

CITY COUNCIL WORKSHOP

July 16, 2013
5:30 p.m.

AGENDA



"Where Dreams Can Soar"

The City of Bonney Lake's Mission is to protect the community's livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

*The City Council may act on items listed on this agenda, or by consensus give direction for future action.
The Council may also add and take action on other items not listed on this agenda.*

Location: Bonney Lake Justice & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. Call to Order: Mayor Neil Johnson

II. Roll Call:

Elected Officials: Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember James Rackley, and Councilmember Tom Watson.

III. Agenda Items:

- A. **Council Open Discussion.**
- Pg. 3 B. **Review of Council Minutes:** June 4, 2013 Workshop, June 11, 2013 Meeting, and July 9, 2013 Meeting.
- Pg. 17 C. **Discussion/Action:** AB13-94 – D13-94 – Ordinance Authorizing Bond Refinancing.
- Pg. 51 D. **Discussion:** AB13-82 – Ordinance D13-82 – Ordinance Amending BLMC 13 Related to Water and Sewer Utility Charges, Billing, and Collection Updates.
- Pg. 63 E. **Discussion:** Potential Boundary Line Adjustment (BLA) and sale of former Reed home.
- Pg. 73 F. **Discussion:** Retention of Old Senior Center Van as Backup.

IV. Executive Session: Pursuant to RCW 42.30.110(b), the City Council may hold an executive session. The topic(s) and the session duration will be announced prior to the executive session.

V. Adjournment

For citizens with disabilities requesting translators or adaptive equipment for listening or other communication purposes, the City requests notification as soon as possible of the type of service or equipment needed.

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CITY COUNCIL WORKSHOP

June 4, 2013
5:30 P.M.

DRAFT MINUTES



"Where Dreams Can Soar"

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Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the workshop to order at 5:33 p.m.

II. ROLL CALL:

Administrative Services Director/City Clerk Harwood Edvalson called the roll. Elected officials attending were Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember James Rackley, and Councilmember Tom Watson. Councilmember Mark Hamilton was absent.

**Councilmember Rackley moved to approve Councilmember Hamilton's absence.
Councilmember Lewis seconded the motion.**

Motion approved 6 – 0.

Staff members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Chief of Police Dana Powers, City Attorney Kathleen Haggard, Administrative Services Director/City Clerk Harwood Edvalson, and Records and Information Specialist Susan Duis.

III. AGENDA ITEMS:

A. Council Open Discussion

Relay for Life: Councilmember Minton-Davis said the annual Relay for Life event is coming up on June 28-29, 2013. She noted this is directly after the AWC Conference which most of the Council plans to attend. She welcomed all to participate and join one of the two 'Team Bonney Lake' teams. Mayor Johnson also encouraged attendance but noted it is optional to participate in the charity event. Councilmember Watson thanked Councilmember Lewis for his support of the Senior Center team. Councilmember Minton-Davis said success for the event is based both on the amount of money raised and the number of people who participate.

Food Bank: Councilmember Rackley said the Bonney Lake Food Bank is raising funds to get matching donations from Century Link. Donations can be dropped off at the Justice & Municipal Center. City Administrator Morrison said Food Bank Director Stu Bowen will pick up a load of donated peanut butter and jelly from each City building on June 5th and plans to serve roasted corn as a 'thank you' to staff members who participated.

Elections: Councilmember Rackley said he and Mayor Johnson met together with editors at the Tacoma News Tribune for an interview.

Public Safety Committee: Councilmember Lewis said he attended the Public Safety Committee meeting in place of Councilmember Hamilton on June 3, 2013. He said the City's new Probation Officer has been hired, and the Committee forwarded a proposed software agreement for the probation program. He said the City is also working to get a van and trailer for the Probation Officer. He said the Public Safety Committee has been

involved in this process and he wanted the Council to be informed. The Probation Officer plans to attend a future Council Workshop to introduce himself and the new program.

Traffic Safety: Councilmember Watson requested information on how many traffic accidents have occurred due to increased development, particularly at the intersection of SR410 and 192nd Avenue East. He said this information would be helpful as the Council considers future developments. Mayor Johnson said he is not certain if exact information for certain intersections is available, but staff can pull information or perform traffic counts as needed. Councilmember McKibbin noted that WSDOT keeps statistics on SR 410.

Newspaper Editorial: Councilmember Minton-Davis referred to an editorial by past Councilmember Laurie Carter in the Courier Herald Newspaper. She said she wanted to clarify that the Community Development Committee heard a presentation on a proposed traffic signal on SR410 for the WSU Forest area, and the Committee recommended that the presentation be presented to the full council at a workshop. She again proposed to schedule the presentation for a future agenda. Councilmembers Lewis and Watson said they are also interested in hearing the presentation. Mayor Johnson said he requested additional information before the item came to a Workshop for discussion, so all concerns could be addressed at that time. He said once the information is ready he will work with the Committee chair to bring the item forward for the Full Council. He noted that although WSDOT has said they do not support a traffic signal at the proposed location, a lot depends on the specific project, funding, and the City's stance on the issue.

B. Review of Council Minutes: May 21, 2013 Workshop, and May 28, 2013 Council Meeting Minutes.

The minutes were forwarded to the June 11, 2013 Meeting for action with no corrections.

C. Discussion: AB13-69 – Motion Ratifying Administrative Policy No. 200.030 – Accounts Receivable.

City Administrator Morrison said the Finance Committee has been working on the proposed policy for about a year. He said the Government Finance Officers Association recommends that this type of policy be in place, and it has been a focus of the State Auditor's Office (SAO) in past audits. He said the goal is to get outstanding receivables off the balance sheet. He said though this is an administrative policy, it is coming before the Council as it dictates which amounts can be written off by staff, versus which must come before the Council. The proposed policy has three levels for write-offs: balances under \$150 could be written-off administratively by the Chief Financial Officer (CFO); balances from \$150 to \$10,000 would come before the Finance Committee for approval or forwarding to the full Council, and amounts over \$10,000 would come before the full Council for a motion to approve the write-off. He said the City has not written any debts off for over ten years. Councilmember Watson asked how the potential write-offs might impact the City's financials. City Administrator Morrison said staff can run an aging report for the Council.

Councilmember Lewis asked how the proposed policy compares with other cities and whether the SAO provided guidance. CFO Juarez said he received input from the SAO including a checklist of accounts receivable items to consider. He said the SAO's guidance is fairly broad, stating only that the governing body should review accounts receivables on a periodic basis.

Councilmembers discussed the proposed levels for write-off authorizations. Consensus of the Council was that the CFO should be authorized to write off a higher amount than \$150, given that proper review is done.

Councilmember Rackley expressed concern that not all write-offs will be reviewed by Councilmembers and/or the Finance Committee. He said the Finance Committee should at least receive a regular aging report and a report of all write-offs approved by the CFO. City Administrator Morrison suggested that the policy include a direction to provide a report of lower-level write-offs to the Finance Committee.

CFO Juarez said that the policy is not in its final form as the City Attorney has suggested additional revisions, but he wanted to bring it forward to the Council to determine whether it might move forward. Deputy Mayor Swatman said the proposed policy has been discussed many times by the Finance Committee. CFO Juarez said the City should also consider how it issues credit, and suggested a credit policy should also be drafted.

Councilmembers discussed the proposed levels for write-offs and whether to use the Finance Committee for an intermediary level. Consensus of the Council was to amend the first tier of write-off authority for the CFO up to \$500, with higher amounts brought before the Finance Committee and/or Full Council for approval. The proposed policy was forwarded to the July 9, 2013 Meeting for action.

D. Discussion: AB13-76 – Reed Property Residence.

Councilmembers discussed the city-owned property known as the Reed Property at 7109 Barkubain Road. City Administrator Morrison said the residence has deteriorated and staff proposes making repairs and leasing the property. He said an existing tenant who lives on City-owned property (the Renwood parcel) is interested in leasing the Reed property and doing some of the repairs. City Administrator Morrison said that according to the County Assessor's office, much of the value of this property is in the house. He noted that two large subdivisions are planned to the north and south of the property, and in a couple of decades this property could be included in the CUGA and be very useful to the City. He noted that the parcel could be short-platted in the future, separating the house from the farm.

Councilmembers discussed the projected costs for repairs and rehabilitation of the house and whether it should be leased to a tenant. Councilmember Watson said he does not support additional spending to repair the house. Councilmember Minton-Davis said the utility bill for the property is quite high, and questioned whether the proposed repairs would make it more efficient. Councilmember Rackley suggested the City request the property be valued to determine the cost/benefit for repairing or demolishing the home. Mayor Johnson said he would like to keep the house, but has concerns that it will be too expensive to maintain in the long-term.

Councilmember Lewis said he does not support repairing and leasing the house. Councilmember McKibbin said he would support leasing the property if it looked like it would pay the City back. He said part of the house may be worth saving, but his long-term interest is to use the property for Public Works, and he would not vote in favor of rehabilitating the house. Councilmember Rackley said the City did not buy the property for the house; he said the house was incidental to the property purchased for the utility, and it has become costly.

Council consensus was that the Reed Property house not be rehabilitated or repaired, and instead removed.

- E. Discussion:** AB13-77 – Proposed Cancellations of June 25, 2013 Council Meeting and August 6, 2013 Council Workshop.

Councilmembers discussed that the June meeting has traditionally been cancelled to allow for attendance at the annual Association of Washington Cities Conference, and the August workshop has been cancelled in the past to allow for participation in National Night Out celebrations.

- IV. EXECUTIVE SESSION:** None.

- V. ADJOURNMENT:**

At 6:27 p.m., Councilmember Lewis moved to adjourn the Council Workshop. Councilmember Watson seconded the motion.

Motion to adjourn approved 6 – 0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council for the June 4, 2013 City Council Workshop: None.

Note: Unless otherwise indicated, all documents submitted at City Council meetings and workshops are on file with the City Clerk. For detailed information on agenda items, please view the corresponding Agenda Packets, which are posted on the city website and on file with the City Clerk.

CITY COUNCIL MEETING

June 11, 2013
7:00 P.M.

DRAFT MINUTES



“Where Dreams Can Soar”

The City of Bonney Lake’s Mission is to protect the community’s livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:02p.m.

- A. Flag Salute: Mayor Johnson led the audience in the Pledge of Allegiance.
- B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, and Councilmember Jim Rackley. Councilmember Tom Watson was absent.

Councilmember Rackley moved to excuse Councilmember Watson’s absence. Councilmember Lewis seconded the motion.

Motion approved 6 – 0.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Kathleen Haggard, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:

- 1. Announcements: None.
- 2. Appointments: None.
- 3. Presentations: None.

D. Agenda Modifications: None.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

- A. Public Hearings: None.
- B. Citizen Comments:

Shawnta Mulligan, 11329 177th Ave, Bonney Lake, said the Lions for Kids House is holding a garage sale on June 15th. She also suggested that before the City demolishes the house on the Reed Property at 7109 Barkubein Rd, any antique hardware or other items of value be removed and donated to a community group such as Lions for Kids.

- C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS

- A. Finance Committee: Deputy Mayor Swatman said the Committee met at 5:30 p.m. earlier in the evening and forwarded a developer's extension agreement to a future meeting; forwarded agreements for street striping and chip seal projects to the current agenda; reviewed meeting notes; and discussed revisions to the draft Accounts Receivable policy.
- B. Community Development Committee / Economic Development Focus Group: Councilmember McKibbin said the Community Development Committee has not met since the last Council Meeting.

