer questions.

Commissioner Averill stated he did not know how many emergency operation centers (EOC) are full-time operations or just operate during times of emergencies. If there is a design to implement an early warning system he would like West Consulting to tell us how it will work before the EOCs are brought into operation.

Commissioner Averill understood DOE is removing its gauges from the rivers.

Mr. Jerry Louthain is working with West Consultants and he stated the Black River gauge is one of the gauges that was mentioned in West Consulting's update. DOE is eliminating most of their gauges. They are for low flow and water quality and are not much help for flood warning.

Mr. Mackey received a memo from Mr. Schlenger at Anchor with the fish studies update. To summarize, the field work in November was to collect the lower river portion of the high flow data and water quality grab samples were collected during high flow conditions on December 2. The temperature data loggers are still at nine water quality sample locations and the sediment gravel size analysis has been completed and this information will be applied to sediment transport and habitat modeling work.

On the data compilation and modeling, efforts to identify and compile existing sources for fish and habitat data continue; data are being evaluated to determine their quality and applicability for use in the SHIRAZ modeling exercise. A memo is being prepared to describe assumptions regarding the flood storage facility configuration and operations that will affect the SHIRAZ modeling.

Upcoming activities will include collecting additional high flow PHABSIM data and download the water temperature data loggers if the river flows allow. Work will also continue on compiling fish and habitat data. Anchor is working with DOE so the water quality standards are met.

8. Update on 12/03 Conference Call

Mr. Mackey reported that twelve Flood Authority members and several public persons participated in the conference call. The conference call was to discuss the special legislation to determine whether or not the Flood Authority wanted to support it. Mr. Mackey was asked to estimate the cost for ESA's time and support for the legislative process. Ms. Bissonnette was to revise the legislation to address the concerns of the Chehalis Tribe.

Ms. Powe stated at the morning work session it was brought up that the conference call was not done legally. She asked if the public announcements were made beforehand as they were supposed to be. Mr. Mackey stated there were announcements in the newspapers, as well as at the last meeting. All the requirements were met for a public meeting.

Mr. Cook stated the Chronicle was a participant in the call.

9. (Previously Item 11) Multi-County Flood District Legislation

Mr. Mackey was asked to review the scope of work to determine if ESA could spend some time on helping assist the Chair put together testimony and testify in front of the House and Senate if that is the desire of the Flood Authority.

Mr. Mackey did review the scope of work and ESA can spend a limited amount of time within the current budget to develop legislative testimony and assist the Chair. This would consist of one day of Mr. Mackey's time putting testimony messages together and supporting Chairman Willis in testifying

before the House and Senate two times each: once in front of a policy committee and once in front of a finance committee. That would include 16 hours of Mr. Mackey's time and one day of support time for Mr. Easton for a total cost of \$4,560, and it was anticipated in the current budget.

There is a limited amount of time for the Flood Authority to spend on supporting the legislation and garnering support for it. Mr. Mackey had the impression that the Puget Sound Partnership was interested in supporting this and their legislative liaison might do much of the work; however they are not interested in taking that lead. Ms. Bissonnette has worked with King County and King County might be interested but mainly if there is language that avoids levy suppression. Levy suppression would occur if a new flood entity has a junior tax status, meaning other districts with a larger tax status can pre-empt the ability to set taxes. Mr. Spitzer stated if the Flood Authority wants to make that policy decision he could draft that language and put it into the bill.

The Flood Authority is in a position to make a couple of determinations. One: Does the Flood Authority want to continue to support the legislation, and if so under what conditions; and Two: Should one of those conditions include working with King County to support it.

The choices are: 1) Do not support the legislation at this time; 2) Support the legislation from King County and let them take the lead; and 3) Support the legislation with the current language and if King County wants to amend the legislation you can decide if you want to support the legislation at that time.

Chairman Willis opened the subject for discussion. She stated if she had to go to only four legislative meetings, she could manage that.

Ms. Bissonnette explained that in the State of Washington there is a cap on the amount of property tax that can be levied which is \$10 per \$1000 of assessed valuation. \$3.60 is allocated to the state and local governments get \$5.90, which leaves 50 cents that is for miscellaneous, such as ferry districts and port districts. The issue with King County is the \$5.90 is at a maximum. Flood Control Zone Districts are considered a junior tax status. In King County the assessed valuation overall has decreased by 11%. Another problem is the other senior taxing districts, in order to maintain the yield they get from the property tax, have had to increase their rate, which pushes up against the \$5.90 creating a compression. King County has levied 10 cents per \$1000 for their flood control zone district and in 2008-2009 it yielded about \$30 million. Because of the compression problem, they are down to about \$18 million. In the past this could have been solved by the District buying down the rate of one or more districts, but at this time it is not a viable option. King County's concept is in the event that their 10 cent levy cannot be levied because of the compression problem, they would temporarily be able to use some of the unused state capacity of the \$3.60. Currently in King County the state only uses \$2.22 of that \$3.60. Under those circumstances, King County could get the 10 cent levy and not be limited by the \$5.90.

