

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

**October 21, 2010
Meeting Notes**

Chairman Willis called the meeting to order at 9:10 a.m. Introductions were made. Mr. Dan Thompson introduced the new mayor of Oakville, Mr. Charles Norscog.

1. Chehalis River Basin Boundaries

Mr. Todd Chase explained the draft boundary maps that were put together by getting data from the three counties that included assessed values, information about the topography and flood way information. State, federal and Corps information, as well as local jurisdiction precinct boundaries were used to see how the precincts fall on top of the Basin. The maps currently show the flood way boundaries and future maps could have 100 or 500 year flood plain information added. Mr. Chase stated they tried to err on the side of a bigger boundary so precincts that do not need to be included could be weaned out. There is a precinct that touches the Quinault Reservation lands. There will be discussion about including that precinct. Any precinct touching the basin is included. The 100-year floodway is from the FEMA 2003 maps; we are not showing the 100 year floodplain but we will as we get closer to the final map.

Mr. Chase presented the PowerPoint.

Boundary issues

Ms. Bissonnette stated the discussion has been about forming districts at the county level and bringing them together with an interlocal agreement. We want to make sure that the boundaries are compatible. Precincts do not cross county boundaries. Mr. Ghilarducci stated the precinct boundaries are only important if it is decided to have an elected board of supervisors for the multi-county FCZD. If the supervisors are appointed, the precincts do not matter and then the boundary would follow the precinct boundary.

Mr. Chase stated the cartographers will work with each county and the civil deputy prosecutors should review the maps.

Mr. Swartout stated the accuracy needs to be checked but we need policy decisions before voting. If a boundary includes the entire precinct then parts of some precincts will be outside the watershed and if the precinct is entirely in the boundary then parts of the watershed will not be included. We don't have a lot of time for our folks to do something unless we are definitely going down that road.

Ms. Bissonnette stated that if after looking at the maps and precincts you decide to pull those off you could have it both ways because the precincts would be inside the basin boundary. If they are not there it is difficult because the basin boundary is not consistent with the precinct. The individual counties are set on the basis of the watershed. If it goes to a multi-county FCZD with the new legislation it will go through its own boundary-setting process. If you want to move it to the precincts you could do it then but it would diminish the flexibility within the three counties.

Commissioner Valenzuela stated Thurston County is still having its public meetings about forming a district.

Ms. Bissonnette stated if you know a certain area will never be in a district, you could make that decision today.

Mr. Chase stated he needs to know what the group thinks the benefit area is and the areas that are questionable could be circled on the map.

Mr. Johnson stated the maps identify the 100 year flood way but in fact it is the 100 year flood plain. Mr. Chase asked if the 500 year flood plain should be shown also.

Mr. Johnson stated if the maps show anything, show the 100 year flood plain because that is what we deal with in permitting. There is very little that we have to regulate regarding the 500-year flood plain. Regulations are based on the 100 year flood plain.

Mr. Cook stated the Corps established the 100 year flood plain and that is subject to change because of the three 100-year floods in the last decade. The elevation has changed so that would make this boundary larger than it was five years ago.

Mr. Johnson stated the flood plain was mapped in 1982 and anything else is draft. After the 1996 event FEMA was to prepare new maps. Those were done in 2000 but the 2007 flood was never considered. Those maps have not been adopted so the adopted map is still the 1982 map. The 2007 event has not been officially characterized as a 100 or 500 year event.

Mr. Cook stated his point was that the elevation was reached on three separate occasions and based on that data the new information must be re-evaluated. Common sense dictates that if that happens three times it is no longer a 100-year event.

Mr. Johnson stated it is actually a 1% chance of the event happening in any given year. You could have that 1% chance within a decade. It is a risk factor and common sense does not dictate the maps.

Mr. Carter stated he would like to see the 500-year line on the map because one third of the damage is caused outside the 100 year line. It is important for people to know that the potential for flooding is there.

Commissioner Averill asked about the anomalies on the map. Mr. Ghilarducci stated if a portion of the precinct was in the watershed the boundary was drawn to capture the whole precinct. The exception to that is to only include a precinct if it is wholly within the watershed. Mr. Spitzer stated a precinct cannot be split.

Commissioner Averill stated voting districts will be readjusted in 2011 because of the census. Auditors try to keep the precincts so voters do not have to vote for more than one type of small taxing district. Occasionally when boundaries get changed it requires a precinct change. Another problem is that the FEMA maps determine the floodway maps. We have a proposal for new mapping in the Chehalis basin and all the maps will be changing but we need to start somewhere.

Mr. Swartout stated we must keep in mind the boundary for a multi-county district. If we keep these boundaries we could tax people that are not in the watershed.

Mr. Ghilarducci stated these maps are not showing what the boundaries should be but what they would look like as precinct boundary versus watershed boundary.

Mr. Chase stated another map could be drawn that includes precincts that are wholly in.

Percentages were discussed and Mr. Carter asked if there could be precincts that embrace the lands that are benefited for this district. There needs to be a mechanism for its own territory, perhaps an interlocal or the district bears the extra cost.

Ms. Bissonnette stated Mr. Spitzer will be on the phone later talking about the state legislation. He could be asked if that can be done and if it can put it into the legislation.

There was discussion about voting precincts and boundaries. Ms. Powe asked Commissioner Averill how the boundary of Lewis County's FCZD was set up. Commissioner Averill stated it used the watershed boundary and voting precincts do cross those lines.

Mr. Chase understood his direction is to make another map, possibly two. One could err on the small side and the other would include land that is 75% area-wise. Mr. Swartout asked if that could be in the proposed legislation. Ms. Bissonnette stated if we need legislation for that, Mr. Spitzer could add it.

Ms. Fund asked which map will be presented at the October 28 meeting. Ms. Bissonnette stated the presentation would be the same as the other two meetings but if there is another map it could be shown also.

Mr. Easton asked if there could be a basin map. If the boundary has not been decided upon people may want to know what the basin includes and what is being considered.

Chairman Willis agreed. We need to get good information to the public but keep it simple so they understand. She thought the maps should show the basin and the county boundaries. We can determine from this group what the new map should look like.

Commissioner Valenzuela stated the information needs to be consistent and new information at the next meeting will be confusing. It needs to be the same but reflect subsequent conversations. It is okay to say that we have identified problems. Commissioner Valenzuela is confused by this map because she lives in the Deschutes watershed.

Ms. Bissonnette stated the current map could be shown and there could be a second map that turns off the precincts to show only the basin boundary and qualify that we have learned new information that we are trying to reflect in the basin.

Mr. Swartout stated the WRIA boundary is not correct; the Deschutes is not included.

Mr. Johnson stated, regarding Commissioner Valenzuela's concern, this is already before the public and to take information out is not appropriate. This is a discussion document and it shows how we might set up the boundaries, it is not a proposed boundary at this point and that needs to be clear. This is early in

the process. Look at the watershed boundaries and where the voters, the county and the Tribes are. Label this as a discussion document and the public has the right to see it.