Councilmember Minton-Davis said the Economic Development Focus Group met on June 4, 2013 and discussed the City's Vision Statement. They have scheduled a special Committee meeting for July 30, 2013 to focus specifically on completing the Vision Statement. She said the Committee has invited local business owners to attend the next EDFG meeting to give feedback on doing business in Bonney Lake. Director Vodopich said he sent invitations to select business owners on June 10th.

- C. Public Safety Committee: Councilmember Lewis said the committee met on June 3, 2013. The Committee received and reviewed the Police Department's 2012 Annual Report, and discussed the new Probation Officer position and a contract for case management software, which is on the current agenda.
- D. Other Reports: None.

IV. CONSENT AGENDA:

- A. **Approval of Minutes**: May 21, 2013 Workshop and May 28, 2013 Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers**: Accounts Payable checks/vouchers #66228-66306 (including wire transfers #11304006, 20130515, 20130513, and 20130516) in the amount of \$406,338.62. Accounts Payable checks/vouchers #66307-66325 for Utility refunds in the amount of \$1,902.35. Accounts Payable checks/vouchers #66326-66304 for Accounts Receivable deposit refunds in the amount of \$47,764.39. Accounts Payable wire transfer #2013051701 for P-Card purchases in the amount of \$43,567.49. VOIDS: None.
- C. **Approval of Payroll**: Payroll for May 16th - 31st, 2013 for checks #31128 - 31153 including Direct Deposits and Electronic Transfers in the amount of \$ 680,123.27.
- D. **AB13-70 – Resolution 2305** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Awarding The Evergreen Point Watermain Contract To Hoffman Construction Incorporated.
- E. **AB13-77** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Cancelling The Regular Council Meeting and Finance Committee Meeting Of June 25, 2013 And The Regular Council Workshop and Community Development Committee Meeting Of August 6, 2013.

Councilmember Rackley moved to approve the Consent Agenda. Councilmember Lewis seconded the motion.

Consent Agenda approved 6 – 0.

V. FINANCE COMMITTEE ISSUES:

- A. **AB13-72 – Ordinance 1462 [D13-72]** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Title 15 Of The Bonney Lake Municipal Code, Relating To Adoption Of Revised International Codes.

Councilmember Lewis moved to approve Ordinance 1462. Councilmember Rackley seconded the motion.

Director Vodopich said the proposed ordinance was provided to the Master Builders Association. Their comment was addressed by East Pierce Fire & Rescue Chief Jerry Thorson, and the City received no other feedback on the item.

Ordinance 1462 approved 6 – 0.

- B. **AB13-78 – Resolution 2308** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Professional Services Agreement With Stripe Rite, Inc. For The 2013 Street Striping And Pavement Markings Project.

Councilmember Lewis moved to approve Resolution 2308. Deputy Mayor Swatman seconded the motion.

Mayor Johnson said this is an annual practice to keep City roads in good condition.

Resolution 2308 approved 6 – 0.

- C. **AB13-79 – Resolution 2309** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contractor Agreement With Doolittle Construction, LLC For The 2013 Chip Seal Application.

Councilmember Lewis moved to approve Resolution 2309. Councilmember Rackley seconded the motion.

Mayor Johnson said staff do a good job of cleaning streets after the chip seal application. Councilmember Rackley requested that the chip seal map be posted online and provided to the Councilmembers.

Resolution 2309 approved 6 – 0.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES: None.

VII. PUBLIC SAFETY COMMITTEE ISSUES:

- A. **AB13-80 – Resolution 2310** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Sign A Contract

For Services Between The City Of Bonney Lake, Washington And Caseload Pro For The Probation Division.

Councilmember Lewis moved to approve Resolution 2310. Councilmember Rackley seconded the motion.

Mayor Johnson noted that this item was listed under Community Development Committee Issues on the Meeting agenda in error, as it was actually forwarded by the Public Safety Committee.

Councilmember Lewis said he discussed this item with the Full Council at the June 4, 2013 Workshop. He said the Probation Officer needs this software for the City's new probation program. Councilmember Hamilton asked whether the service contract was budgeted along with the Probation Officer's salary. City Administrator Morrison and Court Administrator Kathy Seymour, who was in attendance in the audience, confirmed that the proposed service contract was budgeted along with the salary, equipment and supplies for the Probation Officer.

Resolution 2310 approved 6 – 0.

VIII. FULL COUNCIL ISSUES: None.

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT:

At 7:14 p.m., Councilmember Rackley moved to adjourn the Council Meeting. Councilmember Lewis seconded the motion.

Motion to adjourn approved 6 – 0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the June 11, 2013 Meeting: None.

Note: Unless otherwise indicated, all documents submitted at City Council meetings and workshops are on file with the City Clerk. For detailed information on agenda items, please view the corresponding Agenda Packets, which are posted on the city website and on file with the City Clerk.

CITY COUNCIL MEETING

July 9, 2013
7:00 P.M.

DRAFT MINUTES



"Where Dreams Can Soar"

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Website: www.ci.bonney-lake.wa.us

Location: Bonney Lake Justice & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – “Mayor For A Day” Felix Revelee called the meeting to order at 7:00 p.m.

- A. Flag Salute: “Mayor For A Day” Revelee led the audience in the Pledge of Allegiance.
- B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to “Mayor For A Day” Revelee, elected officials attending were Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson. Councilmember Donn Lewis was absent.

Councilmember Watson moved to excuse Councilmember Lewis’ absence. Councilmember Hamilton seconded the motion.

Councilmember Watson said that Councilmember Lewis was out of town.

Motion approved 6 – 0.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Kathleen Haggard, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:

- 1. Announcements: None.
- 2. Appointments: None.
- 3. Presentations:
 - a. **Mayor For A Day** – Felix Revelee.

Mayor Johnson presented Felix with a certificate for his experience as “Mayor For A Day” and welcomed him to sit at the dais and help conduct the meeting.

D. Agenda Modifications: None.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

- A. Public Hearings: None.

B. Citizen Comments:

Amanda Bowen, 7602 208th Ave E, Bonney Lake, said she is proud of Felix for his interest in local government and she is glad to see him sitting at the dais for the Meeting.

C. Correspondence: None.**III. COUNCIL COMMITTEE REPORTS**

A. Finance Committee: Deputy Mayor Swatman said the Committee met at 5:30 p.m. earlier in the evening and discussed personnel updates, including new hires. The Committee forwarded the following items to the next Council Meeting for action: Resolution 2313 (Eastown Sewer Phase 1), Resolution 2314 (Professional Services Agreement with Parametrix), a motion to accept as complete the Dike 13 improvements project, Resolution 2312 (a Local Government Investment Pool agreement), and the proposed Accounts Receivable Policy. The Committee also reviewed its meeting notes and discussed debt refinancing options with the City's bond consultant, Jim Nelson. A proposed bond refinancing ordinance will be discussed at the next Workshop.

B. Community Development Committee / Economic Development Focus Group: Councilmember McKibbin said the Community Development Committee met on June 18, 2013, and forwarded two items to the current agenda. Councilmember Watson said the Economic Development Focus Group met on July 2, 2013 and spoke with members of the Chamber of Commerce about how the City and businesses can better work together. He said the Focus Group will hold a special meeting on July 30, 2013 to finalize the Economic Development Focus and Vision statements of the Comprehensive Plan.

C. Public Safety Committee: Councilmember Hamilton said the committee has not met since the last Council Meeting.

D. Other Reports:

Park Board Updates: Councilmember Watson said he attended the July 8, 2013 Park Board Meeting. Residents in attendance discussed the historic WSU Forest master plan. Marian Betzer provided a history of the Fennel Creek area and proposed trails. The Board discussed park usage fees and the current Fennel Creek Trail / Safe Routes trail project. He reported that Facilities & Special Projects Manager Gary Leaf spoke about the ongoing 'gnome home' geocaching activity, and that volunteers from the Senior Center will paint new doors.

IV. CONSENT AGENDA:

A. **Approval of Accounts Payable and Utility Refund Checks/Vouchers:** Accounts Payable checks/vouchers #66341-66409 (including wire transfers #20130603, 20130604, and 20130605) in the amount of \$931,138.42.
Accounts Payable checks/vouchers #66410-66411 for Accounts Receivable deposit refunds in the amount of \$3,635.00.
Accounts Payable wire transfer #2013061701 in the amount of \$36,672.80.
Accounts Payable checks/vouchers #66412-66495 (including wire transfer #'s 11419239, 20130617, 2013061201) in the amount of \$2,349,557.23.

Accounts Payable checks/vouchers #22496-66497 for Accounts Receivable deposit refunds in the amount of \$896.37.

Accounts Payable checks/vouchers #66498-66521 for Utility account refunds in the amount of \$3,227.62.

Accounts Payable checks/vouchers #66522-66523 in the amount of \$4,599.50.

CORRECTION FROM PREVIOUS MEETING: At the 6/11/2013 Council meeting, there was a typo in the line for approving the Accounts Receivable deposit refunds. It originally stated: "Accounts Payable checks/vouchers #66326-66304 for Accounts Receivable deposit refunds in the amount of \$47,764.39". The correct numbers are: "Accounts Payable checks/vouchers #66326-66340 for Accounts Receivable deposit refunds in the amount of \$47,764.39".

- B. **Approval of Payroll:** Payroll for June 1 – 15th 2013 for checks #31154 - 31181 including Direct Deposits and Electronic Transfers is \$ 464,859.78
Payroll for June 16th – 30th 2013 for checks #31182-31213 including Direct Deposits and Electronic Transfers is \$699,747.95.
- C. ~~**AB13-75 – Resolution 2307 – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Water Developer Extension Agreement And Latecomer’s Agreement With Kelly Farms, LLC For Kelly Farms.**~~
Moved to Full Council Issues, Item C.
- D. **AB13-84 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Setting A Public Hearing For July 23, 2013 At 7:00 P.M. Or As Soon Thereafter As Possible, For The 2014-2019 Six Year Transportation Improvement Program (Proposed Resolution 2311).**

Mayor Johnson said Councilmember Watson had requested that Item C. Resolution 2307 be moved to Full Council Issues, Item C.

Councilmember Rackley moved to approve the Consent Agenda as amended. Councilmember Watson seconded the motion.

**Consent Agenda approved
as amended 6 – 0.**

V. FINANCE COMMITTEE ISSUES: None.

VI. COMMUNITY DEVELOPMENT ISSUES:

- A. **AB13-81 – Ordinance 1463 [13-81] – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Section 15.14.070 Of The Bonney Lake Municipal Code And The Corresponding Portions Of Ordinance No. 1394 Related To Appeals Of Stormwater Charges.**

Councilmember Rackley moved to approve Ordinance 1463. Councilmember Watson seconded the motion.

Ordinance 1463 approved 6 – 0.

VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

VIII. FULL COUNCIL ISSUES:

- A. **AB13-17 – Resolution 2271** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Increasing The City Of Bonney Lake Justice Center Tenant Improvement Phase 2 Project Contract To JB Construction Consulting, Inc. To Remedy Previous Defects.

Councilmember Watson moved to approve Resolution 2271. Deputy Mayor Swatman seconded the motion.

Mayor Johnson said this resolution has been in progress for some time, and this action should take care of the remaining issues.

Resolution 2271 approved 6 – 0.

- B. **AB13-88** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Setting A Public Hearing For July 23, 2013 At 7:00 P.M. Or As Soon Thereafter As Possible, To Review Community Development And Housing Needs, Inform Citizens Of The Potential Availability Of Planning Grant Funds For The State Community Development Block Grant (CDBG) Program, And Receive Public Input On Proposed Activities, Particularly From Lower And Middle Income Persons.

Councilmember Rackley moved to approve motion AB13-88. Councilmember Watson seconded the motion.

