February 3, 2026
5:15 PM

CITY OF CHELAN
CITY COUNCIL WORKSHOP AGENDA

Chelan City Hall
Council Chambers

1. CALL TO ORDER AND ROLL CALL

2. AGENDA CHANGES

3. WORKSHOP DISCUSSION TOPICS

   A. Historic Downtown Chelan Association (HDCA) Annual Report (City Administrator McAloon/HDCA Director Sheridan)

   B. Transpo Group Traffic Analysis Presentation (Public Works Director Youngren)

   C. Resolution No. 2026-14XX Six Year Transportation Program (STIP) 2026-2031 (Public Works Director Youngren)

   D. Home Occupancy Zoning Code Update (Community Development Director Ajax)

   E. Chelan Municipal Code (CMC) 5.20 Peddlers, Hawkers and Transient Businesses Update (Community Development Director Ajax)

   F. Lake Chelan Sewer District (LCSD) Interlocal Repayment and Reimbursement Agreement for Lift Station No. 5 Improvements (Finance Director Evans)

   G. J-U-B-Engineers, Inc. Authorization for Contract Amendment No. 1 & Scope of Services for the Runway and Taxiway Relocation Environmental Assessment (City Administrator McAloon/J-U-B Project Manager Ike)

4. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

5. MAYOR AND COUNCIL COMMENTS

6. ADJOURNMENT

Our Vision

Chelan is a rural lakeside community surrounded by pristine natural beauty where generations of visitors and residents enjoy an exceptional quality of life.

Our Guiding Principles & Outcomes

Visionary & Strategic - A city that is forward-thinking, collaborative, and fiscally responsible.
Thriving & Connected - A vibrant, well-planned city where residents have a sense of home.
Healthy & Sustainable - A flourishing city that supports an active community.
Accessible & Welcoming - A safe city where everyone can find community.

The next meeting will be a City Council Regular Meeting on February 10, 2026, beginning at 5:15 p.m. in Council Chambers, 135 E. Johnson Avenue, Chelan, Washington.

A City Council meeting packet is available for review on the City's Website: City of Chelan under Government - City Council - Agendas & Minutes.

INTERLOCAL REPAYMENT AND REIMBURSEMENT AGREEMENT
LIFT STATION NO. 5 IMPROVEMENTS

This Interlocal Repayment and Reimbursement Agreement ("Agreement") is entered into by and between the City of Chelan, a Washington municipal corporation (the "City"), and the Lake Chelan Sewer District, a Washington special purpose district (the "District"). The Agreement is effective as of [date] (the "Effective Date").

RECITALS

A. The City and the District are public agencies as defined in RCW 39.34.020 and are authorized to enter into interlocal agreements pursuant to chapter 39.34 RCW.

B. The City previously completed certain capital improvements associated with Lift Station No. 5 (the "Project").

C. The District has determined that a portion of the Project costs are properly allocable to the District, and the District desires to repay the City for those costs on the terms set forth in this Agreement.

D. The Parties intend this Agreement to memorialize and formalize repayment terms for the Project costs previously paid and/or advanced by the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. PURPOSE; AMOUNT OWED

1.1. Purpose. The purpose of this Agreement is to document the District's repayment obligation to the City for District's allocable share of the Project costs and to establish repayment terms.

1.2. Principal Amount. The District acknowledges it owes the City the principal sum of six hundred seven thousand five hundred sixty three dollars and forty cents, $607,563.40 (the "Principal Amount") for the Project.

1.3. Cost Documentation. The Project cost basis for the Principal Amount is summarized in Exhibit B (Project Cost Summary).

2. DEFINITIONS

First Payment Date means the first Payment Date occurring after the Effective Date, unless a different first payment date is specified in Exhibit A.

Maturity Date means the date the Outstanding Balance is scheduled to be paid in full under Exhibit A.

Payment Date means June 30th of each year, or such other annual date as the Parties may specify in Exhibit A.

Outstanding Balance means the unpaid Principal Amount plus accrued and unpaid interest, if any.

3. INTEREST

3.1. Interest Rate. Interest shall accrue on the outstanding Principal Amount at 4.31978% per annum.

3.2. Interest Accrual Start. Interest shall begin accruing when contract is ratified.

3.3. Interest Calculation. Interest shall be calculated on an Actual/365 basis unless otherwise specified in Exhibit A.

3.4. Application of Payments. Each payment shall be applied first to accrued interest, then to principal as outlined on Exhibit A.