Several board members were in favor of making it obvious that these are draft maps, that they are in the early stages and there will be new information coming in the future.

Mr. Chase stated there has been discussion about costs but not about benefits.

Chairman Willis stated cost and taxation was discussed. We would like to see a list of projects that are outside the dams and the dikes and people are having trouble separating their taxing entities from those. These other projects should be on a list: the Sigmund Ford Bridge, the Mellen St. improvement, critter pads, etc. The people need to know if there is a taxing district those dollars could be spent on other projects and can be done in the short term.

Ms. Bissonnette stated they talked about incorporating that information into the next meeting. Mr. Ghilarducci stated the content of the next meeting will be a little different because of what we have learned from the first two meetings.

Ms. Powe stated if we can form this district we can address minor issues. It may be 20 years before anything major gets done. She is in favor of getting the money generated now.

Mr. Treichler asked how the new maps and information will get to the people who attended the previous meetings. Ms. Bissonnette stated she has contact information for everyone who attended and she will get the information on the website.

Potential Revenue Generation

Mr. Chase stated county assessor data is being used for the county precincts.

Commissioner Averill asked if this considers open space.

Mr. Chase stated it includes undeveloped lands. As we define the area we could get more detailed land use information and pull out agriculture and open space.

2. Break

The group took a break and reconvened at 10:50.

3. Preliminary Economic Analysis

Preliminary AV Estimates

The PowerPoint showed potential revenue generation based on a property tax levy of up to \$.0.50 per \$1000 of assessed valuation. A slide showed the three counties, precincts of each county in the benefit area, tax lot count, assessed valuation totals and estimated taxable assessed valuation.

Chehalis FCZD Economic Benefit Analysis Approach

This would measure the potential direct economic benefits for FCZD and indirect benefits to the region and state using IMPLAN model. Construction benefits to the FCZD would be per \$1 million of spending using IMPLAN and there would be potential direct and indirect benefits from avoided property damage, reduced travel and freight disruptions and reduced business disruptions.

4. State Legislation Update

Ms. Bissonnette provided a handout that was a companion piece to the legislation in the packet. It would be used to strengthen the ability to form interlocal agreements. The Joint Municipal Utility Services Act would bring the three counties together.

Mr. Spitzer gave an update on the legislation. It would allow for formation of joint municipal service authority and there would be interlocals for broader storm water control and also allow for existing utilities to join together to provide services. The joint entity would be a public corporation and it would be set up and controlled by interlocal agreement subject to the FCZD members. It could have its own employees, or it could use city employees, and it could run bonds. It could not tax.

If this legislation passes it could be a good interim or permanent vehicle for what you are trying to do. It is being sponsored by LOTT, Cascade Water Alliance, the City of Spokane, and participants from Clark County. Mr. Johnson is tracking it for Lewis County. It is likely to be considered by the upcoming legislature and would not add substantive powers. It is just a tool that could help you. If you agree to three FCZD you could structure your entity to carry out and run the program but taxes would be done by a separate FCZD basis. We can make the current draft available after it is finalized in a couple of weeks.

Commissioner Valenzuela stated the Thurston County Commissioners were concerned about the condition on page 5 authorizing eminent domain. She asked why that is included.

Mr. Spitzer stated an entity like LOTT can exercise eminent domain and even though each member has the power of eminent domain and could exercise it, they felt it would be a hassle to pull in other governments rather than allow the consolidated entity to exercise it on behalf of the others. They could do it only if each member has the power of eminent domain and they are elected officials.

Commissioner Averill stated it appears that it protects except where it would be by consensus. It says they have to be elected officials. Commissioner Averill stated it appears that it protects because it requires unanimous consent. And, it says they have to be elected officials. Mr. Spitzer stated they must vote to exercise it.

Commissioner Averill stated this piece of legislation will impact seven pieces of current code. In some sections he cannot tell which are referred to.

Mr. Spitzer stated the amendment has to do with providing tax exemptions for intergovernmental agencies from the members of the authority and joint authority. Most of these amendments are to make clear that B & O taxes do not apply.

Ms. Bissonnette asked if Mr. Spitzer could send out an electronic copy of the draft legislation dated October 19. Mr. Spitzer stated he could.

Mr. Spitzer stated the 10/13 draft legislation would allow for the formation of a multi-FCZD created by two or more counties and fix the boundaries. They would, by interlocal agreement, control the boundary, the program, the number of supervisors, who the supervisors would be (elected or appointed), decide if there would be tribal members, how to take action, decide on voting rules and which county would be the treasurer, which county engineer would be the engineer, and how to charge rates. All of these are driven by the interlocal agreement. A multi-FCZD has more flexibility than the

districts we have because rules are written by the counties themselves. It would be created by formation agreement and proceed with the programs that the FCZD would do within the county. It would have the power to tax but rules say if there is an overlap of districts, the total property tax cannot exceed what the tax could be in the single taxing district; there can be no increase. One provision would be that it would not be subject to the BRB process because it would be a hassle to subject this to three separate BRBs.

Commissioner Averill stated there is a misunderstanding about the document we currently have. This draft is broad and inclusive because there are other people looking at this particular legislation as it applies to their areas. We need options and we are not tied to anything in there; we can pick and choose.

Mr. Spitzer stated that is correct. Local control is how it is structured. It could be that a multi-FCZD is needed in various places and they might want to structure them differently.

Mr. Johnson asked what the major differences and similarities are between these two draft legislation documents that would convince someone to form a district based on one or the other.

Mr. Spitzer stated the big difference is that the multi FCZD legislation allows two or more counties to create a separate governmental entity that has boundaries that overlap the county, and even though it is controlled by someone who is appointed, it could be an elected board within the whole area. It is a separate governmental entity and acts like a FCZD but it goes over county borders. The joint authority, on the other hand, is really meant to be an inter-governmental entity, not a free standing one. If you create a multi FCZD the legislation can be controlled by the county. Also, a joint authority cannot tax.

Chairman Willis stated regarding a multi FCZD being its own entity, we discussed using either voting districts or watershed boundaries. Do we have to be restricted to that or do we have to use the WRIA. Where other districts cross voting lines, can the FCZD set up its own municipality and have its own voting rights that are not the voting rights now.

Mr. Spitzer stated he called all the county auditors and drafted the legislation to follow precinct boundaries. You don't have to do that. If you have a school district and its boundaries split, we create a precinct that has different municipal corporations splitting it up. Mr. Spitzer could rewrite it to follow the watershed boundaries as much as possible. Where you come up against the Cowlitz you can go through a precinct and the auditor can set up a split.

Chairman Willis stated that will not affect electing board members by putting things to a vote. Mr. Spitzer stated you could split and it makes sense to do it that way. He stated he got that advice from Julie at the Grays Harbor County auditor's office.

Mr. Ghilarducci stated if the geographic size of the precinct is not so huge it might work. Commissioner Averill stated those are large because they have little population.