City Administrator Morrison said the City held a public hearing in November 2012 before applying for a CDBG construction grant. The City did not receive an award, but a different pool of funds is available for smaller planning grants. Staff feel that additional planning could help strengthen the City's construction grant application, and they plan to submit a planning grant application, and then reapply for a construction grant in 2014.

**Motion AB13-88 approved 5 – 1.
Councilmember McKibbin voted no.**

- C. **AB13-75 – Resolution 2307** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Water Developer Extension Agreement And Latecomer's Agreement With Kelly Farms, LLC For Kelly Farms.
Moved from Consent Agenda, Item C.

Councilmember Rackley moved to approve Resolution 2307. Deputy Mayor Swatman seconded the motion.

Councilmember Rackley asked if there are any risks in the agreement with Mr. Corliss. Community Development Director Vodopich said the agreement uses the standard City language, with no amendments. Councilmember Watson asked why the agreement is required, and expressed concern that this agreement would make it easier to develop the property. Director Vodopich said this agreement is specifically for fire suppression, as the site does not have sufficient water supply for the required sprinkler system.

Councilmember Hamilton said the Kelly Farm barn is used for events and there is a public safety concern if sufficient fire flow is not available for the sprinkler system. Mayor Johnson confirmed that this agreement will not allow additional development. He said in order to develop the property, the owners must request a zoning change and additional water service, which would be a separate process.

Councilmember McKibbin noted that the property is owned by Canyon Creek and Kelly Creek LLC. Director Vodopich confirmed this information and said the paperwork was signed by Mr. Corliss, who is the managing director for both companies.

**Resolution 2307 approved 5 – 1.
Councilmember Watson voted no.**

IX. EXECUTIVE SESSION:

Pursuant to RCW 42.30.110(1)(c), the Council adjourned to an Executive Session with the City Attorney at 7:21 p.m. for 15 minutes to discuss property sale negotiations. The Council returned to Chambers at 7:39 p.m. No action was taken.

X. ADJOURNMENT:

**At 7:39 p.m., Councilmember Rackley moved to adjourn the Council Meeting.
Councilmember Watson seconded the motion.**

Motion to adjourn approved 6 – 0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the July 9, 2013 Meeting: None.

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Finance / Al Juarez	Meeting/Workshop Date: 16 July 2013	Agenda Bill Number: AB13-94
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D13-94	Councilmember Sponsor: Deputy Mayor Swatman

Agenda Subject: Refunding of the 2008 LTGO Bonds for construction of the Justice & Municipal Center; and also, the conditional sales contract with Motorola, Inc.

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Issuance And Sale Of Limited Tax General Obligation And Refunding Bonds Of The City In The Aggregate Principal Amount Of Not To Exceed \$9,800,000 To Refund Certain Outstanding Obligations Of The City And To Pay Costs Of Further Development Of The City's Civic Campus.

Administrative Recommendation: Approve

Background Summary: As a result of changed market conditions, it appears to the City Council that debt service savings may be obtained by refunding all or a portion of the 2008 Bonds and prepaying the 2008 Motorola contract through the issuance of limited tax general obligation and refunding bonds of the City. This Ordinance delegates authority to the City Administrator and Chief Financial Officer to approve, subject to the terms and conditions contained in the ordinance, the sale of the Bonds to D.A. Davidson & Co. This delegation allows city administrators, in consultation with the City's financial advisor and bond underwriter, to monitor the bond market in order to optimally time and process the bond sale in order to take advantage of the lowest anticipated interest rate. The ordinance also prohibits city administrators from authorizing the transaction until certain savings targets can be met (minimum of 3.5%). If the bond sale never transpires prior to the end of the year, the bond ordinance and delegation of authority automatically expire.

Attachments: Yes

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation: Aggregate principal amount of the refunding bonds is not to exceed \$9,800,000			

COMMITTEE, BOARD & COMMISSION REVIEW											
Council Committee Review:	Finance Committee Date: 9 July 2013	<i>Approvals:</i> Chair/Councilmember Deputy Mayor Swatman Councilmember Randy McKibbin Councilmember Mark Hamilton	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">Yes No</td> </tr> <tr> <td></td> <td style="text-align: right;"><input checked="" type="checkbox"/> <input type="checkbox"/></td> </tr> <tr> <td></td> <td style="text-align: right;"><input checked="" type="checkbox"/> <input type="checkbox"/></td> </tr> <tr> <td></td> <td style="text-align: right;"><input checked="" type="checkbox"/> <input type="checkbox"/></td> </tr> </table>		Yes No		<input checked="" type="checkbox"/> <input type="checkbox"/>		<input checked="" type="checkbox"/> <input type="checkbox"/>		<input checked="" type="checkbox"/> <input type="checkbox"/>
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	Forward to: 7/16/2013 Workshop for review and/or action	Consent Agenda: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
Commission/Board Review:											
Hearing Examiner Review:											

COUNCIL ACTION	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS

Director:
Al Juarez, MBA

Mayor:
Neil Johnson Jr.

**Date Reviewed
by City Attorney:**
(if applicable):

CITY OF BONNEY LAKE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS, 2013

ORDINANCE NO. D13-94

AN ORDINANCE of the City of Bonney Lake, Washington, authorizing the issuance and sale of limited tax general obligation and refunding bonds of the City in the aggregate principal amount of not to exceed \$9,800,000 to refund certain outstanding obligations of the City and to pay costs of further development of the City's civic campus; delegating authority to the City Administrator and Chief Financial Officer to approve final terms of the bonds; providing for the disposition of the bond proceeds; appointing an escrow agent and execution of an escrow agreement to accomplish the refunding; and providing for the annual levy of taxes to pay the principal of and interest on the bonds.

PASSED: _____, 2013

Prepared by:

K&L GATES LLP
Seattle, Washington

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* This table of contents is not a part of this ordinance; it is included for convenience of the reader only.

ORDINANCE NO. D13-94

AN ORDINANCE of the City of Bonney Lake, Washington, authorizing the issuance and sale of limited tax general obligation and refunding bonds of the City in the aggregate principal amount of not to exceed \$9,800,000 to refund certain outstanding obligations of the City and to pay costs of further development of the City’s civic campus; delegating authority to the City Administrator and Chief Financial Officer to approve final terms of the bonds; providing for the disposition of the bond proceeds; appointing an escrow agent and execution of an escrow agreement to accomplish the refunding; and providing for the annual levy of taxes to pay the principal of and interest on the bonds.

WHEREAS, the City of Bonney Lake, Washington (the “City”), now has outstanding \$8,685,000 principal amount of its Limited Tax General Obligation Bonds, 2008 (the “2008 Bonds”), issued pursuant to Ordinance No. 1264 of the City, passed on December 1, 2007 (the “2008 Bond Ordinance”), as follows:

Maturities (December 1)	Principal Amounts	Interest Rates
2013	\$ 285,000	4.00%
2014	295,000	4.00
2015	305,000	4.00
2016	320,000	4.00
2017	330,000	4.00
2018	345,000	5.00
2019	365,000	4.50
2020	380,000	4.50
2021	395,000	4.50
2022	415,000	4.50
2027	2,350,000	4.25
2032	2,900,000	4.40

; and

WHEREAS, in accordance with the 2008 Bond Ordinance, the 2008 Bonds maturing on and after December 1, 2018, may be redeemed prior to their stated maturities, in whole or in part, on December 1, 2017, or any date thereafter, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, the City now has outstanding a principal balance of \$1,021,646.75 on its Conditional Sales Contract with Motorola Inc. dated April 18, 2008 (the “2008 Contract”), which is payable in approximately equal semiannual installments of principal and interest (at an interest rate of 4.54%) on June 1 and December of each year with a final payment due on June 1, 2018;

WHEREAS, the 2008 Contract permits the City to prepay its obligation in full, without prepayment penalty, on any installment payment date; and

WHEREAS, as a result of changed market conditions, it appears to the City Council (the "Council") that debt service savings may be obtained by refunding all or a portion of the 2008 Bonds and offering to prepay the 2008 Contract (the "Refunding Candidates") through the issuance of limited tax general obligation and refunding bonds of the City in an aggregate principal amount not to exceed \$9,800,000 (the "Bonds"); and

WHEREAS, to effect the refunding of the Refunding Candidates most advantageously to the City and its taxpayers, it is hereby found necessary and advisable that an escrow agent be appointed and that certain Government Obligations be purchased from proceeds of sale of the Bonds and certain money of the City; and

WHEREAS, the Council further deems it advisable and in the best interest of the citizens of the City to include in this financing the cost of further development of the City's civic campus, including additional improvements to the Justice & Municipal Center (the "Project"); and

WHEREAS, the Council wishes to delegate authority to the City Administrator and Chief Financial Officer to approve the sale of the Bonds to D.A. Davidson & Co. and to approve final terms of the Bonds under the terms and conditions set forth in this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, WASHINGTON, DO ORDAIN, as follows:

Section 1. Definitions. The following words and terms as used in this ordinance shall have the following meanings for all purposes of this ordinance, unless some other meaning is plainly intended.

Bond Fund means the Limited Tax General Obligation and Refunding Bond Redemption Fund, 2013, authorized to be established pursuant to Section 7 hereof.

Bond Purchase Contract means the agreement between the City and the Underwriter with respect to the purchase of the Bonds.

Bond Register means the registration records for the Bonds maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the State of Washington in New York, New York, whose duties include registering and authenticating the Bonds, maintaining the Bond Register, transferring ownership of the Bonds, and paying the principal of and interest on the Bonds.

Bonds means the City of Bonney Lake, Washington, Limited Tax General Obligation and Refunding Bonds, 2013, authorized to be issued in a principal amount not to exceed \$9,800,000 pursuant to this ordinance.

Call Date means the date or dates designated by the Designated Representative as the date or dates on which the Refunded Obligations will be paid and redeemed.

City means the City of Bonney Lake, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

City Administrator means the duly qualified, appointed and acting City Administrator of the City or any other officer who succeeds to the duties now delegated to that office.

Code means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds.

Council means the City Council as the general legislative authority of the City.

Designated Representative means the City Administrator or Finance Director or another City officer designated by the City Administrator.

DTC means The Depository Trust Company of New York, as depository for the Bonds, or any successor or substitute depository for the Bonds.

Escrow Agent means U.S. Bank National Association.

Escrow Agreement means the Escrow Deposit Agreement to be entered into by the City and the Escrow Agent pursuant to Section 11 of this ordinance.

Escrow Securities means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Obligations.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW, as such chapter may be hereafter amended or restated.

Letter of Representations means a blanket issuer letter of representations from the City to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successor to its functions.

Project means further developments to the civic campus of the City, including additional improvements to the Justice & Municipal Center, at a cost of approximately \$100,000.

Refunded Obligations means those Refunding Candidates designated for refunding by the Designated Representative pursuant to Section 10 of this ordinance.

Refunding Account means the account of that name established and maintained by the Escrow Agent pursuant to Section 11 of this ordinance.

Refunding Candidates means the 2008 Bonds and the 2008 Contract.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Savings Target means a dollar amount equal to at least 3% of the outstanding principal of the Refunded Obligations, i.e., the present value of (i) the aggregate debt service on the Bonds minus (ii) the aggregate debt service on the Bonds, after payment of all costs of issuance of the Bonds, must be at least 3.5% of the outstanding principal amount of the Refunded Obligations.

SEC means the Securities and Exchange Commission of the United States.

Underwriter means D.A. Davidson & Co.

2008 Bond Ordinance means Ordinance No. 1264, passed by the Council on December 11, 2007.

2008 Bonds means the City of Bonney Lake, Washington, Limited Tax General Obligation Bonds, 2008, dated January 4, 2008, issued in the original principal amount of \$10,000,000 pursuant to the 2008 Bond Ordinance.

