

From: [Mindy Brooks](#)
To: [Rieva Lester](#)
Subject: Please distribute to BOCC
Date: Friday, October 17, 2025 3:02:04 PM
Attachments: [Letter from Alderwood Heights LOA 10.17.25.pdf](#)
[Letter from Fire District 5 10.17.2025.pdf](#)
[Letter from Fire District 6 10.15.2025.pdf](#)

Please forward the attached testimony for Ordinance 1368, Chehalis Annexation ILA. Please also share this notation from Chehalis regarding the testimony “The letters from the Fire Districts refer to the ILA not adequately addressing the fire district impacts as required by RCW 35A.14.472(4). RCW 35A.14.472(4) requires the balancing factors and objectives that will be considered by the Boundary Review Board (under RCW 36.93.170 and .180) to be addressed in either the ILA or the plan. The City has produced a document considered these issues, a copy of which will be sent shortly. Please include this analysis with the other documentation being provided to the BOCC.”

~

Mindy Brooks (*she/her*)
Director, Community Development
Lewis County
(360) 740-2610



October 17, 2025

Sent via email with hard copy to follow

Chehalis City Hall
Attn: City Manager Denham
350 N Market Blvd, Room 101
Chehalis, WA 98532
Sdenham@ci.chehalis.wa.us

Scheibmeir, Kelly & Nelson, P.S.
Attn: Daniel Murray
299 Northwest Center Street
Chehalis, WA 98532
daniel@centerstlaw.com

RE: Alderwood Heights Lot Owners Association

Dear Mr. Denham,

This firm represents the Alderwood Heights Lot Owners Association (“Alderwood Heights LOA”). Recently, on June 17, 2025, you appeared at an Alderwood Heights LOA meeting, during which you shared that the City of Chehalis and Lewis County were moving forward with plans for the city’s annexation of unincorporated areas of Lewis County, including the Alderwood Heights development. Relying upon a Covenant for Future Annexation and Agreement Regarding City Services dated October 7, 1993, by and between the City of Chehalis and Harvey and Judy Breen (the “1993 Covenant”), you announced that given the impending annexation, Alderwood Heights was solely responsible for hiring an engineer to design and construct an upgraded fire suppression system to bring the system into compliance with the city’s fire protection standards. The purpose of this letter is to seek clarification around what the city believes Alderwood Heights LOA’s responsibilities and legal obligations are with respect to the 1993 Covenant.

As you know, in 1992, Harvey and Judy Breen, developers of the Alderwood Heights subdivision, formally requested a total of 20 water and sewer connections from the City of Chehalis and proposed tying into the existing Valley View Estates subdivision. In considering this request, the city noted that the Valley View Estates subdivision had a capacity for 84 equivalent residential units (“ERUs”). At the time, 53 of the 84 ERUs were allocated to the existing subdivision, leaving 31 ERUs for residences outside of the subdivision, of which 3 ERUs had already been allocated, leaving 28 ERUs available. Accordingly, the city approved Mr. Breen’s request for 20 water and sewer connections, conditioned upon Mr. Breen signing a city annexation agreement (i.e., the 1993 Covenant).

The 1993 Covenant provided, among other things, that in the event the City of Chehalis furnished sewer and water services to the original Alderwood Heights subdivision, consisting of twenty (20) single family building sites, then as consideration for the city’s furnishing of sewer, water, or other utilities, the Developers, successors and assigns would agree to request, sign any letter, notice, petition or other instrument, initiating or furthering or accomplishing the annexation to the City of Chehalis of the area contiguous to the city, including said subdivision; provided that such request would not be made until at least 16 lots were either sold or issued building permits.

The 1993 Covenant went on to state that in the event the City of Chehalis requested annexation of the subject property, then the Developers, their successors and assigns would participate in the formation of a ULID or other more regional publicly formed committee or neighborhood organization for the purpose of engineering, funding, and constructing a fire protection enhancement program to meet the minimum city standards then in effect for the subject developer (i.e., the 20-lot subdivision) and, if feasible and cost effective, a more extensive regional fire protection program that extends beyond the subject development; provided, however, the maximum assessment to each lot in the subject development shall not be more than 15% of its then fair market value as determined by an MAI appraisal.

The 1993 Covenant provided for the scope of the project as follows: "...it is the intent of both parties that Developer, his heirs, successors, purchasers or assigns shall contemplate a **fire protection enhancement system** adequate to provide fire protection per minimum City standards to the lots that are now being developed by the Developer. ***It is not the intent of the Developer or their assigns to purchase, install, construct or design a system that exceeds the needs of a twenty (20) lot development...***" Further, "[i]f at such time the parties [] can agree upon a plan that would allow a cooperative effort between the City and the Developer and/or the ULID or other public formed committee or neighborhood group, to jointly construct such a fire protection system ***so as to benefit other property in the immediate area not within the proposed development*** of the [] Developer, then the parties hereby reserve the right to make such modified plans in the future and this agreement shall not preclude further negotiations in that regard." (emphasis added). Notably, no fire flow was necessary unless/until the subdivision was annexed into the City.