Mr. Spitzer stated around Black Lake there are a lot of people but the hydraulic volume is not very heavy so would you want the ability to adjust the boundaries to cut out areas where there are low water flows?

Chairman Willis stated the 2010 census will probably change the precinct areas. Mr. Spitzer stated you can forget about precinct boundaries and concentrate on watershed boundaries. Give yourself the ability to pull out low hydraulic volume areas, or if you are concerned about a disconnect. If property values attributed to the problem, you may want to go with the joint authority approach where you have three FCZD and they each invoke a property tax but the taxes do not have to be uniform. The legislation could be drafted with more flexibility, giving actual flows.

Chairman Willis stated there are restrictions in the legislation as to where to collect taxes from and where they can be spent. The FCZD for a multi county would be on the bottom of the pecking order as to taxes that are collected and they will be offset from each county – one might be higher than another.

Mr. Spitzer stated it would be like a regional library district. They cross county boundaries and they are low on the pecking order. If you have a multi FCZD crossing a bunch of special districts you will have a higher likelihood of a bumping problem. You might have a tax that could be pushed down to five or ten cents and that is a disadvantage to having a larger entity. There is not much you can do about that because the tax must be uniform throughout its boundaries.

Chairman Willis asked if Grays Harbor County lids are so high that the most it could charge is ten cents, would Lewis County be restricted to the same ten cents.

Mr. Spitzer stated if a multi FCZD is created, there could be a tax imposed up to 50 cents. Because of overlapping districts it pushes Grays Harbor County down to ten cents then it must be ten cents throughout the multi FCZD. You are allowed by statute to enter into tax sharing agreements to avoid this kind of tax bumping.

Mr. Johnson asked if the district would have to figure out the base tax rate and then look at rates based on contribution to flood problems or benefits desired.

Mr. Spitzer stated when you have a rate, you can impose a rate on property within the boundaries based on contributions to a problem, such as storm water, and show the connection of the rate charged to the benefits they receive or their contribution to the flooding problem. Taxes are different. They are not necessarily connected between the amount of property tax or service or benefit connected to it. It is just a property tax and everyone pays it and all real property pays the same tax, except timber. If you had both a rate and a tax, you would have to pick up general benefits.

Chairman Willis stated you could have both. Mr. Spitzer stated yes, but property tax has to be uniform. You might decide that you don't want a multi FCZD, that you want it separate or tailored to your property tax to that county and take a collective tax and contribute it to a joint authority.

Ms. Bissonnette asked when Mr. Spitzer would need to have amendments to the legislation he is working on. Mr. Spitzer stated legislature is always desired by the end of October to get it in early before the budget. Based on the discussion of precincts and other comments, he can do a revision pretty quickly. Additional comments received by the end of next week would be very helpful.

Chairman Willis asked if Mr. Spitzer has sponsors for these two pieces of legislation. Mr. Spitzer stated he drafts the legislation, he is not a lobbyist. He understood there are lobbyists who are working on the joint authority. In terms of sponsors, they are working on both the Democrats and Republicans in Southwest Washington.

Ms. Bissonnette stated she and Mr. Mackey discussed this with the Puget Sound Partnership last week. They feel this legislation and the joint authority is what they are also trying to do and Ms. Bissonnette expects a follow up call next week to consider whether this would be a governor request legislation or not. We will get help from the Puget Sound Partnership, including DOE.

Mr. Swartout asked if the Puget Sound Partnership will make changes. Ms. Bissonnette stated they don't want any changes. Mr. Spitzer stated they would need to get back to this body and you do not want this to get out of your control.

Ms. Bissonnette stated the Puget Sound Partnership has a copy of this and they like it and have not proposed any amendment. Our discussion will include tactics as to how to get it introduced. We have moved beyond the language to the tactics and will have more information in a couple of weeks.

5. Next Steps

Ms. Bissonnette stated the November meeting will include revisions to the boundaries, financial background, policies regarding charges, rates, taxes, assessments and who pays. The workshop will have other city and county officials come to hear a summary of everything that the Flood Authority has done since June in advance of the BOCCs making a decision on either the creation of a new FCZD or not. Since we have not gotten through the assessment value we need to go through the financial information. Or, instead of a November workshop move it to a later date when a broader group of elected officials can receive a summation and provisional recommendations on each of these things. We assume you do not want a meeting in December but we could cover the financial end at that time. At the November meeting we will have revisions to the boundary. We can show the watershed boundary and cycle back to the other people at the other meetings and get a tighter boundary proposal. The bulk of the meeting will be financing background. We will be done with the public meetings by then and will have the summaries and can discuss the major messages.

Ms. Bissonnette stated she would like to check on the county resolutions as to the FCZD. She will bring a timeframe for the BRB so the Board will know where the latest point is that the county can take action and make the June 2011 deadline.

Mr. Swartout stated December 16 would be the date of the December meeting if there is going to be one.

Ms. Bissonnette stated she introduces a topic at a work session and it takes two meetings for any decisions. She will explore the financing issue in December and come back with it in January.

There was final discussion on the maps; Black Lake must be resolved but not for the October 28 meeting. Ms. Powe asked if the maps could show the counties that are not involved. She also spoke to bonds without voter approval. The public does not like having bonds imposed without a vote. Pam stated you can sell revenue bonds but you must have a vote if you have general initiative bonds.

Mr. Ghilarducci stated that is proposed new language and Mr. Spitzer wants to write in that flexibility. Ms. Bissonnette stated she would get that information to Mr. Spitzer.

6. Adjourn

The meeting adjourned at 11:50 a.m.

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

**October 21, 2010
Meeting Notes**

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

Board Members Absent: Dolores Lee, Town of Pe Ell

Others Present: Please see sign in sheet

Handouts/Materials Used:

- Agenda
- Meeting Notes from work session and business meeting on September 16, 2010
- Ongoing Efforts Update
- 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 Agenda

The Chair asked if there were any corrections or additions to the agenda. There were none and it was approved.

4. Approval of September 16 meeting notes

The Chair asked if there were any corrections to the meeting notes from the morning work session of September 16, 2010. There were none and they were approved. There were no corrections to the business meeting notes and they were also approved.

5. Public Comment

There was no public comment.

6. Reports

a. Chair's Report

Chairman Willis stated there have been a couple of public meetings regarding the flood district formation. One was held in Montesano and one was at Swede Hall. The last one will be on October 28 at the Centralia Middle School beginning at 5:30 p.m. These meetings present an opportunity for the public to learn about the multi- district flood district formation and to provide input.

b. Member Reports

Mr. Thompson stated the City of Oakville adopted Resolution 369 on October 11. This resolution adopts the Chehalis River Basin Comprehensive Flood Hazard Management Plan (FHMP).

Chairman Willis explained that the FHMP was presented to all the jurisdictions represented on the Flood Authority and they were asked to consider adopting it as their own flood hazard management plan or as an addendum to an existing plan.