2008 Contract means the Conditional Sales Contract dated April 18, 2008, between the City and Motorola Inc. in the original principal amount of \$1,938,528, approved by the Council pursuant to Resolution No. 1814 adopted on March 25, 2008.

In this ordinance, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bonds. To refinance the Refunded Obligations, thereby effecting a savings to the City and its taxpayers, and to pay costs of the Project and costs of issuing the Bonds, the City shall issue its limited tax general obligation and refunding bonds in an aggregate principal amount not to exceed \$9,800,000 (the “Bonds”). The Bonds shall be general obligations of the City, shall be designated “City of Bonney Lake, Washington, Limited Tax General Obligation and Refunding Bonds, 2013”; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date, payable semiannually on the dates set forth in the Bond Purchase Contract, commencing on a date and maturing on dates and in principal amounts set forth and approved in the Bond Purchase Contract executed by the Designated Representative pursuant to Section 10 of this ordinance. The Bonds shall bear interest at the rates set forth in the Bond Purchase Contract pursuant to Section 10 of this ordinance.

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby adopts the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agencies of the State of Washington in New York, New York, as registrar, authenticating agent, paying agent and transfer agent (the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds (the “Bond Register”), which shall be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(h) hereof, but such Bond may be transferred as

herein provided. All such payments made as described in Section 3(h) shall be valid and shall satisfy the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has heretofore executed and delivered to DTC the Letter of Representations.

Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds, or any consent given or other action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes, and all references in this ordinance to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Bonds.

(d) *Use of Depository.*

(i) The Bonds shall be registered initially in the name of "CEDE & Co.", as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the City pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the City to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the City, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or its nominee, all as specified in such written request of the City.

(iv) If (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the City

determines that it is in the best interest of the beneficial owners of the Bonds that the Bonds be provided in certificated form, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The City shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds in certificated form, to issue Bonds in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the City to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of the notice of such redemption.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated based on a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully-immobilized form, payments of principal and interest shall be made in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

If the Bonds are no longer in fully-immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date.

Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the interest payment date to an account with a bank located within the United States.

Section 4. Redemption; Purchase of Bonds.

(a) *Optional Redemption.* The Bonds may be subject to optional redemption prior to their stated maturities as set forth in the Purchase Contract approved by the Designated Representative pursuant to Section 10.

(b) *Mandatory Redemption.* If structured as term bonds, the Bonds may be subject to mandatory redemption on a schedule to be set forth in the Purchase Contract.

(c) *Selection of Bonds for Redemption.* As long as the Bonds are held in book-entry only form, the selection of Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in book-entry only form, the selection of such Bonds and maturity to be redeemed shall be made as provided in this subsection (c). If the City redeems at any one time fewer than all of the Bonds of the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. If only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

(1) Official Notice. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption, which notice may be conditional, shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(D) any condition to an optional redemption,

(E) that on the redemption date (unless the notice of redemption is a conditional notice, in which case the notice shall state that interest shall cease to accrue from the redemption date if and to the extent that any condition has been satisfied and funds have been provided to the Bond Registrar for the redemption of Bonds) the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date (if any conditions to an optional redemption have been met), the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. Unless the City has given a conditional notice and the conditions for redemption set forth therein are not satisfied, official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds that have been redeemed will be canceled and destroyed by the Registrar and may not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice may be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest, if any, borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive notice pursuant to Section 14, and to the Underwriter or to its business successor, if any, and to such persons and

with such additional information as the Designated Representative shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) CUSIP Number. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(e) Purchase of Bonds. The City reserves the right to purchase any of the Bonds offered to the City at any time at a price deemed reasonable by the City.

Section 5. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

CITY OF BONNEY LAKE

LIMITED TAX GENERAL OBLIGATION AND REFUNDING BOND, 2013

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY OF BONNEY LAKE, WASHINGTON (the "City"), a municipal corporation duly organized and existing under the laws of the State of Washington, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the date hereof, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first days of each _____ and _____, commencing on _____, 20___. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the Bonds are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Blanket Issuer Letter of Representations from the City to DTC.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$ _____ (the “Bonds”), issued for the purpose of refunding certain outstanding obligations of the City. The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and ordinances duly adopted by the City Council, including Ordinance No. _____ (the “Bond Ordinance”). Unless otherwise defined in this bond, capitalized terms used herein shall have the meanings given such terms in the Bond Ordinance.

The Bonds are subject to redemption prior to their stated maturities as set forth in the Bond Ordinance and Purchase Contract.

The Bonds are not “private activity bonds” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The Bonds have been designated by the City as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code.

The City has irrevocably covenanted for as long as any of the Bonds are outstanding that each year it will include in its budget and levy an *ad valorem* tax on all taxable property in the City, within and as part of the property taxes authorized by law to be levied by the City without a vote of the people, in an amount that, together with other lawfully available funds, will be sufficient to pay the principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The pledge of taxes for payment of the principal of and interest on the Bonds may be discharged prior to maturity of the Bonds by making provisions for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Bonney Lake, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and City Clerk and a facsimile of the seal of the City to be imprinted or otherwise reproduced hereon as of _____, 2013.

CITY OF BONNEY LAKE, WASHINGTON

By: _____
Mayor

ATTEST:

City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This is one of the City of Bonney Lake, Washington, Limited Tax General Obligation Bonds, 2013, dated _____, 2013, as described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
as Bond Registrar

By: _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

(Please print or typewrite name and address, including zip code, of Transferee)

the within bond and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____, ____.

SIGNATURE GUARANTEED:

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed, imprinted or otherwise reproduced thereon. If any officer who has signed or attested any of the Bonds ceases to be such officer before those Bonds have been actually issued and delivered, those Bonds shall be valid nevertheless and may be issued by the City with the same effect as though the person who had signed or attested those Bonds had not ceased to be such officer, and any Bond may be signed or attested on behalf of the City by an officer who at the date of actual execution of that Bond is the proper officer, although at the nominal date of execution of the Bond that person was not an officer of the City.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 5, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this ordinance.

Section 7. Bond Fund; Pledge of Taxes and Credit. There is hereby authorized and directed to be created in the office of the Finance Director a special fund to be drawn upon for the sole purpose of paying the principal of and interest on the Bonds to be known as the "Limited Tax General Obligation and Refunding Bond Redemption Fund, 2013" (the "Bond Fund"). The taxes hereafter levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond Fund no later than the date such funds are required for the payment of principal of and interest on the Bonds. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City funds. Any interest or profit from the investment of such money shall be deposited in the Bond Fund.

The City hereby irrevocably covenants for as long as any of the Bonds are outstanding that each year it will include in its budget and levy an *ad valorem* tax on all taxable property in the City, within and as part of the property taxes authorized by law to be levied by the City without a vote of the people, in an amount that, together with other lawfully available funds, will be sufficient to pay the principal of and interest on the Bonds as the same become due. All of such taxes so collected and any other money to be used for such purposes shall be paid into the Bond Fund.

The City hereby irrevocably pledges that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 8. Defeasance. If money and/or Government Obligations maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such money and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

The City shall give written notice of defeasance to the owners of all Bonds so provided and to each party entitled to receive notice in accordance with Section 13 of this ordinance.

Section 9. Tax Covenants; Special Designation. The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City that may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code that will cause the Bonds to be “arbitrage bonds” within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable regulations thereunder throughout the term of the Bonds. The City further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute “private activity bonds” under Section 141 of the Code.

The City hereby designates the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The City does not anticipate issuing more than \$10,000,000 in “qualified tax-exempt obligations” during 2013.

Section 10. Designation of Refunded Obligations; Sale of Bonds.

(a) *Savings Target.* The Designated Representatives are authorized to determine, in consultation with the Underwriter and the City's financial advisor, which of the Refunding Candidates, if any, are to be refunded by the issuance of the Bonds. In determining which of the Refunding Candidates should be refunded, the minimum Savings Target must be achieved. Those Refunding Candidates designated to be refunded are referred to in this ordinance as the "Refunded Obligations" and shall be set forth in the Purchase Contract authorized in subsection (b) herein. The principal amount of the Bonds will be an amount sufficient, together with other available funds of the City, to provide for the refunding of the Refunded Obligations and the payment of costs of issuance of the Bonds.

(b) *Bond Sale.* The Bonds shall be sold by negotiated sale to the Underwriter pursuant to the terms of the Purchase Contract. The Council has been advised that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Council. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representatives the authority to negotiate and approve final terms for the Bonds. The Designated Representatives shall take into account those factors that, in their judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this Section 10, a Designated Representative is hereby authorized to execute the final form of the Purchase Contract, upon the approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities, terms of redemption and redemption rights, and provisions for bond insurance, if any, set forth therein, so long as (i) the aggregate principal amount of the Bonds does not exceed \$9,800,000 and (ii) the minimum Savings Target is achieved.

Following the execution of the Purchase Contract, a Designated Representative shall provide a report to the Council, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The report will be provided to the Council electronically on the date of the Bond sale and a public report provided to the Council at the next regularly scheduled meeting. The authority granted to the Designated Representatives by this Section 10 shall expire on December, 2013. If a Purchase Contract for the Bonds has not been executed on or prior to December 31, 2013, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds authorized under this ordinance shall not be issued nor their sale approved unless the Bonds are re-authorized by ordinance. The ordinance re-authorizing the issuance and sale of the Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 10.

The Designated Representatives and other City officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, a Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including

Underwriter's discount, the fees and expenses specified in the Bond Purchase Contract, including fees and expenses of Underwriter and other retained services, including Bond Counsel, rating agencies, fiscal agency, escrow agent, verification agent, financial advisory services, escrow structuring services and other expenses customarily incurred in connection with issuance and sale of bonds.

(c) *Preliminary and Final Official Statements.* The Designated Representatives are hereby authorized to review and approve on behalf of the City the preliminary and final Official Statements for the Bonds with such additions and changes as may be deemed necessary or advisable to them. A Designated Representative is hereby further authorized to deem final the preliminary Official Statement for purposes of SEC Rule 15c2-12.

(d) *Bond Insurance.* The Designated Representatives are hereby also authorized to consider proposals from bond insurers and determine whether the use of bond insurance is economically advantageous to the City. If the Designated Representatives determine to obtain bond insurance, a Designated Representative is authorized to execute a commitment for insurance.

Section 11. Refunding Account; Plan of Refunding .

(a) *Refunding Account.* There is hereby authorized to be created a special account of the City known as the “2013 Limited Tax General Obligation Refunding Account” (the “Refunding Account”), which Account is to be held by the Escrow Agent and drawn upon for the sole purpose of paying the principal of and interest on the Refunded Obligations until their date of redemption or prepayment, as applicable, and of paying costs related to issuance of the Bonds and refunding the Refunded Obligations.

From the proceeds of sale of the Bonds, an amount sufficient, together with other funds of the City, if necessary, to defease the refunded portion of the 2008 Bonds as authorized by the 2008 Bond Ordinance and/or to provide for prepayment of the 2008 Contract in accordance with its terms and pay costs of issuance and refunding, shall be credited to the Refunding Account and used immediately upon receipt thereof for those purposes.

The City shall defease or provide for prepayment of the Refunded Obligations, as applicable, and may discharge such obligations by the use of money in the Refunding Account to purchase certain Government Obligations (which obligations so purchased, are herein called the “Escrow Securities”), bearing such interest and maturing as to principal and interest in such amounts and at such times that, together with any necessary beginning cash balance, will provide for the payment of:

- (i) interest on the Refunded Obligations on or prior to each Call Date;
- and
- (ii) the redemption price or prepayment amount of the Refunded Obligations on each Call Date.