They have no language and are still debating if this is a good approach or not. There is a problem with the Howard Hansen dam and there is a big need for flood district money. King County is also mindful of the economy and the state still has the priority for the \$3.60. If any language was offered, it would be to allow flood control zone districts in these unusual compression times to temporarily use an amount of the state's unused capacity in that county.

Mr. David Plotz asked if the unused capacity on the state allocation is not currently taxed. Ms. Bissonnette stated that was correct. Mr. Plotz stated this is a way for King County or any county to expand local percentage. Ms. Bissonnette stated that, too, was correct, but on a temporary basis.

Commissioner Averill stated the new draft legislation was sent out and asked if it satisfies the Tribe's concerns.

Ms. Bissonnette stated there were extensive revisions to include language from the Chehalis Tribe. The last information from Mark White was that the language was okay and she wanted verification from Mr. Connelly.

Mr. Connelly stated as long as the legislation goes forward with the new language, the Tribe is okay with it.

Commissioner Valenzuela asked what changes were made to satisfy the Tribe. Ms. Bissonnette stated the major changes were to make it voluntary for the Tribe to be a part of the flood district, which was always the intent. It also dealt with issues about the boundary including the Tribe or not. The language received from the Tribe was always the intent, it just wasn't well written in the beginning. There is a recognition that if they choose to participate they get to vote. There are changes throughout and the language better describes what has always been the intent, which is the Tribe is a voluntary participant and if they are a participant they are a full participant.

Commissioner Valenzuela asked what promises King County has made about being the lead. This could potentially take lots of time with lots of amendments and possibly more than four committee hearings in which to testify.

Ms. Bissonnette stated the reason there is no language from King County is because they are still going through the calculus themselves. Any county knows there are only so many "asks" and they are determining if this is going to be one of theirs. If they decide to support this, they will give it their full support because they know there is no point in going forward unless they are prepared to do that. Without seeing the language, Ms. Bissonnette is not sure how the Flood Authority could agree to support anything. They could always amend it later, so you could remain neutral on this or you can say you're generally okay with the concept but you want to see the language. The help they would give is they would add their resources to your resources.

Chairman Willis stated there is still the option of moving our own legislation forward and have others come in if they choose to take on their own burden. Another option is to do nothing and know there will be a memorandum of understanding in order to form a multi-county flood district. We have to do that anyway, long before legislation is put into place. This is going to be a very intense legislative session due to the budget issues and Chairman Willis stated if she was in their position, she would run through the least complicated bill. In the version it is now, it is fairly uncomplicated.

Ms. Powe asked Ms. Bissonnette if there was a time placed on the temporary use of the extra funds. Ms. Bissonnette stated it would only be until the assessed value turned around and went back up again.

Ms. Powe asked about the Tribe's ability to vote, if it had to do with equal contribution or if it was taken out. Ms. Bissonnette stated Section 1 talks about how, by interlocal agreement, you will arrive at what your voting structure is and what the allocation of funds are. This says the Tribe, should they choose to participate, is a full partner, meaning if a jurisdiction is going to collect money and vote and the Tribe is going to collect money, then they also have the same voting rights and the same participation rights. They did not want to have it ambiguous if they had a vote that they were a financial participant.

Commissioner Averill made a motion that the Flood Authority supports the legislation as redrafted, that if others want to come in they do it with their own funding. Ms. Fund seconded.

Mr. Mackey wanted to make it clear that he was asked how much time was budgeted and what ESA Adolfson would do to support this bill. In his opinion, that is not enough support to be successful. There will be other things and that would fall on the Flood Authority members or other people who are interested in this bill.

Mr. Cook asked if there is a ballpark figure for what the increased cost might be.

Mr. Mackey stated it would be difficult to estimate that cost. There are many, many people involved in trying to get legislation moved forward. The flip side to that is that the Flood Authority will need to form an interlocal agreement and you could put your efforts there. You can introduce the bill. It may not pass the first time but you can use your limited resources and put the bill out there. Once it is out there and codified there is more time to work the bill and run it the next time.

Ms. Fund agreed with Mr. Mackey about getting bills through. However, the Flood Authority was legislatively mandated to do this so it is at their request and they gave us money to do it. She volunteered to be involved with this if necessary.

Mr. Connelly wanted to make sure that the Flood Authority speaks with one voice. That has been an issue in the past. While we want to accomplish the same thing there have been different messages going out. He believes it is best to send one or two people to talk and have one message.