3.5. Justification of Rate: Finance Director performed a review of historic investment rate of returns from the City's Local Government Investment Pool account. The interest rate for the purpose of this agreement was calculating using a 12-month rolling average from Dec 2024-Dec 2025.

4. REPAYMENT TERMS

4.1. Payment Schedule. District shall repay the Principal Amount in [number] annual installments as set forth in Exhibit A (Amortization Schedule), incorporated by this reference.

4.2. Due Dates. Annual payments shall be due on each Payment Date, commencing on the First Payment Date, and continuing annually until the Outstanding Balance is paid in full on or before the Maturity Date.

4.3. Payment Method. Payments shall be made by check or ACH to City at the address in Section 9, or such other address or remittance instructions as City may designate in writing.

4.4. No Penalty Prepayment. The District may prepay all or any portion of the Outstanding Balance at any time without penalty. Any partial prepayment shall be applied first to accrued interest (if any), then to principal. City will update Exhibit A administratively to reflect any prepayment.

5. LATE PAYMENT; DEFAULT; REMEDIES

5.1. Grace Period. A payment not received within thirty (30) days after its due date is delinquent.

5.2. Events of Default. The following constitute events of default under this Agreement:

5.2.1. Failure to make any payment within thirty (30) days of the due date;

5.2.2. Breach of any other material term of this Agreement that remains uncured for sixty (60) days after written notice.

5.3. Remedies. Upon an event of default, City may declare the entire Outstanding Balance immediately due and payable and may exercise any other remedies available at law or in equity, subject to Section 6 if applicable.

5.4. No Waiver. Failure to enforce any provision of this Agreement does not constitute a waiver of that provision or any other provision. Any waiver must be in writing and signed by the waiving Party.

6. ADMINISTRATION; RECORDS

6.1. Contract Administrators. The Parties designate the following administrators for day-to-day administration of this Agreement:

City:	Laura McAloon, City Administrator
District:	Mark Babcock, District Chair

6.2. Administrative Updates. The administrators may make administrative changes that do not alter the Principal Amount, Interest Rate, number of installments, or the Payment Date, including (i) updating remittance instructions, (ii) updating Exhibit A after a prepayment, and (iii) correcting clerical errors.

6.3. Records. Each Party shall maintain records related to this Agreement in accordance with applicable records retention requirements and applicable law.

7. NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when personally delivered or when sent by certified mail, return receipt requested, to the addresses below (or to any updated address provided by written notice).

To the City:	*To the District:*
City of Chelan PO Box 1669 135 E. Johnson Avenue Chelan, WA 98816 Attn: City Administrator	Lake Chelan Sewer District 50 Chelan Falls Hwy Chelan, WA 98816 Attn: Board of Commissioners

8. RCW 39.34 TERMS; FILING/POSTING

8.1. Duration. This Agreement begins on the Effective Date and ends when the Outstanding Balance is paid in full, unless terminated earlier by mutual written agreement.

8.2. Purpose. See Section 1.1.

8.3. Financing and Budgeting. Payments are as described in Sections 3 and 4. Each Party shall budget as required by law.

8.4. Termination. This Agreement may be terminated only by mutual written agreement of the Parties. Termination does not relieve District of amounts accrued and owed unless expressly stated in the termination agreement.

8.5. No Separate Entity; Property. No separate legal entity is created by this Agreement. This Agreement does not involve acquisition, holding, or disposal of jointly held property; it contemplates only the transfer of payment funds.

8.6. Filing/Posting. The Parties shall ensure compliance with RCW 39.34.040 by filing this Agreement with the Chelan County Auditor or posting/listing as permitted by law.

9. GENERAL PROVISIONS

9.1. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action shall lie in Chelan County Superior Court unless otherwise required by law.

9.2. Entire Agreement. This Agreement (including Exhibits) constitutes the entire agreement between the Parties and supersedes all prior understandings, whether written or oral, relating to the subject matter hereof.

9.3. Amendment. Except as provided in Section 6.2, this Agreement may be amended only by a written instrument executed by both Parties and approved by their respective governing bodies if required by law.

9.4. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder shall continue in full force and effect.

9.5. Authority. Each Party represents and warrants that it has full power and authority to enter into this Agreement and that the execution and performance of this Agreement have been duly authorized by all necessary action.

9.6. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Electronic signatures are permitted.