The Escrow Securities shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to Escrow Securities in connection with refunding bond issues.

(b) *Escrow Agent.* The City hereby appoints U.S. Bank National Association as the Escrow Agent for the Refunded Obligations (the “Escrow Agent”). A beginning cash balance, if any, and the Escrow Securities shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease or prepay, as applicable, the Refunded Obligations. The proceeds of the Bonds remaining in the Refunding Account after acquisition of the Escrow Securities and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Escrow Securities and expenses of the issuance of the Bonds. The City may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required for the purposes set forth in clauses (i) and (ii) of Section 11(a), subject to verification in writing by an independent certified public accountant that such transfer will not result in inadequate funds being available to make the required payments therefrom. The City reserves the right to substitute other securities for the Escrow Securities if it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

The City will take such actions as are found necessary to see that all necessary and proper fees and expenses of the Escrow Agent shall be paid when due. The proper officers and agents of the City are directed to obtain from the Escrow Agent an agreement setting forth the duties, obligations and responsibilities of the Escrow Agent in connection with the redemption and retirement of the Refunded Obligations as provided herein and setting forth such provisions for the payment of the Escrow Agent as are satisfactory to it. The Designated Representative is authorized and directed to execute and deliver to the Escrow Agent an escrow agreement and cost of issuance agreement in forms satisfactory to the Escrow Agent and approved by counsel to the City.

(c) *Call for Redemption of Refunded Obligations.* As provided in the Escrow Agreement, the City will call the Refunded Obligations for redemption on their Call Dates in accordance with applicable terms of the Refunded Obligations. The defeasance and call for redemption of the Refunded Obligations will be irrevocable after the issuance of the Bonds and delivery of the Escrowed Securities to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the defeasance and redemption of the Refunded Obligations in accordance with the applicable provisions of the 2008 Bond Ordinance and the 2008 Contract. The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notices therefor. The costs of publishing such notices shall be an expense of the City.

Section 12. Project Funding. The balance of Bond proceeds available after accomplishing the plan of refunding described in Section 11 shall be deposited in the appropriate fund or account of the City and used to pay or reimburse costs of the Project. These Bond proceeds may be invested in legal investments for City funds. Earnings on such investments shall accrue to the benefit of the fund or account into which the Bond proceeds have been

deposited. Proceeds of the Bonds not used for the Project may be applied to other capital purposes or deposited into the Bond Fund.

Section 13. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended December 31, 2013):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Fund Resources and Uses Arising from Cash Transactions for the Current Expense Fund";

2. The assessed valuation of taxable property in the City;

3. Ad valorem taxes due and percentage of taxes collected;

4. Property tax levy rate per \$1,000 of assessed valuation; and

5. Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before nine months after the end of the City's fiscal year. The City's current fiscal year ends December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-refer to other documents available to the public on the MSRB's internet website or filed with the SEC.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax-exempt status of the Bonds;
- Modifications to the rights of Bond owners if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Bonds if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition of the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of the trustee, if material.

Solely for purposes of information, but without intending to modify this undertaking, with respect to the notice regarding property securing the repayment of the Bonds, the City will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Bonds. The City shall promptly determine whether the events described above are material.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *Emma; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the SEC, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a material event under subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* The right of any bondowner or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

Section 14. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon such Registered Owner's paying the expenses and charges of the Bond Registrar and the City in connection with preparation and authentication of the replacement Bond or Bonds and upon his or her filing with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to both.

Section 15. General Authorization. The appropriate officials, agents and representatives of the City are authorized to take any actions and to execute any certificates, agreements or other documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 16. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 17. Effective Date. This ordinance shall become effective five days after its passage and publication, as required by law.

PASSED by the City Council of the City of Bonney Lake, Washington, at a regular meeting thereof, held on July 9, 2013.

CITY OF BONNEY LAKE, WASHINGTON

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
Bond Counsel

PUBLISHED: _____, 2013

CERTIFICATE

I, the undersigned, City Clerk of the City of Bonney Lake, Washington, (the “City”) and keeper of the records of the City Council (the “Council”), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. _____ of the City (the “Ordinance”), duly passed at a regular meeting of the City Council held on _____, 2013.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2013.

City Clerk



City of Bonney Lake

Update on Refunding and the Bond Market

July 9, 2013 5:30 PM



*Jim Nelson
Senior Vice President
Columbia Center
701 Fifth Ave., Suite 4050
Seattle, WA 98104
(206) 389-4062
jnelson@dadco.com*

Neither this material nor any of its contents may be disclosed, sold, or redistributed, electronically or otherwise, without prior written consent of Davidson Companies. The information presented herein is based on public information we believe to be reliable, prevailing market conditions, as well as our views at this point in time. We make no representation or warranty with respect to the accuracy or completeness of this material. Past performance is not necessarily indicative of future results. Davidson Companies does not assume any liability for any loss which may result from the reliance by any person upon such material. We make no representations regarding the legal, tax, regulatory, or accounting implications of entering into a Transaction.

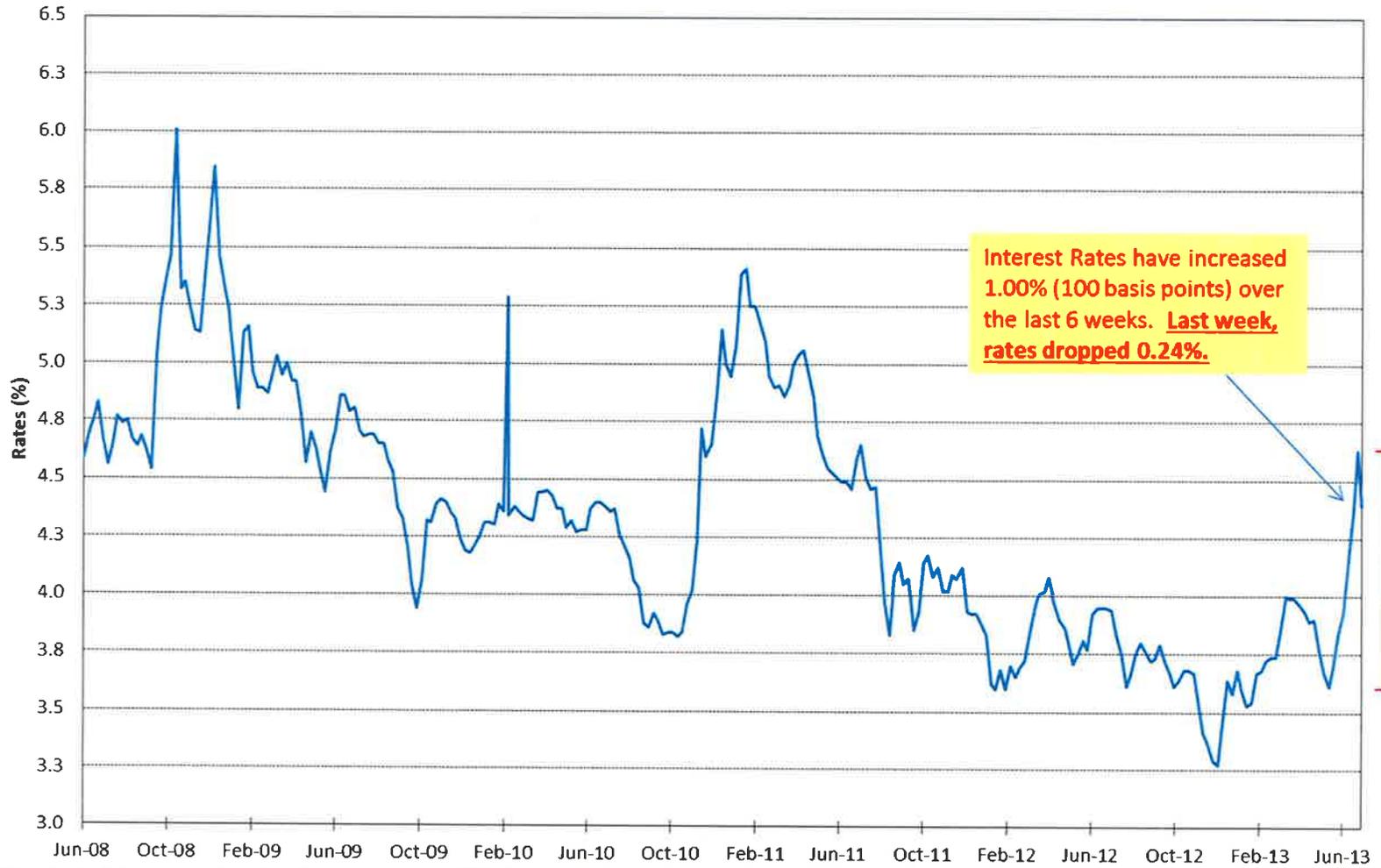
Required Disclosure Pursuant to MSRB Rule G-23: An underwriter's primary role will be to purchase as principal, or arrange for the placement of the securities in a commercial arm's length transaction with the issuer, and may have financial and other interests that differ from those of the issuer. In its capacity as underwriter and not as financial advisor, an underwriter may provide incidental financial advisory services at the issuer's request, including advice regarding the structure, timing, terms and other similar matters concerning the issuance. However, an underwriter does not assume any financial advisory or fiduciary responsibilities with respect to the issuer.

Bond Buyer Index (As of July 3, 2013)
(30-Year History)
20-YEAR GENERAL OBLIGATION BOND INDEX*



*The 20 G.O. Index is comprised of bond issues with a rating of AA- maturing in 20 years.

Bond Buyer Index 20-Year General Obligation Bond (5 year history) *As of July 3, 2013*



Assume Current Rates **drop 0.50%**

Advance Refunding of 2008 LTGO Callable (2018-2032) and 2008 Motorola Loan, Call Date is 12/1/2017 for 2008 LTGO

Period Ending	Principal (1)	Coupon (1)	Interest (1)	Annual Payment (1)	Outstanding Debt Service	Net Savings (1)
12/1/2013	100,000	1.50%	80,492	180,492	272,699	98,840
12/1/2014	210,000	1.50%	239,975	449,975	545,398	95,423
12/1/2015	215,000	1.50%	236,825	451,825	545,398	93,573
12/1/2016	310,000	1.50%	233,600	543,600	545,398	1,798
12/1/2017	315,000	1.50%	228,950	543,950	545,398	1,448
12/1/2018	550,000	1.50%	224,225	774,225	775,049	824
12/1/2019	445,000	1.50%	215,975	660,975	662,450	1,475
12/1/2020	450,000	1.50%	209,300	659,300	661,025	1,725
12/1/2021	455,000	2.50%	202,550	657,550	658,925	1,375
12/1/2022	465,000	2.50%	191,175	656,175	661,150	4,975
12/1/2023	475,000	2.50%	179,550	654,550	657,475	2,925
12/1/2024	490,000	2.75%	167,675	657,675	659,200	1,525
12/1/2025	505,000	3.00%	154,200	659,200	660,075	875
12/1/2026	520,000	3.25%	139,050	659,050	660,100	1,050
12/1/2027	535,000	3.50%	122,150	657,150	659,275	2,125
12/1/2028	550,000	3.50%	103,425	653,425	657,600	4,175
12/1/2029	570,000	3.50%	84,175	654,175	659,280	5,105
12/1/2030	590,000	3.50%	64,225	654,225	659,860	5,635
12/1/2031	615,000	3.50%	43,575	658,575	659,340	765
12/1/2032	630,000	3.50%	22,050	652,050	657,720	5,670
Total	8,995,000		3,143,142	12,138,142	12,462,815	331,306

Est. True Interest Cost (1): 2.70%

Est. Average Annual Savings (1): NA

Est. Net Present Value Dollar Savings (Loss) (1): \$318,880

Est. Net Present Value Savings Percent (1): 3.90%

(The industry benchmark is to achieve a Net Present Value Savings Percent of 3% or higher, we recommend 4% or higher.)