Commissioner Valenzuela stated she does not object to the motion, but she had a couple of conditions. One is that we not exceed the cost estimate provided by Mr. Mackey, which is \$4560. The other condition is that we need to agree who the spokesperson is. She is not comfortable that several members of the Flood Authority or non-members of the Flood Authority would be speaking on behalf of this bill. She disagrees that we were asked to write legislation. We were asked to form some sort of flood management organization. We can do that without this bill using the tools at our disposal.

Chairman Willis asked if the Flood Authority could form the message it wants to present to the legislation, could we use more spokesmen. She would not like to lose the advantage the partners have in influencing people they know, as long as we could come up with the same message like Mr. Connelly suggested.

Ms. Fund stated talking points could be developed so that anyone who is involved has an outline to address the situation. Once the message is put forward with consistency, we can do this.

Chairman Willis asked if there was any objection to passing this motion. There was no objection and the motion passed.

10. Work Session Update

Commissioner Valenzuela spoke about the open discussion between the Flood Authority members. She reported that the Thurston County Board of County Commissioners adopted a resolution which embodies 12 principles which will be used in negotiating a multi-county flood management organization. She had copies for the members who were not present at the work session.

Commissioner Averill stated it was a good session on both issues, the Phase IIB study and the open discussion. The open discussion raised some legitimate issues that were listed by Ms. Bissonnette who will reproduce and summarize them for the Board.

11. South Fork Retention Structure

Mr. Mackey referred to the memo in the packet regarding a retention structure on the South Fork. It does not appear to be cost effective and the Flood Authority asked what Anchor would recommend in terms of continuing with the fish study. Mr. Schlenger suggested it would make sense to concentrate their efforts on the main stem and that would have some incidental impacts. About half of the data was collected on the South Fork and Mr. Schlenger suggested continuing to collect that data to be used in this study or in the future. He also suggested not doing the analysis with this data on the PHABSIM model and this would remove one reach out of seven reaches from the SHIRAZ model. That would be about \$25,000 worth of work that would not be done. He recommended using that money as a contingency fund and saving it for three reasons. He thought the budget was tight already on the SHIRAZ model and this would allow a little more leeway there. He wanted to use it for the water quality data analysis and he wanted to be sure they spent the time to have their data transfer workshops at the end.

Mr. Mackey recommends directing Anchor to continue collecting data on the South Fork but remove the South Fork from the PHABSIM and SHIRAZ modeling efforts in order to establish a contingency fund.

Commissioner Averill stated he would not like to see the collected data lost. Does this mean that the collected data will be maintained and available for other studies? Because this does not pencil out, we are saving money by not doing the PHABSIM and SHIRAZ models using this particular reach. Mr. Mackey stated that was correct.

Commissioner Averill moved to approve this recommendation. Mr. Cook seconded.

Ms. Powe agreed that the data should continue to be collected. She asked if there was an indication of what it would take to put this data back into the model at a later date. Mr. Mackey stated he did not ask that question but he assumes once you have the models and they are running the data could be put in rather quickly.

Commissioner Averill stated he did not know about the PHABSIM but he knows that there will be training on the SHIRAZ once the study is completed.

Chairman Willis stated in other circumstances data has been collected and archived to be retrieved at a later time.

There was no other discussion. The Chair asked if there was opposition to the motion. There was none and the motion passed.

12. Legislative Outreach

Mr. Mackey stated this is a new agenda item and it follows the direction of the Flood Control Zone District legislation. He will draft some general messages and speaking points that the Flood Authority can review. The governor's proposed 2011- 2013 supplemental capital appropriations bill went out yesterday and there is language supporting an appropriation for the Flood Authority and also asking for

an extension of the fish study to December 2011 and some money to complete hydraulic modeling for the Chehalis River. In the legislative efforts, the Chair might be requested to talk about that and do what the Chair did the last time. Mr. Mackey suggested putting together the speaking points and that the Chair will report in January as to how that is proceeding.

The members agreed to this proposal.

13. General Investigation

Mr. Mackey stated the Flood Authority has not discussed what next steps it wants to take in the General Investigation. There has been feedback from Keith Phillips in that regard and Mr. Mackey suggested a couple of topics that the Flood Authority might want to discuss. It appears that the governor's office and the Chehalis Basin Partnership want to wait to see what the benefit cost analysis are on the Twin Cities project before moving forward. Mr. Phillips is waiting for a formal request from the Flood Authority asking the state to be the local sponsor.

Commissioner Averill made a motion to authorize Chairman Willis to send a letter to Mr. Phillips asking that the governor's office take the lead on the GI study. Mr. Thompson seconded.

Mr. Mackey stated Mr. Phillips clearly asked for a dual purpose and the with and without conditions studies. He also asked for clarification about the current match already in place being used for both of those objectives. Mr. Mackey would like an answer to those in the letter.

