

**BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON
BOARD MEETING MINUTES
July 13, 2009**

The Board of County Commissioners for Lewis County, Washington met in regular session on Monday, July 13, 2009, at 10:00 a.m. **COMMISSIONERS RON AVERILL, P.W. SCHULTE, and F. LEE GROSE** were in attendance. **Chairman Grose** determined a quorum, called the meeting to order and proceeded with the flag salute. **Commissioner Schulte** moved to approve the minutes from the 10:00 a.m. meeting held on Monday, July 6, 2009. **Commissioner Averill** seconded.

Motion Carried 3-0

Consent

Commissioner Averill made a motion to approve Consent Items one through five. **Commissioner Schulte** seconded the motion. Karri Muir, Clerk of the Board, read the items into the record.

1. Resolution No. 09-211 Refunding portion of 1999 bonds that were not eligible for refunding in 2005.

Rose Bowman introduced Roy Koegen, and Susan Mussleman, and noted they would be answering questions on the bond reissue.

Mr. Koegen stated the resolution would authorize the refinancing of a portion of the 1999 bonds in order to achieve a savings. His office does the legal work, Susan does the financial advisory works. There are certain thresholds they need to meet in terms of savings and we have met those thresholds. He noted we could do this Q&A two ways: 1. Answer general questions and then get into the details, or 2. Go through the resolution and then go through the financial part of it.

Commissioner Averill stated the Board would like to ask questions and then go into detail if needed.

He then asked when we talk about 1999 bonds, is that one or several bonds?

Mr. Koegen stated 1999 bonds were issued for two purposes, for new money and for refunding purposes. Therefore, it is a dual-purpose bond issue.

Commissioner Schulte asked if there were multiple bonds.

Mr. Koegen answered there were multiple bonds. They mature over a term of years, and a certain amount of bonds mature each calendar year.

Commissioner Averill stated as an indication in the background, that in 2005 we had refinanced a portion of those 1999 bonds. However, IRS rules prevented

us from refinancing them all at that time. We are now coming back now to catch the remainder of those bonds.

Mr. Koegen stated that was correct and that we are doing this for two reasons, the first threshold is can we save the county enough money on a net present value basis (today's dollars not future value dollars after paying all of the costs), to make it worthwhile to do it. If we pass that test, we look at the legal test and see if we can do this legally under Federal Tax Law. The answer to both tests is yes.

Commissioner Averill asked if we are getting a better interest rate at 4.2% versus the 5.82%.

Ms. Mussleman stated we are able to issue these bonds at a lower interest rate and use the proceeds to pay off the higher interest rate of the 1999 bonds.

Commissioner Averill asked if we are extending the bonding period.

Ms. Mussleman stated we are not. What they do is structure within the original framework so that we bring down debt service on a level basis each year. So the ongoing payment each year will be lower.

Commissioner Averill asked if these would mature at the same time as the original bonds.

Ms. Mussleman stated they would. She also noted that the 4.2% is an estimate today because the market will be changing between now and the time we sell the bonds.

Commissioner Grose stated the agenda summary states we will be saving approximately \$40,000 a year. Is this a per year basis?

Ms. Mussleman stated yes, that each year through final maturity in 2024. With that assumption of savings through 2024, the net present value is close to \$500,000 in savings. We have a criteria that is referred to as "net present value savings as a percentage of par" which is your bond size, and in Lewis County's case we are looking at about 8% or 9%. Industry standards suggest that 4% to 5% is a good number. Therefore, we are looking at an exceptional opportunity in this market.

Commissioner Averill stated we are bonding more than we are replacing. He asked for an explanation on this.

Ms. Mussleman stated that what is done in a refunding is, we need to borrow enough in this bond issue to pay the principle, the outstanding bonds, plus the cost of issuance on this new bond issue. So all of the savings that we have talked about take into account the fact that this is a higher principle amount. Yet there is still a substantial savings.

Commissioner Grose asked Ms. Mussleman if the savings that the County will realize has actually had all those other additional expenses added into it.

Ms. Mussleman stated it is all taken into account.

Mr. Koegan stated the important thing is those numbers are net in today's dollars after all costs. The other thing he pointed out is this resolution authorizes them to go to market. It does not obligate the County to sell the bonds.

Rose Bowman stated that when we do go to sell, we usually sell on a Tuesday, because Monday is not a good day to sell bonds. A request will be made to continue the Monday meeting until the following Tuesday to approve the final sale.

2. Resolution No. 09-212 Proposed acquisition of additional right of way for Lincoln Creek Road.

Larry Unzleman Public Works stated Lincoln Creek Road requires culvert replacement. The replacement will benefit the fish passage and road drainage in that area. This project will require right of way from two additional property owners. This resolution will grant authority to the Public Works Department to acquire that right of way for the culvert replacement project.

Commissioner Averill stated this project is just outside the Town of Galvin. He asked when the project would start.

Mr. Unzleman stated we will proceed with the right of way acquisition and if we can get that in a timely matter the project would start during this construction season.