(1) Preliminary and subject to change, assumes current rating of "AA"

Refinance

4.25% to 5.00%

Assume Current Rates **drop 1.00%**

Advance Refunding of 2008 LTGO Callable (2018-2032) and 2008 Motorola Loan, Call Date is 12/1/2017 for 2008 LTGO

Period Ending	Principal (1)	Coupon (1)	Interest (1)	Annual Payment (1)	Outstanding Debt Service	Net Savings (1)
12/1/2013	80,000	1.00%	65,288	145,288	272,699	136,014
12/1/2014	185,000	1.00%	195,063	380,063	545,398	165,336
12/1/2015	190,000	1.00%	193,213	383,213	545,398	162,186
12/1/2016	330,000	1.00%	191,313	521,313	545,398	24,086
12/1/2017	335,000	1.00%	188,013	523,013	545,398	22,386
12/1/2018	565,000	1.00%	184,663	749,663	775,049	25,387
12/1/2019	460,000	1.00%	179,013	639,013	662,450	23,438
12/1/2020	465,000	1.00%	174,413	639,413	661,025	21,613
12/1/2021	465,000	2.00%	169,763	634,763	658,925	24,163
12/1/2022	475,000	2.00%	160,463	635,463	661,150	25,688
12/1/2023	485,000	2.00%	150,963	635,963	657,475	21,513
12/1/2024	495,000	2.25%	141,263	636,263	659,200	22,938
12/1/2025	505,000	2.50%	130,125	635,125	660,075	24,950
12/1/2026	520,000	2.75%	117,500	637,500	660,100	22,600
12/1/2027	535,000	3.00%	103,200	638,200	659,275	21,075
12/1/2028	545,000	3.00%	87,150	632,150	657,600	25,450
12/1/2029	565,000	3.00%	70,800	635,800	659,280	23,480
12/1/2030	580,000	3.00%	53,850	633,850	659,860	26,010
12/1/2031	600,000	3.00%	36,450	636,450	659,340	22,890
12/1/2032	615,000	3.00%	18,450	633,450	657,720	24,270
Total	8,995,000		2,610,950	11,605,950	12,462,815	865,467
Est. True Interest Cost (1):		2.20%			Refinance	
Est. Average Annual Savings (1):		NA			4.25% to 5.00%	
Est. Net Present Value Dollar Savings (Loss) (1):			\$781,290			
Est. Net Present Value Savings Percent (1):			9.56%			

(The industry benchmark is to achieve a Net Present Value Savings Percent of 3% or higher, we recommend 4% or higher.)

(1) Preliminary and subject to change, assumes current rating of "AA"

Rating Grades

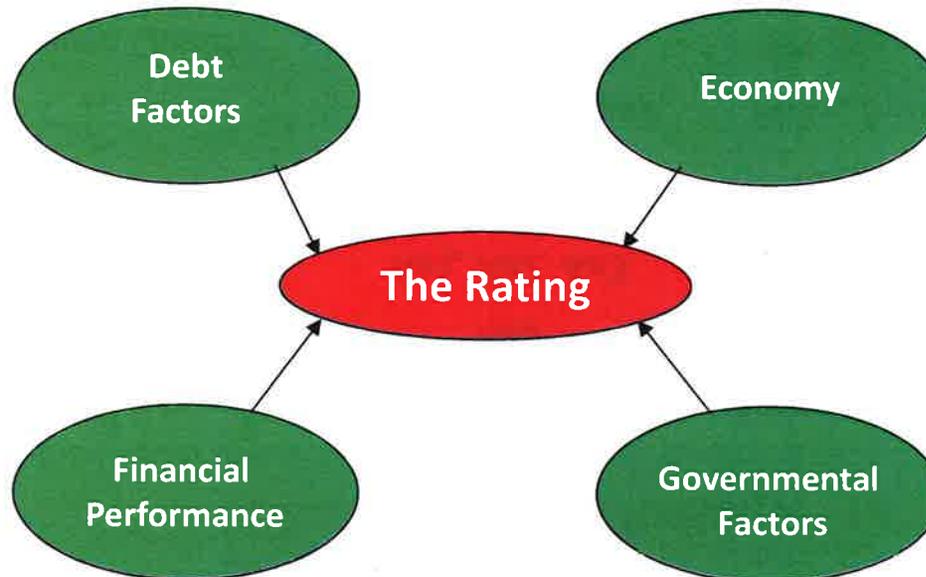
Bond Rating

- A higher bond rating grade results in lower interest rates.

A Guide to Bond Ratings		
	<i>Moody's</i>	<i>Standard & Poor's</i>
Highest Quality	Aaa	AAA
	Aa1, Aa2, Aa3	AA+, AA , AA-
	A1, A2, A3	A+, A, A-
	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
Lowest Quality	NR (Nonrated)	NR (Nonrated)

Key Factors For the Rating Grade

Rating agencies analyze the local economy, City finances, outstanding debt and governmental/management factors.



**City of Bonney Lake, Washington
City Council Agenda Bill (AB)**

Department/Staff Contact: Public Works / GRIGSBY	Meeting/Workshop Date: 16 July 2013	Agenda Bill Number: AB13-82
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D13-82	Councilmember Sponsor: Randy McKibbin
Agenda Subject: WATER AND SEWER UTILITY CHARGES, BILLING, AND COLLECTIONS		
Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Relating To Water And Sewer Utility Charges, Billing, And Collections.		
Administrative Recommendation: Recommend Approval		

Background Summary: While it may appear that utility rates are increased by tis ordinance, they are not. They have only been adjusted to bring up to current rates (They were codified in 2010 and have been adjusted annually by the CPI. This recodifies them at their current rates based upon the past CPI increases). The effective date for water rates is updated from 2010 to 2013 throughout Chapter 13.04. The only actual increase in charges is for the cost of water meters purchased by the City. This increase is due to Code requirements to install fire sprinkler systems in single family homes, and for new standardized water meters.

Water meters installed in parks and other existing city facilities are exempted from paying SDC charges. The method for calculating adjustments for water leaks is clarified. After the 2012-2015 sewer fixed rate increases end, in order to make O&M revenue match expenditures, the annual indexed adjustments to sewer rates will resume in 2016. BLMC Title 13 is modified to address how the City will charge Recreational Vehicle and Mobile Home parks using City water and sewer services.

Still the be addressed is the issue of whether to grant any relief to “snowbirds” who are vacant for part of the year, to for lots that still have a meter but not habitable structure (see attached memo from City Administrator)

Attachments: Ordinance D13-82, Calculation of Water Meter Set Charges, History of CPI-CCI Adjustments

BUDGET INFORMATION

Budget Amount	Current Balance	Required Expenditure	Budget Balance
N/A			

Budget Explanation:

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review:	Community Development	<i>Approvals:</i>	Yes	No
	Date: 18 June 2013	Chair/Councilmember	Randy McKibbin	<input checked="" type="checkbox"/> <input type="checkbox"/>
		Councilmember	James Rackley	<input checked="" type="checkbox"/> <input type="checkbox"/>
		Councilmember	Katrina Minton-Davis	<input checked="" type="checkbox"/> <input type="checkbox"/>
	Forward to:	Consent Agenda: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Commission/Board Review:

Hearing Examiner Review:

COUNCIL ACTION

Workshop Date(s): July 16, 2013	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS

Director: <i>Dan Grigsby, PW Director</i>	Mayor:	Date Reviewed by City Attorney: (if applicable):
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Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: July 11, 2013
Re: **D13-82 Utility Billing Ordinance Update**

I have been working with the City Attorney; Dan Grigsby and Al Juarez on some housekeeping amendments to the utility billing ordinance. I believe a preliminary draft of this was reviewed in CDC recently. There are two additional elements under consideration for this draft ordinance, but not currently in the ordinance draft.

The first is the issue of “snow birds”. Several cities allow “snow birds” to temporarily suspend some form of utility service while gone. Finance receives fairly regular requests for this. This equity issue relates to how much should a person who is not currently using the system pay for “availability”. Our availability charge for water is relatively low (\$14/mo), but our availability charge for sewer is quite high (\$44/mo) and generates the bulk of sewer operating revenue. Would Council support some language that allows snow birds to temporarily suspend utility service for up to 3 months and have the sewer availability charge waived (not the water availability charge) for those 3 months – or some such variation?

The second issue is that of an existing residential or commercial parcel/lot that may have a meter but no building. Currently, availability charges are made to all properties that have an installed meter. If the structure is removed, burned down, condemned, etc. the property is continuously billed for both water and sewer charges unless the meter service is physically removed from the property. Of course, there are charges to reinstall a meter. Would Council support some language that allows the City to temporarily suspend utility service when a lot no longer has an habitable building? If some “availability” charge should still be imposed in those conditions, how much less should it be than the full charge? (e.g. just the water availability charge but no sewer charge?).

ORDINANCE NO. D13-82

AN ORDINANCE OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING TITLE 13 OF THE BONNEY LAKE MUNICIPAL CODE AND THE CORRESPONDING PORTIONS OF ORDINANCE NOS. 1151, 1429, 1430, AND 1440, RELATING TO UTILITY CHARGES, BILLING, AND COLLECTIONS.

WHEREAS, the current economic downturn has led to challenges with utility billing, with an increasing number of customers not paying their accounts and undergoing foreclosures and bankruptcy proceedings; and

WHEREAS, the City Council must authorize by ordinance the institution of certain methods to collect delinquent utility payments to the full extent authorized by state law; and

WHEREAS, the City Council recognizes the importance of having clear and consistent utility billing procedures that give the City a variety of tools for collecting utility payments; and

WHEREAS, the City Council wishes to make clarifying changes to Code provisions regarding water and sewer charges, as well as to update rates.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Subsection 13.04.070(C)(1), of the Bonney Lake Municipal Code is hereby amended to read as follows:

C. Water Service Connection Charges. ~~Effective September 1, 2010,~~ all All connections to the water system of the city and the charges to be paid by the property owner toward the construction thereof shall be as provided in this subsection:

1. Installation Charge. Effective September 1, 2013, the following installation charges will be paid by the property owner as part of their connection charge at the time application is made for water service.

Meter Size	Meter Set Only	Meter Set and Service Line
5/8"	\$192265	\$12922,908
3/4"	\$228310	\$13282,858
1" with fire sprinkler system	\$228370	\$13283,108

1" without fire sprinkler system	\$ <u>283,370</u>	\$ <u>1,383,108</u>
1-1/2" or larger	Actual time and materials plus indirect costs. If installation involves work underneath the roadway surface, the fee shall be according to the actual time and materials plus 20 percent for indirect costs.	

Section 2. Subsection 13.04.070(C)(2), Water Service Charge for Equitable Share of System, of the Bonney Lake Municipal Code is hereby amended to update charges, effective January 1, 2013 and add the following new subsection (h):

2. Charge for Equitable Share of System. Effective January 1, 2013, ~~E~~ach new connection to the water system shall pay as part of their connection charges their equitable share of the cost of the system according to the following schedule:

a. Residential System Development Charge (SDC).

i. Single-Family.