The 20-lot Alderwood Heights subdivision was approved and completed, and the Declaration of Covenants and Restrictions for Alderwood Heights Development was recorded on October 12, 1993, under Lewis County Auditor File No. 9314848, which incorporated by reference the 1993 Covenant at Article V and attached thereto as Exhibit B.

When Mr. Breen made application for Phase II of the Alderwood Heights development, Mr. Breen again approached the City to request an additional 71 water and sewer hookups. To address the lack of capacity within the Valley View Estates subdivision, Mr. Breen proposed adding a 75,000-gallon water reservoir on the Valley View Estates property and requested authorization to install a STEP sewer system to serve Phase II. Mr. Breen again agreed to the future annexation stipulation and forming an LID as per the annexation agreement for Phase I. Ultimately, the public works director recommended the authorization of the 71 ERUs of water and sewer capacity for Phase II contingent upon the execution of an acceptable agreement between the city and the developer. It appears that no such agreement was recorded nor was the original annexation agreement amended. The Lewis county planning commission recommended preliminary plat approval for Phase II conditioned upon, among other things, water lines being sized for fire flow and fire hydrants being provided in locations specified by the County Fire Marshall; notably, there was still no requirement to provide fire flow. Appropriately sized water lines and fire hydrants were installed per the County Fire Marshall to support future flow volumes and pressures, but the county did not require that the hydrants provide the required flows.

Over time, as later phases of the Alderwood Heights Development were built out, the capacity of the system diminished to the point where now there may not be enough capacity to meet domestic needs, let alone fire flow.

The Alderwood Heights LOA does not intend to protest or object to the annexation, however, it does object to your contention that it is solely responsible for engineering and constructing an upgraded fire suppression system to meet the needs of those outside of the originally contemplated 20-lot subdivision (i.e., Phase I of

Alderwood Heights). This clearly was not the intent of the City or the Developer when the 1993 Covenant was signed and in fact the agreement specifically states as much at paragraph 4. Moreover, the 1993 Covenant never obligated Alderwood Heights to provide fire flow and the system that exists meets current City standard, albeit without the water to feed it.

In closing, the Alderwood Heights LOA has done quite a bit of research into this issue and has gathered various historical documents that help shine light on what the parties to the 1993 Covenant originally intended, as well as the unanticipated capacity issues now facing the City with respect to domestic supply. The LOA would be willing to share those documents with you if they are of interest to you. I am enclosing one particularly relevant letter dated March 26, 2003, from then-City Attorney William T. Hillier, concerning the City's position that the cost to upgrade the system in order to provide additional fire protection would be shared with the (at the time) only other community in the immediate area, Valley View Estates subdivision.

Alderwood Heights LOA invites you to reexamine the 1993 Covenant and to provide the City's position on what it believes Alderwood Heights' obligations are with respect to the enhanced fire protection system. At the very least, because the fire protection system is contemplated to benefit other property outside of the Alderwood Heights development, the Alderwood Heights LOA posits that the 1993 Covenant requires that such an improvement be undertaken as a cooperative effort between the City and the immediate areas to be benefited (Alderwood Heights, Valley View Estate, Fairview, etc.).

Thank you for your attention to this matter and we look forward to your prompt response.

Sincerely,



Shasta L. Kelley
Partner

SLK

CC: Clients
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HILLIER, SCHEIBMEIR & VEY, P.S.

WILLIAM T. HILLIER
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AMANDA C. VEY


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TELEPHONE 748-3386
FAX 748-9533
AREA CODE 360

JILL E. HARWICK
WENDY TORNOW MICKELSEN

March 26, 2003

MEMORANDUM

TO: Charles A. Hubbert 
FROM: William T. Hillier
SUBJECT:: Declaration of Covenants and Restrictions for
Alderwood Heights Development

Buck:

As you know, in my capacity as City Attorney we worked with Larry Fagerness to negotiate a covenant for future annexation and agreement regarding City services with Alderwood Heights Development in the City of Chehalis. For your own review and information, as I'm sure you are aware, the State Supreme Court has thrown out annexations by petition. Annexations can now only occur through the vote of the people in the area to be annexed.

Secondly, with regard to the assessment for an LID for fire protection purposes, in the event the existing water system is not sufficient to handle fire protection needs, the City would request that an LID form with not only people in the Alderwood Heights area but also people in the Valley View subdivision to upgrade the water system in order to provide additional fire protection. It is my opinion that, based upon the fact that there are two reservoirs in the Valley View subdivision, the fire protection needs of the City would be met under the current system. If there would need to be an upgrade, that upgrade would be shared between all of the residents of both Valley View and Alderwood Heights. The assessment can only be fifteen percent of the value of the actual lots (property) excluding any improvements. This was the understanding of both the City and the developers of Alderwood at the time that the agreement was signed.