CITY OF CHELAN	LAKE CHELAN SEWER DISTRICT
By: ________________________________	By: ________________________________
Erin McCardle, Mayor	Name/Title: __________________________
Date: _______________________________	Date: _______________________________
Date Motion Passed:___________________	Date Motion Passed: ___________________

EXHIBIT A - AMORTIZATION SCHEDULE (ANNUAL)

	Year	Interest	Principal	Ending Balance
2026	1	$25,269.87	$49,658.65	$557,904.75
2027	2	$23,081.74	$51,846.78	$506,057.98
2028	3	$20,797.19	$54,131.32	$451,926.66
2029	4	$18,411.98	$56,516.53	$395,410.12
2030	5	$15,921.67	$59,006.84	$336,403.28
2031	6	$13,321.62	$61,606.89	$274,796.39
2032	7	$10,607.01	$64,321.50	$210,474.89
2033	8	$7,772.79	$67,155.72	$143,319.17
2034	9	$4,813.68	$70,114.83	$73,204.33
2035	10	$1,724.18	$73,204.33	$0.00

EXHIBIT B - PROJECT COST SUMMARY

Revenue Received by City (paid by LCSD) Prior to Agreement

Year	Account Number	Title	Amount
2020	407-000-000-368-10-02-20	Sewer Capital LCSD - Lift Station 5	$ 5,072.47
2021	407-000-000-368-10-02-20	Sewer Capital LCSD - Lift Station 5	$ 68,694.06
2022	407-000-000-368-10-02-20	Sewer Capital LCSD - Lift Station 5	$ 68,764.00
2023	407-000-000-368-10-02-20	Sewer Capital LCSD - Lift Station 5	$ 68,656.00
2024	407-000-000-368-10-02-20	Sewer Capital LCSD - Lift Station 5	$ -
		Total:	$ 211,186.53

Expenses Related to Lift Station 5 Capital Upgrades

Year	Account Number	Title	Amount
2020	407-000-000-594-35-41-20	Prof Serv-Lift St #5 Imp & Replcmt Eng	$ 86,405.17
2021	407-000-000-594-35-41-20	Prof Serv-Lift St #5 Imp & Replcmt Eng	$ 152,304.71
2021	407-000-000-594-35-62-21	Const-Lift St 5 & Forcemain Upgd	$ 1,365,121.42
2022	407-000-000-594-35-41-20	Prof Serv-Lift St #5 Imp & Replcmt Eng	$ 3,005.61
2022	407-000-000-594-35-62-21	Const-Lift St 5 & Forcemain Upgd	$ 30,662.95
		Total:	$ 1,637,499.86

Summary

	% Contribution	Project Contribution	Amount Paid	Amount Remaining
LCSD	50%	$ 818,749.93	$ 211,186.53	$ 607,563.40

J-U-B ENGINEERS, INC.

J-U-B ENGINEERS, Inc.
AGREEMENT FOR PROFESSIONAL SERVICES

Authorization for Contract Amendment
(FAA Format)

CLIENT: City of Chelan (S10) AIP Number 3-53-0013-016-2022

Project Name: Runway and Taxiway Relocation Environmental Assessment – Amendment 1

J-U-B Project Number: 7019-030

1. *Amendments.* The following amendment to Attachment 1 - Scope of Services to the project referenced above have been or will be performed by J-U-B ENGINEERS, Inc. (J-U-B). These Amendments are a supplement to the scope of services contained in J-U-B's existing Agreement for Professional Services (FAA Format) for this Project, dated October 8, 2019, and to the existing Supplemental Engineering Agreement No. 2 dated August 9, 2022. All other TERMS AND CONDITIONS of said Agreement remain in full force and effect.

   See attachment Amendment 1 Scope of Services, Basis of Fee and Schedule

2. *Verbal Authorization by CLIENT, if Applicable.* J-U-B was verbally authorized by the CLIENT to provide these Amendments by:

   ______________________________ *Name*   ______________________________ *Date*

3. *Payment for* Amendments. Unless otherwise noted below, J-U-B will provide these Amendments on a Lump Sum basis, using J-U-B's standard billing rates or, if applicable, the billing rates established in the initial Agreement for Professional Services.

   Other Basis for Payment:

   Current Contract Total = $449,981.76
   Total Contract Amendment Amount = $66,560
   Revised Contract Total = $457,981.76

4. *Schedule of Services.* Due to the Amendments, the Schedule of Services to be performed under the original Agreement for Professional Services is modified as follows:

   The anticipated schedule for this project includes finalizing the EA, the City being issued an environmental determination by the FAA and FAA grant closeout tasks. All works is anticipated to be completed by December 31, 2026.