Chairman Willis asked if the Flood Authority has the answers to those questions. The Chehalis Basin Partnership began this conversation and there was some discussion whether or not the match having to do with restoration projects can be used for flood retention. That answer needs to come from the Corps. Chairman Willis did not think that would keep the Flood Authority from taking the step but did not think the questions Mr. Phillips wanted answered can be answered by the Flood Authority alone.

The Chair repeated the motion and stated the Flood Authority would follow through to ensure that all the answers that the governor's office needs can be answered.

Commissioner Averill believed all the questions could be answered with the exception of the match. He agreed that the Partnership must concur.

Chairman Willis stated the Partnership meets on Friday and if the Flood Authority takes the action today there is a possibility to at least present this to them tomorrow and get their reaction. They may not be able to move on it but they can start a discussion.

Ms. Lee had a question on the legislation. By sending this to the legislature, will it take away the right of the voter to vote on taxes that could be levied?

Mr. Mackey stated there was discussion at the morning session about what would actually be voted on. This would form a district, by vote if that is the choice, and there are several ways to make sure that the constituents have a vote. You can form a FCZD now just as the counties have done but decide to have a vote on projects, or have a vote before you raise money. Those were the options that Ms. Bissonnette and Mr. Mackey will put together as they need to be negotiated in the interlocal agreement.

Commissioner Averill stated this is broadly written legislation, giving a number of options. Whatever authority might be created out of this legislation could pick and choose the options they want. If they want to go to a vote before any taxes are levied they put that into the formation of their district.

Chairman Willis stated that is one of the conversations that Ms. Lee could have when Ms. Bissonnette and Mr. Mackey meet with the Pe Ell council.

There was no further discussion and no objection to the motion and it passed.

NEW BUSINESS

14. Officer Elections

Chairman Willis opened nominations for the election of Chair for the 2011 Chehalis River Basin Flood Authority.

Mr. Cook nominated Terry Willis for Chair.

Mr. Thompson nominated Edna Fund for Chair.

Chairman Willis called for other nominations. There were no more nominations for Chair. Commissioner Averill moved to close the nominations. Mr. Cook seconded. The nominations were closed.

Chairman Willis asked for a show of hands for Terry Willis. There were five votes for Ms. Willis.

Chairman Willis asked for a show of hands for Edna Fund. There were five votes for Ms. Fund.

According to the by-laws the Chair votes to break the tie. Chairman Willis voted for herself, explaining that Ms. Fund is a very good resource in her current position.

Commissioner Averill moved that the Flood Authority accept the vote of Terry Willis as Chair by acclamation. Mr. Cook seconded. There was no objection and the motion passed.

Chairman Willis opened nominations for Vice Chair.

Mr. Connelly nominated Karen Valenzuela for Vice Chair.

Ms. Powe nominated Edna Fund for Vice Chair.

Chairman Willis called for other nominations. There were no more nominations for Vice Chair. Mr. Cook moved to close the nominations; Mr. Connelly seconded. The nominations were closed.

Chairman Willis asked for a show of hands for Karen Valenzuela for Vice Chair. There were five votes for Ms. Valenzuela.

Chairman Willis asked for a show of hands for Edna Fund for Vice Chair. There were five votes for Ms. Fund.

Chairman Willis voted for Ms. Valenzuela to break the tie. She thanked Ms. Fund for volunteering for both positions.

Mr. Connelly made a motion to accept the vote of Commissioner Valenzuela for Vice Chair by acclamation. Mr. Cook seconded. There was no objection and the motion passed.

15. Expenditure Review

Mr. Bob Johnson summarized the expenditure review that was included in the packet. There is a balance of \$402,993 in un-encumbered funds.

Chairman Willis asked if there are additional expenses due to the legislation just discussed, would some of these funds be available for that purpose. Mr. Johnson stated if the Flood Authority chooses to do that, yes, they can be used for that purpose. Mr. Johnson asked that if there are any vouchers to be submitted, to please get those to Ms. Donna Olson at Lewis County Community Development before the end of December.

Ms. Anderson asked that the vouchers include amounts to December 31, 2010, rather than into January.

Commissioner Averill stated this can be confusing because the money is coming from the state whose fiscal year runs from a July 1 to June 30. Lewis County, acting as fiscal agent, is on a calendar year budget and that is why it needs to be closed by the end of December.

16. Confirm Next Meeting and Board-Requested Topics

The next meeting will be January 20, 2011. There will be a special meeting beginning at 9:00 a.m. at the Veterans Museum. The afternoon meeting will be at the Lewis County courthouse beginning at 1:30 p.m. The public is invited to both meetings.

Mr. Schillinger asked if the Lewis County Conservation district would be at the January meeting. Commissioner Averill stated they would be at the January meeting.

17. Adjourn

Without objection the meeting was adjourned at 3:37 p.m.