Commissioner Averill stated that Lewis County also adopted the FHMP at the BOCC meeting on Monday, October 18.

Ms. Fund stated the Corps meeting that was held in September was taped by the Corps and there are copies of that meeting in all the Timberland Libraries. Anyone interested in that meeting may check out the tape from any Timberland Library. Ms. Fund thanked the Corps for providing those tapes.

Ms. Powe read Resolution 10-1 from the Thurston County Farm Bureau supporting water retention as a primary function with levees as a secondary function in the Chehalis Basin.

Mr. Schillinger stated the City of Montesano adopted the FHMP in July 2010. He asked if these resolutions need to be kept as part of the Flood Authority record. He asked how many jurisdictions have adopted the plan.

Chairman Willis stated Grays Harbor County has not adopted the plan yet as it is still in the review process. The Chair stated the resolutions should become part of the permanent record and be available to the public.

Ms. Fowler stated the town of Bucoda is still reviewing the plan.

c. Correspondence

The Chair received progress and status reports from EES Consulting, ESA Adolfson, FCS Group and Anchor QEA.

d. State Team Report

Mr. John Donahue sent out an e-mail on October 20 regarding the possibility of a technical review of the Corps' hydraulic modeling supporting the Twin Cities design update. He has been corresponding with Pat Wheeler, hydraulic engineer with the Corps Seattle district, and he is interested in convening both state and local technical staff to look at assumptions, methods and results of the Corps' modeling effort over the past couple of years.

Mr. Donahue sent the e-mail to technical staff contacts he is aware of. He asked that technical staff names that might be able to contribute to this review should be forwarded to him, especially in Lewis and Grays Harbor Counties. Mr. Donahue suggested five different Wednesdays for meetings in Olympia when Mr. Wheeler may be able to attend.

Mr. Donahue spoke with Ms. Andrea Takash with the Corps and she has taken all the comments received at the public meetings recently and she has assembled answers to all of those comments and offered to have those posted on the Chehalis Basin.org website that the State maintains. Mr. Donahue does not have a date for that posting at this time.

e. Corps of Engineers Report

i. Basin-Wide General Investigation

Mr. Bill Goss stated the Corps attended a meeting with both the Partnership and the Flood Authority earlier in October to answer questions on the GI. There was another meeting on October 20 with EES Consulting doing the work on the cost benefit ratio for the proposed dams in the basin. The Corps told them in the past that the Corps is not currently funded to look at water retention basin-wide. A lot of the data that they are looking at for calculating benefits is similar to what the Corps is doing for the Twin Cities so the Corps will collaborate with EES. There is money under the Twin Cities project and since the Corps is looking at the same areas, data base and benefits it can work with EES as far as calculating benefits on that.

ii. Twin Cities Project

Mr. Goss stated the Corps is revising the cost benefit ratio for this project and also looking at design for offering 100-year protection for the project.

Commissioner Averill thanked Mr. Goss for working with the PUD on the cost benefit ratios.

Chairman Willis asked when the cost benefit ratio information would be available. Mr. Goss stated the Corps will be discussing this with the state in November and after various agency reviews the information should be available in January.

f. Lewis County PUD Report

Mr. Muller reported on the Phase 2B activities. He stated EES continues its work on the benefit cost model for the water storage facilities in the upper basin, which includes refining the methodology relative to the Corps' principles and guidelines. Mr. Muller stated the PUD appreciates the Corps' willingness to continue a dialogue with regard to that methodology.

EES is continuing to work on the drawings of structures and conducting analysis on the water retention facilities without the hydro element. A memo has been sent to the fish committee as there was an operation scheme for without hydro and they have added cost information to that as well. There will be a cost benefit ratio for without hydro as well as with hydro.

There is still work being done on the draft reports and the plan is to do a presentation for the Flood Authority at the November meeting. At that time a draft document will be introduced for the Flood Authority's review. Mr. Muller stated comments from other agencies are welcome regarding the methodology assumptions. Based on input, the document will be finalized early in 2011. The Corps indicated that it will have some updated cost data for the Twin Cities project and it is hoped that that will be incorporated into the document as well.

OLD BUSINESS

7. Ongoing Efforts Update

Mr. Bruce Mackey stated many topics on the update had already been covered and he had no further comments on those.

Regarding the Early Warning System, West Consulting will work with satellite telemetry in an application with NOAA and Lewis County has agreed to do that when that data is ready. That application cannot be

completely filled out until gauge sites are finalized with latitude and longitude coordinates. They are working on identifying those specific locations and once West has those they will go forward with their formal application and ask for the County's signature of approval.

Most of the field equipment has been ordered and received; there are a couple of sensors that wait final site selection. The inundation maps are being prepared and examples of those maps were shown to stakeholders at a meeting using the internet. They have learned that the National Weather Service forecast website can display inundation maps and are working with the Northwest Weather people to map the format requirements to determine what is needed to make theirs compatible with the National Weather Service.

Mr. Mackey stated that Mr. Schlenger, Anchor QEA, had some updates. Regarding field work, the key portion of the field work has been successfully completed for low flows during October. The data were collected to support their physical habitat simulation model, which is the FABSIM model. The sites and survey approach for this was approved by WDFW and DOE. Additional FABSIM data will be collected in two or more flow conditions, the medium flows and the high flows, in the upcoming months.

The sediment size data were collected on gravel bars as far upriver as the inundation areas on the proposed dam sites down to Porter. There were water quality data loggers that collected data at nine stations along the project area between Pe Ell and Porter.

On data compilation, they are continuing to compile existing data and Weyerhaeuser has indicated a willingness to share fish utilization and habitat data that they have collected and are hoping similar data might be available from Sierra Pacific.

The hydraulic information has been compiled from gauges distributed throughout the project area and analytical work is under way to reconstruct flow levels at gauging stations throughout the period of record.

On site access, QEA stated additional access to Weyerhaeuser and Sierra Pacific lands is not anticipated for the remainder of the study. The data collection efforts were either worked under a single day access agreement or were modified to avoid data collection on some private lands.

Commissioner Averill stated originally when Anchor went to Weyerhaeuser, they stated they did not want to make an agreement with QEA, but with a public entity. Lewis County started those negotiations and didn't get anywhere; however Anchor got the information they needed on site and now no agreement is needed. Even though we never got an agreement, QEA got the information and Weyerhaeuser is continuing to cooperate.

Regarding upcoming activities, the team will be monitoring flow conditions and when the suitable high flow conditions occur the team will mobilize and collect additional data for the FABSIM model.

Commissioner Averill stated he would like to have that report in writing. Mr. Mackey stated he would make sure that it gets to everyone.

8. Flood District Formation Update

Chairman Willis stated the Flood Authority morning meetings have recently been dedicated to discussions regarding the formation of a flood district in each county or a multi-county district. Some of

the discussion at this morning's meeting was prompted by feedback from the public meetings held in all the counties. Two meetings have been held, one in Montesano and one in Rochester. At the meeting in Centralia on the October 28 there will be some modifications to some of the maps as to where the proposed areas could be. We are asking the public to give us feedback on what their concerns are. This morning we made markings on the map on areas that we knew would not fit into the proposed district. We have a list of people who participated in the last two meetings and we will forward the new information to them.