Meter Size	City and County SDC Charge
5/8" or 3/4"	\$ <u>568,959,920</u>
1" with fire sprinkler system	\$ <u>568,959,920</u>
1" without fire sprinkler system	\$ <u>1,269,013,205</u>
1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

ii. Two-Living-Unit Residential Homes. Each duplex and townhouse-style building unit will have a separate water meter and service for each living unit.

iii. Accessory Dwelling Units (ADU). If no additional meter is required, no SDC will be charged. If a second meter is required, an SDC of ~~\$4,3824,559~~ (77 percent of the single-family rate) will be charged when that new meter is five-eighths inch or three-quarters inch. An SDC of ~~\$9,772~~ 10,168 (77 percent of the single-family rate) will be charged if the new, second meter is a one-inch meter. If the existing meter is replaced with a larger meter, the difference in the current SDC rates for the two meter sizes will be charged.

iv. Multifamily, Mobile Home Parks, and Recreational Vehicle Parks.

(A) Each living unit/space/stall shall be charged ~~\$43824,559~~ (77 percent of the SDC charged to single-family units).

(B) SDC charges for meters one and one-half inches or larger shall be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

(C) There shall be only one water meter installed for each building housing multiple residential units.

b. Non-Residential System Development Charge (SDC).

Meter Size	City and County SDC Charge
5/8"	<u>\$7,2347,527</u>
3/4"	<u>\$9,5699,957</u>
1"	<u>\$14,23114,808</u>
1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

c. Irrigation Only System Development Charge (SDC).

Meter Size	City and County SDC Charge
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5/8"	\$4,6634,852
3/4"	\$6,9977,281
1"	\$11,66812,141
1-1/2" or larger	To be determined on each individual case, based on the projected amount of usage and peaking expected from the customer. These charges shall reflect residential equivalence (RE) values used for individual residential customers.

d. The charges set out in this subsection (C)(2) shall not be applicable to an accessory dwelling unit (ADU) permitted pursuant to BLMC 18.22.090, so long as a second or larger water meter is not required by applicable codes or requested by the owner. Should the property upon which an accessory dwelling unit is located be sold, platted or otherwise segregated from the property upon which the primary residence is located, and, because of the exemption provided for in this subsection, the owner of the accessory dwelling unit did not previously pay a full, separate connection charge including equitable share charge for the accessory dwelling unit, then the following shall apply:

i. If no additional connection charge was paid for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay a connection charge, including single-family equitable share charge, in the amounts provided for in this section at the time of segregation. A new water meter will be provided.

ii. If a reduced connection charge was paid for a second or larger meter and/or connection for the accessory dwelling unit, the owner of the segregated accessory dwelling unit shall be required to pay the difference between that reduced charge and the amount of the connection charge, including single-family equitable share charge, provided for in this section at the time of segregation. A new water meter will be provided if necessary.

e. Annual Adjustment. ~~Beginning January 1, 2009, and for every year thereafter, t~~The installation and connection charges listed in this section shall be updated annually at a rate adjusted in accordance with the Engineering News Record (ENR) Construction Cost Index (CCI) for the Seattle area, using a November through November annual measure to establish revised fee schedules effective January 1st of each year.

f. These charges are to apply in all cases where distance from the water main to the meter location does not exceed 60 feet. In such cases where the distance is over 60 feet there shall be an additional fee, based on cost of labor and materials.

g. Property Owner's Responsibility. Property owners are responsible for all leaks or damage due to leaks from privately installed and owned water lines. The property owner shall install and maintain at his own expense all water service from the water meter to the place of use.

(h) Exemption for City water connections in existing facilities. New water connections installed by the City in existing city rights-of-way, parks, and other existing city facilities, shall be exempt from paying charges under this Subsection (C)(2).

Section 3. Subsection 13.04.100(G) of the Bonney Lake Municipal Code is hereby amended to read as follows:

13.04.100(G) Leakage - Rate Reduction.

G. Leakage – Rate Reduction.

~~1. In the event that there is a leak in the water service line on the property owner's side of the water meter;~~

~~2. That after the service line is repaired by the owner and upon written request by the property owner, the city water department will make an adjustment in the water bill;~~

1. In the event that there is a leak in the water service line only (on the property owner's side of the water meter between the water meter and the building), after the service line is repaired by the owner and upon written request by the property owner, the city Finance Department will make an adjustment in the water bill.

~~3. 2. The adjustment shall be two-thirds of that portion of the customer's water bill determined by calculating the median consumption for the past five years for the same period the leak occurred. The adjustment shall be limited to the period of 90 120 days of consumptive use prior to the repair of the leak and inspection thereof.~~

3. The city reserves the right to request documentation of the service line repair as a condition of granting a leak adjustment.

~~4. Only one leakage adjustment will be allowed in any two-year period. Additional leaks will require on-site inspection and verification of repairs.~~

Section 4. Section 13.04.110, Water System General Regulations, of the Bonney Lake Municipal Code is hereby amended to read as follows:

13.04.110 General regulations.

- A. All ordinances and water regulations shall be effective in the city and the water service area.
- B. All water connections shall be metered.
- C. Where more than one water connection supplies ~~a premises~~ a single property, the consumption of water measured by each meter shall be computed and billed separately.
- D. Unless otherwise stated in Article I, II, III or V of this chapter, each and every occupancy or use shall be served by a separate connection and shall be billed separately.
- E. No new application for water connection will be honored until a septic tank permit or a sewer connection permit has been procured from the Pierce County health department or the city.
- F. New water connections will be charged the minimum water availability charge beginning on the date of installation.
- G. All water connections and all charges connected therewith are the responsibility of the owner of the property served.
- H. ~~Every water connection within the city limits shall be provided with garbage service as per Chapter 8.04 BLMC and its amendments. Garbage, Sewer, stormwater, and water~~ charges will be billed together. Any delinquency in ~~garbage or stormwater or sewer~~ bills shall be deemed a delinquency as to water service.
- I. All water taken or appropriated for use within the city shall be taken or appropriated from the municipal water supply of the city, pursuant to appropriate connections thereto in conformity with the ordinances of the city.
- J. All buildings or structures within the city, designed, intended or actually used for human occupancy shall contain such plumbing as may be required by the appropriate provisions of the building code of the city, and shall be connected to the aforesaid municipal water utility of the city.
- K. No building permit shall be issued unless and until a connection charge is paid to the aforesaid municipal water utility of the city in cases where it is ~~appropriate~~ required under BLMC 13.04.030 and 13.04.070. If the building permit expires through suspension or abandonment under BLMC 15.04.081, the connection charge shall be refunded at the request of the applicant; provided, that if the applicant re-applies for a new permit pursuant to BLMC 15.04.081, the connection charge shall be re-calculated at current

rates and the amount of the connection charge already paid and not refunded may be credited toward the new connection charge.

L. At such time as a property owner connects to city water service, through either development, new construction or when a property owner with a well chooses to connect to public water, the well must either be abandoned or deeded to the city.

M. Any property used or occupied in violation of the provisions of Articles I, II, III and V of this chapter shall be brought into conformity with the provisions hereof within 90 days of the effective date of the ordinance codified in this chapter.

Section 5. Section 13.12.082 of the Bonney Lake Municipal Code is hereby amended to read as follows:

13.12.082 Sewer charges.

A. Each single-family resident not requiring or using a city-owned grinder pump shall pay the following monthly fees for sewer services, effective on July 1st of each year as follows:

Charge	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015
Sewer availability charge	\$40.16	\$44.17	\$48.60	\$53.45
Volumetric charge per 100 cubic feet (CCF) of monthly water consumption	\$2.50	\$2.75	\$3.02	\$3.32

The volumetric charge shall be capped at 10 CCF per month. Sewer availability charges shall be billed monthly. Volumetric charges for single-family residences shall be billed bimonthly.

B. Each single-family resident using a city-owned grinder pump shall pay the following monthly fees for sewer services:

Charge	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015
Sewer availability charge	\$48.18	\$53.00	\$58.30	\$64.13
Volumetric charge per 100 cubic feet (CCF) of monthly water consumption	\$2.50	\$2.75	\$3.02	\$3.32

The volumetric charge shall be capped at 10 CCF per month. Sewer availability charges shall be billed monthly. Volumetric charges for single-family residences shall be billed bimonthly.

C. Discount for Senior Citizens and Disabled Persons. Owners of single-family residences who have qualified for real estate property tax exemption through the Pierce County assessor-treasurer's office on the basis of age and/or disability, and who present proof thereof to the appropriate authority of the city, shall qualify and be entitled to a reduced sewer rate as may

from time to time be set by the city council and as established as a 20 percent reduction from the sewer availability charge.

D. Sewer Service Charges for Customers Other than Single-Family Residential. ~~The volumetric charge shall be capped at eight CCF per month for multifamily residents. There shall be no cap for other customers covered by this subsection. Sewer charges for customers other than single-family residential shall be billed monthly.~~

1. Multi-family and duplex customers on a single water meter shall pay the single-family sewer availability charge (no grinder pump) for each unit. The volumetric charge shall be capped at eight CCF per unit per month for multi-family customers.
2. Mobile home park customers shall be charged at single-family rate. Where multiple mobile home units use one water meter, each unit shall pay the single-family sewer availability charge (no grinder pump). The volumetric charge shall be capped at ten CCF per unit per month.
3. Non-residential customers, including commercial, retail, office, Recreational Vehicle parks, industrial, and churches, shall pay one single-family sewer availability charge (no grinder pump) per installed water meter. There shall be no volumetric cap for non-residential customers.
4. Sewer charges for customers other than single-family residential shall be billed monthly.

E. In the event of a water leak, upon following procedures as set forth in BLMC 13.04.100(G), the adjustment to the volumetric portion of the sewer charge shall be two-thirds of that portion of the customer's consumption bill.

Section 6. Section 13.12.085 of the Bonney Lake Municipal Code is hereby restored to adjust rates annually after the 2012-2015 sewer rate increases in the previous section catch up to actual costs:

13.12.085 Annual rate adjustment.

Effective January 1st of ~~each year, beginning on January 1, 2009~~ 2016 the sanitary sewer rates listed in BLMC 13.12.082 shall be adjusted by the annual change in the most recent Seattle-Bremerton-Tacoma Consumer Price Index (Urban Consumers) published by the U.S. Department of Labor.

Section 7. Section 13.20.010 of the Bonney Lake Municipal Code is hereby amended to read as follows:

13.20.010 Utility bills – Payment and collection.

A. Inasmuch as the city provides year-round facilities for supplying water and collecting wastewater and stormwater, all users will be billed on a continuing basis for the water and sewer availability. ~~Service will not be resumed until payment of the restoration fee as per BLMC 13.04.091(D)(1).~~ Pursuant to the enabling authority contained in Chapter 35.92 RCW, property owners shall be responsible for all utility charges.

B. The city shall mail all utility bills to the property owner. The property owner shall be responsible for payment of the utility bill in accordance with this chapter. The owner of the premises to which the utility service is attached shall be responsible for the payment of all penalties, connections, shut-offs, turn-on, service charges and liens. Utility billings for any property occupied by someone other than the owner shall be billed to the owner. Failure to receive mail will not be recognized as a valid excuse for failure to pay bills when due.

C. Changes in ownership of property and changes in mailing address must be filed with the finance department on forms provided by the city for that purpose.

D. Availability charges will be assessed on a monthly basis. Meters will be read at least bimonthly and water consumption billed thereafter. Charges for utility services shall be due and payable on the fifteenth of the month. A monthly penalty of two percent of the past due balance but not less than \$10.00 shall be charged to all delinquent accounts.

E. The city is authorized to discontinue the water service 30 days after the utility billing date if the bill is past due. The property owner will be notified by mail on the following statement regarding any past due amount. In order to have a discontinued service reinstated during the normal working hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, all charges plus the turn-on fee of \$100.00 must be paid. Reinstatement outside the normal working hours 8:00 a.m. to 4:00 p.m., Monday through Friday require a payment of all charges plus a turn-on fee of \$150.00.