Chairman Grose asked if we were in the fish window.

Mr. Unzleman stated he is not sure what the fish window is on this stream.

3. Resolution No. 09-213 Bid award for the Winlock-Vader Slide Repair Project.

Larry Unzleman Public Works stated this project is listed as #13 on the LC Six Year Transportation Improvement Program. The contract will provide for the improvement of Winlock Vader Road by construction of an earthen wall, constructing culverts, ditches, placing guardrail and paving with hot mix asphalt and other work that is required by the project. This is a December 2007 Flood Project that is eligible through FHWA Emergency Relief Program funding at 86.5%. Santana Trucking and Excavation Inc. submitted the low bid of \$340,828.25. Public Works recommends the bid award go to this company.

Commissioner Averill asked if we pay the remaining portion of the funding not covered by FHWA.

Mr. Unzleman stated the remaining would be local funds.

Commissioner Averill pointed out that this road has been partially out of commission since the 2007 flood. It is currently one lane with a traffic light control to allow traffic to go back and forth. We need to get this repair done this summer to relieve this problem.

4. Resolution No. 09-214 Approving Program Agreement with DSHS, Division of Developmental Disabilities.

Tara Smith Health Department stated this contract allows services to adults with disabilities for employment opportunities. The contract runs from July 30, 2009 through June 30, 2010.

Commissioner Averill asked what the amount was for the contract.

Ms. Smith stated the total amount is \$684,308 and is a 20% decrease from last year. She noted that most of the cuts were made in administration, education, and training so they are not going to impact the clients.

Commissioner Schulte asked whom the sub-contractors were that we use for this contract.

Ms. Smith stated currently we sub contract with Reliable Enterprises, Morningside, and Lewis County Work Opportunities.

Chairman Grose asked how many developmental disabled we actually serve.

Ms. Smith stated the adult population is around 100 -105, and the birth to three program is serving anywhere between 35-45 children.

Commissioner Averill asked if Centralia College provided any service in this program.

Ms. Smith stated they do not provide the direct service for the Birth to Three Program, but they do provide space for some integrated work so that the program can come into the college and have their children present with other children without disabilities.

5. Resolution No. 09-215 Approving an interagency agreement with the State Department of Agricultural for the management of invasive knotweed species.

Bill Wamsley, LC Weed Board stated this agreement is for the management of invasive knotweed. This work goes on in the Cowlitz River and the Chehalis River. This project extended a little bit of the work for the Chehalis River area.

We are working from Pe Ell down to about the Southfork of the Chehalis River and can continue down to Deep Creek in Adna. We are working with landowners doing control work on property and in the river channel. Most of the funding hires temporary seasonal staff. It also provides for some transportation, and a little bit of computer support.

Commissioner Averill stated this program has been going since 2004, is this going to be something that we have to do forever? How are we progressing?

Mr. Wamsley stated we are progressing. We have seen progress in the Cowlitz River from Packwood down to Riffe Lake. In the last year, we just got started on the Chehalis River and we cannot say that our success has been as good given the current flood situation moving this plant around. We are seeing results, reduction on both systems.

Chairman Grose asked about the in-kind match that is required.

Mr. Wamsley stated the in-kind match would be resources that they would anticipate coming from the County. This would include my time, resources such as vehicles, inter-fund sources, etc.

Commissioner Schulte stated that the in-kind match did not have to be a dollar amount. It could be time, resources, or personnel.

Mr. Wamsley stated that was correct.

Commissioner Averill asked if they were counting the Nisqually River separate source or are they not doing work on it anymore.

Mr. Wamsley stated the Nisqually work has been part of a cooperative effort with Pierce County and many other agencies that are working on this. Most of the work that we have done in the past related to the Nisqually River, has been with Forest Service dollars that we have received.

Commissioner Averill asked if there were any Title II monies that are going to this project.

Mr. Wamsley stated there is an agreement pending with the Forest Service. Some of that will probably include work on knotweed as well.

Chairman Grose asked if the Chehalis Tribe had been contacted for help.

Mr. Wamsley stated they are part of the coop group.

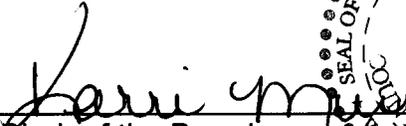
Motion carried 3-0

There being no further business, the Commissioners' public meeting adjourned at 10:30 pm on July 13, 2009. The next public meeting will be held Monday, July 20, 2009, at 10:00 a.m.

Please note that minutes from the Board of County Commissioners' meetings are not verbatim. A recording of the meeting may be purchased at the Commissioners' office.

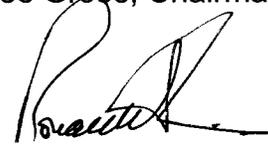
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ATTEST:


Clerk of the Board
Lewis County Commissioner




F. Lee Grose, Chairman


Ron Averill, Commissioner


P.W. Schulte, Commissioner