Chairman Willis explained that the Board engaged in a conference call with Mr. Hugh Spitzer, the attorney working with FCS, and he explained some legal issues about setting up the flood districts.

Mr. Schillinger stated at the meeting in Montesano one of the predominant comments was related to the powers and the costs of additional government entities. He learned this morning from Mr. Spitzer about the joint municipal interlocal cooperation act for water/sewer, storm water, flood control, or other joint services that might be agreed to by municipalities and other entities that would not increase or expand government but would allow greater cooperation to get the job done by existing governments.

Commissioner Averill stated one of the things that Mr. Spitzer is working on is legislation that will go to the next session of the legislature because currently flood control zone districts are a county entity. There is nothing currently in law that allows a flood control zone district to be formed across county borders and the Flood Authority has been working with Mr. Spitzer to draft up some legislation that will allow that. We have learned that other groups with whom either Mr. Spitzer or FCS have worked have indicated interest in this type of legislation. Because of that, the legislation we are seeing is quite broad and allows for a number of options that may be taken to form a district. People may not like the legislation when they see it, but Commissioner Averill pointed out that this is implementing legislation from which one can choose and pick the parts they want to use; it is not necessarily how we will organize the district, but it will give us the authority to choose the parts of the act we wish to use.

Chairman Willis stated the Flood Authority would hold another special work session on November 18 at the Veterans Museum from 9:00 to 11:30. The public is invited to participate.

Commissioner Valenzuela offered follow-up on activities in Thurston County regarding formation of the flood control zone district. Since the initial conversation with FCS about the issues of forming a flood control zone district, the Thurston County Commissioners have scheduled a briefing for early November. Related to that, there is a question if the flood control zone district in Thurston County would be county-wide or if it would be confined to the Chehalis Basin, and further, would we favor a tri-county flood control zone district with Grays Harbor County and Lewis County or would we want to go with an interlocal agreement among the counties. This meeting will be a workshop for the BOCC and the public is welcome.

Ms. Powe suggested everyone keep in mind when this legislation is being drafted that even though it may not be something we will apply in our agreements to each other we don't want to make it so broad that it would give another multi-county or multi-utility entity the ability to abuse the power. Her concern is being able to raise money through sale of municipal bonds without public vote. Even though it is in there and we say we will never use it, we don't want to open it up so an unwilling county finds that there is no argument because it is in the legislation and their commissioners can use it without a public vote.

Commissioner Averill stated that was a good point. Even though this legislation is broad there may be aspects of it that may need to be discussed further. Mr. Spitzer would like to get this information, so if any jurisdiction has problems with the specifics of the legislation it needs to get it out in the open.

Chairman Willis stated Mr. Spitzer asked the Flood Authority to review the legislation and get back to him within the next week or so with comments. He is looking at timelines for this to be effective before the legislators during the next session. Ms. Powe's comments were important to note; this is not legislation that is just for this particular Flood Authority, but if passed will be something that other jurisdictions can use.

9. Public Meetings

The Flood Authority and FCS Group held public meetings on October 14 in Rochester and October 18 in Montesano to discuss flood district formation. There will be one at the Centralia Middle School on October 28 beginning at 5:30.

Ms. Fund stated she attended the meeting at Swede Hall in Rochester and she was underwhelmed by the number of people who were interested citizens. Perhaps people did not receive the postcard and the facilitators were going to look at that. In Montesano there were only 10 people who were not connected and we need more than that. Anyone can come to the meeting in Centralia, not just Lewis County citizens.

There was also a feeling that we were way down the road in this rather than in the initial stages. We need to make sure people understand this is only the beginning and we need opinions.

Chairman Willis stated the facilitators have been working on a better way to communicate what Ms. Fund stated, that this is the beginning stage. A projects list will be available showing ways to mitigate flooding within the basin and those will be brought to the attention of the participants of this meeting. There is a perception that the only thing this flood district might be putting together is to either accommodate the Twin Cities project with the dike, or to accommodate proposed dams in the future. That is not correct; there are a number of items that can be done in the immediate future. We will try to make that information more readily available.

Commissioner Averill stated there are times we learn lessons when we go through projects. Sometimes those involved in the planning know the project so well it is assumed everyone knows about it. Commissioner Averill's criticism is not the content of what was presented, but that there was no background given during the briefing that explained why we got involved in this process in the first place, or why this involves 11 jurisdictions.

Lewis County specifically approached the governor with a project on the books but believed there were some other things that needed to be done; this is a basin-wide problem and we all need to work it together. The map this morning showed the 100-year flood plain and there are problems in Bucoda, Rochester, the Reservation, Oakville and Grays Harbor County. They are not just in Lewis County and even the Twin Cities project would benefit Bucoda. Bucoda is not in Lewis County and neither is the dam. Unfortunately the Skookumchuck River enters the Chehalis above the Mellen St. choke point and that water gets down much quicker. When we first worked with the Corps on that project a concern was what the downstream impact would be. That was the reason the Skookumchuck Dam was put into the project. Grays Harbor County stated if that dam was not part of the project, they would have no

interest in doing the project because they would receive no benefits from the project and Commissioner Averill concurred.

We need to let people know what we are doing and why we are doing it as we go forward. He is pleased with having a list of projects that have already been completed, such as gauges, early warning work, as well as individual projects that have been completed that benefit the basin.

Commissioner Averill stated one thing we have found over and over again as we try to work on flood solutions is that the longer the time since the last flood the harder it is to get people's attention to work the issues. We are getting a long way from 2007 and 2009. The Elway Survey was done shortly after the 2007 flood and there was great support for a flood control zone district, but very little support, if any, is coming out of these most recent meetings.

Chairman Willis stated she had spoken with Ms. Bissonnette this morning and she agreed that background information would be helpful. She will put some together, such as where we started and what prompted these actions coming up. The weather forecast for this winter has been released and it is very likely that we will see rain patterns that were similar to 2007 and 2009. The preparedness with gauges, etc. is important and we cannot let our guard down.

Ms. Fund stated some folks who attended the meetings had misconceptions about Lewis County. They believed that Lewis County built I-5 and that our continuous building in the flood plain is our own misery and we should solve it ourselves and that they would not put any money towards it. There is lack of education about what the real issues are. We need to separate fact from fiction and when those issues come up we can speak to them. Perhaps a presentation in that regard would be helpful: what does it mean to build in the flood plain, and what happened in Lewis County when the feds built I-5.