Dated this _____ day of _____, _____,

CLIENT	**J-U-B ENGINEERS, Inc.**
By: ______________________	By: ______________________
Project Representative or Authorized Signatory for CLIENT	Project Representative or Authorized Signatory for J-U-B
______________________	Toby Epler, Vice President
Print or Type Name and Title	

J-U-B ENGINEERS, INC.

J-U-B ENGINEERS, Inc.
AGREEMENT FOR PROFESSIONAL SERVICES – (FAA FORMAT)

Amendment 1 – Scope of Services, Basis of Fee, and Schedule

PROJECT NAME: Runway and Taxiway Relocation Environmental Assessment – Amendment 1
AIRPORT NAME: Lake Chelan Airport
CLIENT: City of Chelan
A.I.P. NUMBER: 3-53-0013-016-2022
J-U-B PROJECT NUMBER: 70-19-030
CLIENT PROJECT NUMBER: Click or tap here to enter text.

ATTACHMENT TO:
☒ **AGREEMENT DATED: _____________; or**
☐ **AUTHORIZATION FOR ADDITIONAL SERVICES #X; DATED: ___________________**

The referenced Agreement for Professional Services executed between J-U-B ENGINEERS, Inc. (J-U-B) and the CLIENT is amended and supplemented to include the following provisions regarding the Scope of Services, Basis of Fee, and/or Schedule:

PART 1 - PROJECT UNDERSTANDING

Under the existing agreement, J-U-B agrees to perform and furnish professional services for the completion of an Environmental Assessment (EA), including environmental planning, resource evaluation, civil engineering and limited surveying services related thereto, as set forth below and contained within the overall project scope of services.

The Proposed Project improvements correlated to the EA include the following:

1. Acquisition of property in the vicinity of the airport in fee or easement and removal of orchard trees to allow for future development
2. Relocation of existing runways and taxiways
   a. A runway widening (75')/shift/rotation to comply with the future B-II configuration as shown on the ALP will be included in the Proposed Project.

   The runway extension was discussed with the FAA, Sponsor and Port during a meeting at the airport in May 2022. The Mayor, Port, and FAA all concurred that evaluating a runway extension was needed as a task within the EA scope of services.
3. Relocation of Howard Flats Road
4. Taxilane construction
5. Fuel system relocation
6. Relocation of existing hangars
7. Modifications to existing Greater Wenatchee Irrigation District (GWID) and private landowner irrigation systems on properties to be acquired for aircraft development.
8. AWOS installation

The relocation of the runway and taxiway is necessary due to road obstructions on each runway end, to provide runway to parallel taxiway separation, and to minimize surrounding terrain obstructions to the extent possible. The remaining Work in the Proposed Project Improvements is subsequently required to align with the revised runway and taxiway orientation as shown on the Airport Layout Plan (ALP) dated 11/22/2021.

The Proposed Project improvements, herein referred to as the "PROJECT," are illustrated on the Study Area Exhibit A (dated August 5, 2021). The EA study area limits encompass 201 total acres (179 for B-I (small), and an additional 22 for B-II ~~if~~ determined eligible by the FAA). This EA will address the Proposed Project action elements consistent with the Airport Layout Plan (ALP) dated November 2021.

Upon authorization from the Client to proceed, J-U-B shall:

Conduct an EA and determine existing environmental conditions within the defined EA Study Area. The EA will be developed in accordance with the Federal Aviation Administration (FAA) Order 5050.4B and 1050.1.F, as amended. The preparation of the EA will consist of the following tasks:

A. Project Formulation Phase:

   1. FAA/Sponsor/Consultant ongoing Coordination and Kickoff Meetings – Under the original EA scope, J-U-B was contracted to conduct a project kickoff meeting with CLIENT and FAA. The meeting will be held to determine the planning and study issues that will need to be addressed during the EA. Minutes of the project kickoff meeting will be compiled and forwarded to the FAA and CLIENT.

      The existing scope of work assumed 1 project kickoff meeting. To date we have had 4 mini project kickoff meetings with each FAA EPS that have been assigned to this project to date. The purpose of each meeting was to bring the EPS up to speed on the status of the EA progress.