If you assume those lots are worth \$50,000 to \$65,000 right now the assessment could not exceed \$9,750. However, because the upgrade of the City for fire protection purposes would only require additional reservoir capacity, the costs would probably be significantly less.

Charles A. Hubbert
March 26, 2003
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Re: Declaration of Covenants and Restriction
For Alderwood Heights Development

In any event, a majority of the homeowners would first have to vote in favor of annexation to the City, secondly a majority of the property owners in both Alderwood and Valley View would have to sign an agreement to form a LID to incur the costs of fire protection upgrade if the same is necessary. Finally, even if the upgrade was a significant cost beyond what our current expectations are, any one lot could not be charged more than \$9,750 under current valuation of \$65,000 for the property.

Finally, Mr. Farmer asked about an increase in costs because of annexation. If the property were annexed today, the property taxes for the Alderwood residents would go down. The tax milage in the City of Chehalis is lower than the tax milage in the County. I trust this information will answer Mr. Farmers questions. Certainly if he has any further concerns you can bring them to my attention. If you have any other questions, give me a call.

WTH:tl

admin@lcfpd5.com
PO Box 259, Napavine, WA 98565
Phone: 360-262-3320
FAX: 360-262-3893



COMMISSIONERS:
Sam Patrick, Chair
Sandra White
Mike Goodwillie

Gregg Peterson, Interim Fire Chief

October 17, 2025

Stacy Denham, City Manager
City of Chehalis
350 N Market Boulevard
Chehalis, WA 98532

Re: City of Chehalis Proposed Annexation – Notice of interest in being a party to interlocal
City of Chehalis Proposed Annexation – Request for impact report (RCW 35A.14.488)

Dear City Manager Denham,

Thank you for your letter dated September 18, 2025. After careful consideration of the proposed annexation and the significant impacts that the proposed annexation would have on Lewis County Fire District 5, the Board of Commissioners authorized me to provide notice of our interest and intent to be a party to the Interlocal Agreement with the City and County. This notice is being provided pursuant to RCW 35A.14.472 which incorporates by reference RCW 35A.14.296(2).

We are also requesting “a report regarding the likely effects that the annexation and any associated asset transfers may have upon the safety of residents within and outside the proposed annexation area” as authorized by RCW 35A.14.488.

We believe the requested report and our participation in the interlocal process will better protect the interests of the Fire District’s residents, business owners and property owners. We note that the current draft interlocal agreement does not adequately address the fire district impacts as required by RCW 35A.14.296(2) and RCW 35A.14.472(4). Specifically, our intent is to address the impacts on the Fire District and its ability to provide services to the areas of the District not included in the proposed annexation area while also insuring that residents, business owners and property owners in the annexation area do not suffer a decrease in the level of service.

Please advise as to when you would like to schedule a meeting to begin discussions of our participation in the interlocal agreement.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Sam Patrick', written over a horizontal line.

Sam Patrick, Board Chair
Lewis County Fire District 5

cc: Lewis County Commissioners

2123 Jackson Hwy
Chehalis, WA 98532
(360) 748-6019
(360) 740-8084 fax



Commissioners:
James Martin
Gregory Greene
Brian Greene

Rural Chehalis • Adna • Logan Hill • Newaukum Hill • North Fork



Date: 10/15/2025

RE: City of Chehalis Proposed Annexation – Notice of interest in being a party to interlocal
City of Chehalis Proposed Annexation – Request for impact report (RCW 35A.14.488)

Dear City Manager Denham,

Thank you for your letter dated September 18, 2025. After careful consideration of the proposed annexation and the significant impacts that the proposed annexation would have on Lewis County Fire Protection District No. 6, the Board of Commissioners authorized me to provide notice of our interest and intent to be a party to the Interlocal Agreement with the City and County. This notice is being provided pursuant to RCW 35A.14.472 which incorporates by reference RCW 35A.14.296(2).

We are also requesting “a report regarding the likely effects that the annexation and any associated asset transfers may have upon the safety of residents within and outside the proposed annexation area” as authorized by RCW 35A.14.488.

We believe the requested report and our participation in the interlocal process will better protect the interests of the Fire District’s residents, business owners and property owners. We note that the current draft interlocal agreement does not adequately address the fire district impacts as required by RCW 35A.14.296(2) and RCW 35A.14.472(4). Specifically, our intent is to address the impacts on the Fire District and its ability to provide services to the areas of the District not included in the proposed annexation area while also insuring that residents, business owners and property owners in the annexation area do not suffer a decrease in the level of service.

2123 Jackson Hwy
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Commissioners:
James Martin
Gregory Greene
Brian Greene

Rural Chehalis • Adna • Logan Hill • Newaukum Hill • North Fork

Please advise as to when you would like to schedule a meeting to begin discussions of our participation in the interlocal agreement.

Respectfully,

A handwritten signature in black ink, appearing to be "J. Cole", written over a horizontal line.

Jerry Cole, Fire Chief

Lewis County Fire District #6

cc: Lewis County Commissioners