Ms. Powe stated that not only does the public have misconceptions but amongst the Flood Authority there are misconceptions. She believes if the Flood Authority is going to get across the huge hurdles, whether it's the flood control zone district or the final solution for flooding, its members need to sit down and voice all concerns and opinions and clarify what needs to be researched as to what is fact or fiction. When ESA was first hired, interviews were done with all the Flood Authority members and their concerns were documented. Ms. Powe believes we need a fresh look at that and have everyone on the same page.

Chairman Willis stated she would take that into consideration and work with Mr. Mackey regarding time schedules.

Commissioner Valenzuela agreed with both Ms. Powe and Ms. Fund. Thurston County residents are pretty well informed about the fact that there is a wide divide between Thurston County and Lewis County when it comes to land use regulations. Thurston County has not permitted development within the flood plain for over 15 years and is aware that development regulations in Lewis County are very different. The main fear expressed by Thurston County residents at the October 14 meeting had to do with what would happen if we joined together in a tri-county flood control zone district and ended up having to inadvertently pay for flood mitigation projects with which we did not agree. Commissioner Valenzuela tried to assure Thurston County residents that the Commissioners have not made a decision yet about whether they will form a flood control zone district, or participate in one with two other counties.

Commissioner Averill suggested going a step further than just having a discussion. We need a discussion on what the particular regulations are that are followed by the various counties. There is absolutely a misconception. People who think that Lewis County built I-5 are mistaken. People who think that the Burlington-Northern RR berm was built by Lewis County are mistaken. We keep getting hit for box stores that are behind a levee that was built in 1943 and has been approved consistently by both the Corps of Engineers and FEMA, and we are getting our insurance coverage for that. We would be more than happy to explain our regulations and how we apply them so people aren't saying that we are doing things that we are not doing.

Chairman Willis stated she would work with Mr. Mackey on that.

Mr. Connelly stated the public's view and the opinion they have of filling in the flood plain in Lewis County is because when you drive through Lewis County you drive along a lot of fill. Where that fill is and what level of levee protection is behind it is the discussion that we must have because there will be a debate of what impacts if any it has and there will be two sides to that story. It cannot be ignored. It must be brought up immediately.

10. General Investigation Joint Meeting Update and Follow-up

Chairman Willis stated Ms. Lee Napier has been given the position of Planning Director and will no longer be participating in the Flood Authority meetings, and she will be missed.

Ms. Napier stated she also will no longer be the lead on the Chehalis Basin Partnership. She will talk about the General Investigation study and put some context into that and how the introductory comments will affect that project.

Last month it was decided there would be a policy level discussion to talk about recommendations between the Chehalis Basin Partnership and the Flood Authority. We agreed there would be three topics: the purpose, whether there were one or two: ecosystem restoration or flood risk reduction; without project conditions; if there would be one or two reports; and project sponsorship.

Under the GI general purpose, some comments made were one purpose has a certain timeline and by adding a second timeline people felt the timeline would be lengthened. Regarding the ecosystem restoration, if we stayed with one purpose some felt that ecosystem restoration could achieve flood reduction. It was clarified by the Corps that it is possible but it would be incidental to ecosystem restoration and that led to the understanding that perhaps staying with two purposes was the correct way to go. Ms. Napier's conclusion is that the partnership and the Authority support two purposes even though the timeline was not conducive to reducing flooding in a timely manner.

The second item was the with or without project conditions report. As you move out of the project management plan and into the feasibility study one of the steps the Corps looks at is the conditions before and after a project. In the Project Management Plan (PMP) that was presented in May, the without project conditions report describes the levee project. There was concern expressed about having the levee project, and one of those concerns was at the time of the writing the levee project would not be constructed, and people were uncertain of the future so how does that affect the feasibility study. At the request of the Flood Authority the Corps looked into having two without project conditions reports. The group talked about that.

Concerns involving that were: in addition to the process already taking a long time adding two project conditions reports lengthens the process. The conclusion, however, was that it was the right direction to go. One report would describe the levees being included and one report would describe the levees being excluded.

The third item was the project sponsorship, and as Chairman Willis stated, with Ms. Napier's changing positions, there would not be staff equivalent at Grays Harbor County to lead this project. One suggestion was to ask the state if it would consider sponsorship. That question has been directed to the state. In the meantime, conversations would continue with the governor's office. At this point, there is no answer and it may need to be discussed further with the Flood Authority and the Partnership.

Ms. Napier stated the next steps were also discussed. We have a general investigation study process but we don't have a Project Management Plan (PMP), and that is the next step. The group felt it was important to advance the PMP – finish writing it – and that means the local sponsor, which is currently Grays Harbor County, needs to move forward and accept it and the Corps also needs to accept it.

When the PMP is completed, the project can advance into feasibility. There is a feasibility cost sharing agreement and the feasibility study. The recommendation was to finalize the PMP considering the comments that Ms. Napier mentioned earlier.

The Corps of Engineers, based on the information received at the joint meeting, revised the PMP. Ms. Napier summarized the major points. On page 12 the language has been changed to reflect that Grays Harbor County is the non-federal sponsor, calls out the stakeholders, and the request that the stakeholders have requested the state to become the non-federal sponsor.

Page 14 is one of the major items to be changed if the PMP and the feasibility study include two without conditions reports. This section describes what it would look like with those reports.

Page 28 speaks to the without project conditions report and assumes one scenario with the levee project being constructed and the second scenario assumes the Centralia project is not constructed.

Page 35-36 does not have a lot of text changes but Ms. Napier pointed out the budget and cost share participation.

Ms. Napier stated at this time the PMP has been updated to reflect the comments and she asked for comments.

Commissioner Averill stated in the past there has been time to study the provisions to the PMP and make comments. This was put out last Monday afternoon and that is not enough time to make comments. We in the upper basin would like to get together to discuss the impacts before a decision is made. As a result of that there may be more questions so at this point it is premature to make a decision on this plan, although Ms. Napier has done a good job of what was asked of her.

Ms. Powe stated when the joint meeting ended, the participants wanted to see the updates without finalizing because there were some large issues that we did not want to rush into signing. One of those was whether or not the state would become the sponsor. The other issue was the Twin Cities project. We could spend a lot of time and effort into getting two without project conditions put into this plan and it is not totally improbable that in January there may not be two. If that were the case, it would

need to be changed again. Ms. Powe understood that these changes would be made so the governor could look at her budget and we would not press going forward until there were some answers.

Ms. Napier stated what Ms. Powe understood was also Ms. Napier's recollection, but it was important to have this move forward (as it is now) so the state could see what the next step would look like.

Ms. Fund stated this is a draft so the governor will know what direction we are going. She would like more time and involve Centralia City staff in looking at it.

Commissioner Valenzuela stated Ms. Napier did a good job reflecting direction given at the joint meeting. Given the peoples' misgivings about moving forward, what would that do for the timeline? The Corps cannot move forward without the PMP.

Ms. Napier stated there is a PMP in place for ecosystem restoration and therefore some work can occur under the ecosystem restoration PMP. Moving into a multi-purpose plan, flooding cannot begin to be addressed under the GI until the PMP is signed, and you cannot get cost sharing until it is signed. Ms. Napier does not know if we could go back and look at that after it has been signed. She has asked that question and asked for consideration that once the agreements are in place can we be given credit. What we are being told is there will be no talk about it until you actually get there.