   2. Project Management

      a. The initial scope of services assumed this project would be complete in 24 months. Our current target completion is the spring of 2026. Overall project management and sponsor coordination will extend an additional 24 months beyond the timeline described in the original scope of work.

      b. Regular monitoring of the project schedule, deliverables and budget.

      c. Provide ongoing document handling, filing and invoicing

   3. FAA Quarterly Performance and Annual Financial Reports - Prepare and submit FAA Quarterly Performance Reports throughout the project as well as annual financial reports e.g. SF 271 and 425 Form will be submitted during the project period.

      a. Eight (8) additional quarterly reports are/will be submitted as a part of this project

      b. Two (2) additional annual reports will be filed for this project

   4. Attend Airport Meetings - Attend six (6) meetings with the CLIENT during the project beyond the number or meetings shown in the original scope of work in order to keep management abreast of the progress of the project. Discussions will include project phasing, budget and schedule updates.

B. Conduct an Environmental Assessment:

   1. Development of the Proposed Action – Assist CLIENT in determination of the Proposed Action with analysis of available technical information for the Project Study Area, assembly and analysis of operations data to determine the configuration for inclusion in the EA, and early community and tribal involvement to identify any early comments or concerns with the relocation and potentially upgraded configuration, subject to FAA's approval of the operations data.

      b. Operations Data Confirmation – The approved ALP depicts a current B-I (small) configuration and future B-II configuration. Since approval of the master plan forecasts, the airport has seen increased operations by Group II aircraft. J-U-B will compile quantifiable available data including the most current FlightAware data, information from an on-airport counter, existing operations by users with small aircraft that would use a larger aircraft with a longer runway available, .existing Group II users with Chelan as their destination that currently use other airports due to runway length limitations, and potential

Group II users limited by the lack of hangar space (that has not been available due to lack of fire flow) and that would commit to a new hangar lease.

J-U-B will compile recent FlightAware data, data from a counter recently installed at the airport by the CLIENT, and documentation from those potential users operating Group II aircraft at the airport. Data will be tabulated and compared to the master plan approved forecast to determine if the future B-II configuration is warranted sooner than projected in the master plan.

This task was initially estimated to take 192 hours to compile and summarize operations data. This task took multiple meetings and over 250 hours to complete. It was not until April 16, 2024 that the FAA agreed to the B-II runway configuration without the extension.

e. Definition of the Project Study Area – Utilizing the determined Proposed Action, J-U-B, the CLIENT, and the FAA will determine the Project Study Area (Area of Potential Effect or APE) for use in the environmental determination.
This task required additional effort once the city, FAA and Port agreed to exclude the runway extension, see meeting references above. The APE exhibit had to be re-worked and replaced in all documents published to date. The team agreed to a project APE, after many revisions, in the fall/winter of 2024, 2 years after the project commenced.

<u>Exceptions:</u>

1. No ALP update is required.
2. No additional AGIS survey is required for this project.
3. Phase II work is not included with this scope. If Phase II Environmental Investigation work is required, then a supplemental scope of work will be developed.

<u>Deliverables:</u>

- No additional deliverables are included in this contract supplement.

PART 2 - BASIS OF FEE

A. CLIENT shall pay J-U-B for the identified Services in PART 1 as follows:

1. A lump sum fee of $66,560.

PART 3 - SCHEDULE OF SERVICES

J-U-B will perform all services according to the following schedule:

This Agreement shall be in effect from December 2021 to December 2026. In the event the services described shall not be completed during the term of this Agreement, the Agreement shall be amended.

This schedule shall be equitably adjusted as the PROJECT progresses, allowing for changes in scope, character or size of the PROJECT requested by the CLIENT or for delays or other causes beyond J-U-B's control.

Task Number	Task Name	Fee Type	Amount	Anticipated Schedule
A	Project Formulation	Time and Materials (Ceiling Amount Shown)	$47,326	Concurrent with work progress
B	Conduct EA	Time and Materials (Ceiling Amount Shown)	$15,759	Concurrent with work progress

	Expenses	Time and Materials (Ceiling Amount Shown)	$3,470	Concurrent with work progress
Total (rounded to the nearest 10):			**$66,560**	

***NOTE on Coronavirus and Schedule**: J-U-B is committed to meeting your project schedule commitments as delineated above. As our response to the COVID-19 pandemic, J-U-B is engaging in safety procedures to help protect our clients, staff, their families, and the public. Our staff or offices may be subject to quarantine or other interruptions. Since COVID-19 impacts are beyond J-U-B's control, we are not responsible for the force majeure impacts to delivery timelines, or subsequent project delays and related claims, costs, or damages. Should circumstances related to the COVID-19 issue arise with J-U-B staff or in a J-U-B office that will impact our delivery schedule, we will notify you of the circumstances and mutually agree to a schedule adjustment*

Exhibit(s): N/A