Commissioner Valenzuela asked if there is any indication from the state about the state assuming the role of local sponsorship.

Ms. Napier stated she understands the state is waiting to see the benefit cost analysis from the Corps' Twin Cities Project. She also understands that Mr. Keith Phillips is planning to be at the November meeting to address the Flood Authority and discuss this topic.

Chairman Willis asked if there was a change made on Page 18 regarding the executive committee. There were two additions to the executive committee: Commissioners Averill and Valenzuela. Ms. Napier stated that was correct.

Chairman Willis stated also needing to be addressed is that Grays Harbor is the fiscal agent under the single purpose and with Ms. Napier's new position there is not the time or the funding for Grays Harbor to bring forward a project manager for the PMP. Chairman Willis asked ESA if there is funding available within the budget to fund a project manager for this document. It does not have to be someone in Grays Harbor County; it could be a contract project manager.

Commissioner Averill believes it is prudent to look at alternatives but if the state takes the project there is no need.

Chairman Willis stated if the state was to do that and we did not get a PMP signed quicker than the state could move, then Grays Harbor could get it signed so we can start doing some flood mitigation and get funding for that. However, if Grays Harbor signed it today and we had not made arrangements for paying for a manager, then the county automatically takes on that responsibility. If the state accepted that role today, we could pass that responsibility on to them. We cannot move forward with signing this and getting matching funds lined up without deciding how we are going to have a manager and how that manager will be paid.

Commissioner Averill stated he is not ready to give Lewis County's approval of this PMP until he has had an opportunity to review and discuss it.

Chairman Willis asked when anyone reviews the PMP to consider the aspect of a different non-federal sponsor.

Mr. Cook asked who would be taking on Ms. Napier's role in the Chehalis Basin Partnership (CBP).

Ms. Napier stated there is a watershed facilitator who has worked with her on the CBP, primarily on outreach but also as Ms. Napier's backup. When she was hired the expectation was that Ms. Napier would transition back to her work at Grays Harbor County and the facilitator would take over Ms. Napier's role. Janelle Spaulding will be assuming Ms. Napier's position in the Partnership.

Chairman Willis asked the Board to review the PMP as corrected and get comments back as quickly as possible to Kristen Kerns at the Corps.

NEW BUSINESS

11. Review Process for Studies

Mr. Mackey stated the legislature required a peer review of one of the studies to which it allocated money to the Flood Authority and the question was raised if there should be some type of review of the EES study. If that question was raised, then should there be a review of the West Consultants work and QEA Anchor work. Mr. Mackey suggested instead of debating which studies to review look at the policy issues behind the studies and make some decisions. If something is done and it fits into a particular category it will not need a review and if it fits into another category it will require a review and determine what type of review is appropriate. An example of this was when Mr. Muller stated the PUD was working with the Corps and looking for review from state agencies or other people. There must be some criterion around that.

When the Corps does work, for example the Twin Cities project, there is an in-house review, a district review and a headquarters review and then a technical review is conducted by outside reviewers.

Another example would be a school district that is doing a large engineering project, which includes sewer, parking lots, run off, etc. then it is common to have a value engineering review. At ESA some of its scientists are on call to do that type of review.

More common would be a third-party review. When a jurisdiction goes forward with permits and an EIS or other type of work they often ask for some type of third-party review to look at that science so there is an outside opinion.

There is precedence for the Flood Authority to have some type of review and Mr. Mackey thought this could be introduced for some discussion and the Authority could come up with criterion to help determine what and when a review is important.

Commissioner Averill felt that this was directed towards a specific study. This Authority has funded and received reports for 15 studies since 2008. The only study on which a review was done was by demand of the legislature for a specific purpose, and that was to determine whether there were any reasons why this body should not fund a fish study. He also pointed out that while that was done by legislation the

legislature's reason for doing it was fallacious and the study had already been looked at by DOE and a number of other agencies, which is a process that virtually every study goes through. Once that study is completed, we all get a shot at it. If a state agency needs to have a review of whether our study is good or bad then they have the staff to do it and if they don't they can spend their own nickel to do it and not ask this body and tax payers to pay it from our funds.

Commissioner Averill continued to say that we had a legislative-mandated review and we have completed that objective. The particular study that EES is doing for the PUD has nothing to do with the fish study and Chairman Averill is suspect of the motive.

Ms. Fund asked if there are some studies that continue further when someone wants to implement something from the study and another entity pays for; for example, if the Corps wants to review something we want to do after they have looked at the report. Ms. Fund does not want to duplicate a process if there are studies that will eventually be tested again.

Chairman Willis stated that is what Mr. Mackey is looking for: a policy that states when other reviews will be conducted or know when a review will be duplicated or is unnecessary.

Ms. Fund stated Commissioner Averill mentioned 15 studies and if we had conducted reviews on all of those that would have cost a lot of money and she did not think they would have been necessary.

Ms. Powe stated any study that has required an RFQ and an RFP, the companies doing the work for us are credible companies and recognized as such by the Corps or the state. If these studies are going to go through a process where they will be reviewed again, why would we waste funding and time on something that is preliminary and done by a credible company who does quality work?

Mr. Thompson asked if the review policy would be a committee to study the study. He would be against that.

Mr. Mackey stated he was not asking for a committee to study a study but to have a policy discussion, which you are having, to decide if and when you would want to review any studies you have commissioned.

Mr. Cook stated as it was pointed out, the only actual review we've done was required. As Ms. Powe stated, the company that is hired for a study goes through quite a lengthy process before it is hired. When a study is required, we will do it; the review process is time consuming and expensive and he believes they would not be necessary if they are not required.

Chairman Willis stated she was speaking as a Flood Authority member. Commissioner Averill alluded to the Flood Authority reviewing studies as they come out. Commissioner Willis stated she would not have a clue looking at the technical information to determine if it was valid or not to build a dam, if the soil would hold it or if the rock formations were in the right place, etc. Her question is how do we validate what is coming before us. The only way she knows is to have someone of equal caliber look at the information. When the legislators asked for it, it took some of the pressure off of her as a member of this Board, knowing that there was someone with the expertise to look at the information. While she was not requiring a full-scale of collecting the information and data, she would feel more comfortable going through this additional process. As we go along, the information collected on each of the studies

gets more in depth and more technical and more critical than the preliminary studies. She asked if a review is necessary for those reasons.

Commissioner Averill stated if there had been no reviews, he might be receptive to that argument. The study that the legislature required had gone to Ecology and others and it was subject to someone raising questions and whether other issues needed to be pursued. DOT, DOE, WDFW and other federal and state people are all following what we are doing. When they get a copy of the study and point out that it needs further review, Commissioner Averill will then be willing to talk about it. As Ms. Powe pointed out, people do not get the contract until they have been through rigorous screening.

Mr. Muller added, with regard to water retention, that during the discussion with the Corps of Engineers, they outlined their review process and the information the PUD is gathering on the Phase IIB Project for water retention. If it passes the benefit cost test that information would feed into the future studies that the Corps would be doing under the GI for flood hazard mitigation. At that point it will receive a huge amount of review. The Corps will look at the information with several steps of review and before you get to any kind of project, there will be those steps in addition to what the Flood Authority is doing here.

Ms. Powe believes all the studies should be open for anybody who wants to review them. She did not want to give the impression that the Flood Authority is against reviews or is trying to hide something. All the reviews are open, and any agency that has legitimate questions that might require a review, and depending on the issue determine who would fund it, the Flood Authority or the agency with the questions.

12. Expenditure Review

Mr. Johnson referred to the two-page financial report. It was in a different format which was dictated by the way the money was allocated from the legislature in the last session. Money being expended is in three general categories: governance, studies and the Early Warning System.

Mr. Johnson explained the budgeted amounts, the expended amounts for the period from 9/16/10 through 10/15/10 and the total expended amount. There was also a column showing the balance remaining and a column showing additional encumbered funds, those funds which have not been spent but are allocated. The balance excluding encumbered funds for all categories was \$402,993.97. The second page explains the detailed expenditures from July 1, 2009 through October 15, 2010.

Ms. Powe stated she has been asked what ESA does and her response has been that if was not for ESA we would not be where we are today. She was unsure, however, of what they do exactly. She has received past invoices to understand what they are being paid to do. There are things that ESA does for the Flood Authority that are not on the list, for example, this morning Mr. Mackey stated he would be meeting with Ms. Bissonnette regarding the district legislation. She asked if Mr. Mackey's time for that meeting is an expense to the Flood Authority or is that shared with another entity. Also, when someone from ESA attends a Partnership meeting, does the Flood Authority pay for that?

Chairman Willis stated Ms. Bissonnette was asked at the morning meeting to do certain things by the Flood Authority. Chairman Willis' question to Ms. Bissonnette was if that was in FCS's scope of work or is it something that will need additional monies to cover. We must be very cognizant of asking them to do something that was not in the original scope of work.

Commissioner Averill stated Ms. Powe could be provided a copy of the contract for statement of work which details which projects ESA is working on and how much money has been set aside budget-wise.

Mr. Mackey stated there is a detailed scope of work that lays out the tasks. In that there is a calling out of working on the individual studies as need be, there is a specific amount of funds to work in coordination with FCS to accomplish that work, and ESA submits every month to Lewis County in general categories where it has done the work.

Mr. Mackey keeps track of his time to a quarter hour for each task that is outlined in the contract. At the end of every day he logs where he spends his time according to those tasks. He was asked by the Flood Authority to work with Ms. Bissonnette on the legislation and it is in his scope of work to work with the Flood Authority to get the kinds of documents and legal assistance needed to achieve what the Flood Authority wants.

Mr. Mackey stated when the scope of work was drafted, ESA stated it anticipated meetings with the Corps on the GI, meetings with West Consultants, etc., and tried to anticipate the meetings and time that would be spent. In the past the Flood Authority has asked ESA to do some things that could not be anticipated and ESA tried to adjust and accommodate to do what the Flood Authority requested. ESA has done that and last year turned back \$80,000 it did not spend.

Chairman Willis stated she could not remember an instance where Mr. Mackey was asked not to pursue something because of the expense. He has stayed within the scope of work and sometimes it might mean making adjustments to another category.

Chairman Willis stated ESA is basically the Flood Authority's staff. There is not enough time for the county or Flood Authority to provide this kind of work, so ESA has been hired to be our staff and help facilitate all the things that we do.

13. Upcoming Biennial Budget

Mr. Mackey stated Mr. Phillips wants to have a conversation with the Flood Authority on its expectations on both the General Investigation and the state stepping forward. What came out of that was if the state is going to do that it needs to put together a budget for the next biennium, which is from July 1, 2011 to June 30, 2013. Mr. Mackey would like the Flood Authority to tell him what to anticipate in putting forward a budget request. One thing might be if the state is going to become part of the General Investigation. Another would be to think about the formation of a flood district and what happens if it is formed and the documents are signed, such as is there staff, when does revenue come in, is bridge funding needed, should the Flood Authority continue. Mr. Phillips needs the information in November.

Ms. Powe stated the fisheries study and Phase IIB study will be ending. She asked Mr. Muller what the next step would be in that process.

Mr. Mackey stated one of the categories would be continuation or added studies.

Mr. Muller agreed with Mr. Mackey and stated it also depends upon the coordination with the Corps' GI study on the alternatives for flood mitigation and the water retention piece of that. It's possible the Flood Authority could do another step of in-depth analysis. What the PUD has done on Phase II is about a half a million dollar study that is still considered at the reconnaissance level, it is not detailed. You

may want to take that a step further as a match with the Corps, or perhaps that is all turned over to the Corps and the Flood Authority coordinates with them.

Commissioner Averill stated an issue that needs to be addressed in the governor's budget is if the governor's office does take the lead on the GI study. We have been fortunate that Congress has appropriated money to the Corps for the GI study already, which is about \$1.6 million. That money, however, is on a 50/50 share basis and Commissioner Averill is not sure where our \$1.6 million is going to come from. If we can relate it to ecosystem restoration we can take from built-up credits, but there are other parts that we could not.

Mr. Mackey understands that if the state is going to be the local sponsor for the basin-wide GI study, there could be whatever amount it takes for a half-time position to manage that program, plus the request for a million dollar match, or \$500,000 a year. The state could decide that if it takes it on it will provide the money for someone to manage it but they could, as the local sponsor, ask that the money comes from local jurisdictions. Mr. Mackey believes the Flood Authority wants him to draft the budget as if the state will make the match.

Mr. Mackey asked about flood district formation and any time between when the PMP might be signed and when you would have someone in place to do things for you.

Commissioner Averill stated it must be penciled out. There is money in the current budget to work towards that, which is FCS Group's part of that.

Mr. Mackey has asked FCS to give some estimate on their Phase III to see if there are alternative ways that the Flood Authority could address that.

Commissioner Averill stated at some point a flood district budget will need to be developed and some decisions need to be made as to how to accumulate funds in order to carry on with projects. At some point the state will say it is not the state's domain, but the flood districts' domain.

Mr. Mackey stated that is why he called it "bridge financing". It is financing to go from one point to another and whatever the final product is, an individual county district or a multi-county district, it will be generating its own funding. He asked that any suggestions or comments be directed to him as soon as possible.

14. Confirm Next Meeting and Board-Requested Topics

The next meeting will be on November 18, with a morning work session at 9:00 at the Veterans' Museum with updated information on the formation of a flood district and the business meeting at 1:30 at the Lewis County Courthouse.

15. Adjourn

The meeting was adjourned at 3:30 p.m.