F. If a bill becomes past due, no officer, agent, or employee of the city may ~~authorize or permit any further city service or~~ process any application for a permit or license from the city, when such application has been requested by the person in whose name an account stands past due or when the delinquent utility bill is against the property or business to which the application for permit or license pertains. This requirement shall remain in effect until the past due account is paid in full.

G. The city is authorized to establish payment plans for past due utility customers meeting standard city guidelines for financial hardship. Such guidelines may be adopted and revised from time to time by the finance director. Payment plans are subject to a setup charge. Failure to abide by the terms of the payment plan arrangement shall be cause for shut-off and discontinuance of utility services until the total utility charges that are due are paid in full.

H. The finance director or designee is hereby authorized and directed to promulgate administrative policies and procedures for the implementation of this chapter.

Section 8. If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force effect.

Section 9. This ordinance shall take effect thirty (30) days after its passage, approval, and publication as required by law.

PASSED by the City Council and approved by the Mayor this _____ day of _____, 2013.

Neil Johnson, Mayor

ATTEST:

Harwood T. Edvalson, CMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

Passed:
Valid:
Published:
Effective Date:

Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: July 11, 2013
Re: Reed Property

The City budgeted \$50,000 to repair the former Reed house and put it up for lease. The Council determined at a recent Workshop not to spend the money to repair the home, but to have the home removed.

There has been some desire to reconsider the demolition of the residence. SWAT or other police training use of the home has been put on hold until a further determination can be made.

One option is to do a boundary line adjustment (BLA) to enlarge the current 1.3 acre lot to include the house, and then put the home up for sale "as is". This would require a survey (\$ TBD), BLA (\$1,400) and recording fees (\$140). It would also likely require installation of a new residence sized water tank (associated with the well) and some utility work (under \$1,000). There may be some expense associated with relocating the driveway.

There are several other alternatives, including:

1. Rehabilitate and rent the residence (previously rejected by Council)
2. Do nothing
3. Raze the dwelling and clear the site
4. Rehabilitate house and use as City conference center or other City use
5. Tear down the house and short plat the site into 4 clustered building lots, leaving the non-clustered land as leased farmland or future park land, etc.
6. Same as 5 but do a BLA to include the house and cluster other 3 lots adjacent to it.
7. Do a boundary line adjustment to create two (2) ten acre parcels to be sold as micro (gentlemen) farms, one with the residence and the other as a building lot
8. Program the site as the future Public Works Center (this assumes the site could be annexed for municipal purposes, or that a permit could be obtained from the County to build the site (see attached zoning requirements), and sufficient utilities were available, etc.

Assessor-Treasurer electronic Property Information Profile

Land Characteristics for 0520261700

07/11/2013 02:00 PM

Property Details Parcel Number: 0520261700 Site Address: 7109 BARKUBEIN RD E Account Type: Real Property Category: Land and Improvements Use Code: 1101-SINGLE FAMILY DWELLING		Taxpayer Details Taxpayer Name: CITY OF BONNEY LAKE Mailing Address: PO BOX 7380 BONNEY LAKE WA 98391-0944	
Location: LEA: 020108 RTSQQ: 05-20-26-11		Size SF: 818,492 Acres: 18.79 Front Ft: 0	
Amenities WF Type: n/a View Quality: n/a Street Type: Paved		Utilities Electric: Power Installed Sewer: Sewer/Septic Installed Water: Water Installed	

Warning: Appraisal data provided is for informational purposes only and is incomplete for determination of value.

I acknowledge and agree to the prohibitions listed in RCW 42.56.070(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system does so at their own risk. **All critical information should be independently verified.**

Pierce County Assessor-Treasurer
Mike Lonergan
 2401 South 35th St Room 142
 Tacoma, Washington 98409
 (253)798-6111 or Fax (253)798-3142
www.piercecountywa.org/atr

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Assessor-Treasurer electronic Property Information Profile

Land Characteristics for 0520261009

07/11/2013 02:03 PM

Property Details Parcel Number: 0520261009 Site Address: 7109 BARKUBEIN RD E Account Type: Real Property Category: Land and Improvements Use Code: 9100-VACANT LAND UNDEVELOPED		Taxpayer Details Taxpayer Name: CITY OF BONNEY LAKE Mailing Address: PO BOX 7380 BONNEY LAKE WA 98391-0944	
Location: LEA: 020108 RTSQQ: 05-20-26-14		Size SF: 57,153 Acres: 1.31 Front Ft: 0	
Amenities WF Type: n/a View Quality: n/a Street Type: Paved		Utilities Electric: Power Available Sewer: Sewer/Septic No Water: Water Available	

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RESERVE 5 (Rsv5) SUMMARY SHEET

DENSITY

One dwelling unit per 5 acres (0.2 x acreage)

SETBACKS

- 25 feet when abutting any street, road, or State Highway
- 5 feet for interior setbacks
- 10 feet for rear setbacks

MAXIMUM HEIGHT

35 feet

BASIC RULES FOR CALCULATING DENSITY

- Accessory dwelling units are not considered an extra dwelling unit in density calculations.
- If the density calculation results in a partial dwelling unit, round to the nearest whole number. Numbers less than 0.5 shall be rounded down, numbers greater than or equal to 0.5 shall be rounded up.

Examples

138 acres x .1 = 13.8 (14 dwelling units)

110 acres x .1 = 11.1 (11 dwelling units)

MAXIMUM LOT SIZE

- 12,500 square feet with the balance of the lot held for future development

ACCESSORY DWELLING UNITS

Permitted (maximum of 1,250 square feet)

SINGLE-WIDE MOBILE HOMES

Permitted unless located in the Gig Harbor or Summit-Waller Community Plan Areas

MOBILE HOME PARKS

Not Permitted

TEMPORARY HOUSING UNITS

Permitted per Pierce County Code Section 18A.33.400

TWO-FAMILY (Duplex)

Permitted and considered two principal dwelling units.

MULTI-FAMILY (structures containing three dwelling units or more)

Not Permitted

ALLOWED USES

Reserve Classifications allow residential and resources uses. Refer to Pierce County Code 18A.17.010 of the Pierce County Development Regulations.

THIS IS A REFERENCE TOOL ONLY AND NOT A SUBSTITUTE FOR ZONING REGULATIONS

Pierce County Development Center, 2401 South 35th Street, Tacoma, WA 98409
Hours: M,T,Th,F 8:00-4:30 & W 9:00-4:30 (253) 798-7200 Revised 06/27/05
www.piercecountywa.org/pals

Use Categories and Use Types	PIERCE COUNTY (Outside of Community Plan Areas) Rural Zone Classifications (Table 18A.17.020)						
	Rural Residential						
	RSep	Rural Separator	R40	Rural 40			
	R10	Rural 10	Rsv5	Reserve 5			
R20	Rural 20						
RSep	R10, R20, R40	Rsv5	[Rsvd]	[Rsvd]	[Rsvd]	[Rsvd]	
RESIDENTIAL USE CATEGORY							
Fraternity or Sorority House							
Group Home	C	C	C				
Mobile Home	P***	P	P				
Mobile Home Park							
Multi-Family Housing							
Nursing Homes							
Senior Housing							
Two-Family Housing	P	P	P				
Single-Family Detached Housing	P	P	P				
CIVIC USE CATEGORY							
Administrative Government Svcs.							
Day-Care Centers	P1;C2	P1;C2	P1;C2				
Community and Cultural Services	P1;C2	P1;C2	P1;C2				
Education Facilities	A1,2	A1,2	A1,2				
Health Services							
Postal Services							
Recreation, non-profit	P1,2,4;C3; PFP3	P1,2,4;C3; PFP3	P1,2,4;C3; PFP3				
Religious Assembly	P1;C2,3	P1;C2,3	P1;C2,3				
Public Safety Services	P1	P1	P1				
Transportation	P1; C2,3,4; PFP2,3,4	P1; C2,3,4; PFP2,3,4	P1; C2,3,4; PFP2,3,4				
UTILITIES USE CATEGORY							
Telecommunication Towers or Wireless Facilities	P1;PL2;C3	P1;PL2;C3	P1;C2				
Electrical Facilities	P	P	P				
Electrical Generation Facilities	C	C	C				
Natural Gas Facilities	P1;C3	P1;C3,4	P1;C3,4				

OTHER RURAL ZONE CLASSIFICATIONS	NOTES
AIR Airport Overlay, see 18A.33.160 C, and 18A.33.180	P Permitted.
EPP-SC Essential Public Facility-State Corrections, see 18A.33.160 F.	P* Permitted only as allowed by PCC 19A.30.010 B.
MRO Mineral Resource Overlay, see 18A.160 D.	P*** Mobile homes are not allowed in the Summit-Waller Community Plan area.
NFCC New Fully Contained Community, see 18A.33.150 D.	C Requires Conditional Use Permit.
	A Requires administrative review.
	A* Only legally existing contractors yards formerly designated in the CCS zone in the Summit-Waller Community Plan area shall be allowed to remain and expand (PCC 19A.40.010 G.2.) in the RSep designation. All expansions shall require approval of an Administrative Use Permit.
	Number Refers to level of Use Type allowed, see Sections 18A.33.200 – 18A.33.280. When no number is present, all levels of the Use Type are allowed.
	PFP If provided by a governmental entity to serve a specific public need identified in the adopted facility plan, a Public Facilities Permit is required. Otherwise, the use is allowed according to the applicable symbol.
	PL Priority Location Criteria, see Section 18A.35.140 D.
	PUD Permitted as allowed in Section 18A.75.080 Planned Unit Development.
	(1) See Section 18A.33.290.
	(2) Section 18A.33.290 applies but only for uses allowed by the levels indicated.

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	Rural Residential						
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	RSep	R10, R20, R40	Rsv5	[Rsvd]	[Rsvd]	[Rsvd]	[Rsvd]
Organic Waste Processing Facilities	C1,2; PFP1,2,3	C1,2; PFP1,2,3	C1,2; PFP1,2,3				
Pipelines	P	P	P				
Sewage Collection Facilities	P*	P*	P*				
Sewage Treatment Facilities							
Stormwater Facilities	P	P	P				
Waste Disposal Facilities	C1,2,3,5; PFP1,2,3,5	C1,2,3,5; PFP1,2,3,5	C1,2,3,5; PFP1,2,3,5				
Waste Transfer Facilities	P1;C2,4; PFP2,4	P1;C2,4; PFP2,4	P1;C2,4; PFP2,4				
Water Supply Facilities	P1;C2; PFP2	P1;C2; PFP2	P1;C2; PFP2				
Utility and Public Maintenance Facilities	P1;C2,3; PFP2,3	P1;C2,3; PFP2,3	P1;C2,3; PFP2,3				
ESSENTIAL PUBLIC FACILITIES USE CATEGORY [RESERVED]							
OFFICE/BUSINESS USE CATEGORY							
Administrative and Professional Offices							
Educational Services	C1,P3						
RESOURCE USE CATEGORY							
Agricultural Product Sales	P1	P1	P1				
Agricultural Supply Sales							
Agricultural Services	C	C	C				
Animal Production, Boarding and Slaughtering	P1;C2	P1;C2	P1;C2				
Crop Production	P1;C2	P1;C2	P1;C2				
Fish Processing, Hatcheries and Aquaculture	P	P	P				
Forestry	P1	P1	P1				
Surface Mines	C;PFP	C;PFP	C;PFP				

OTHER RURAL ZONE CLASSIFICATIONS	NOTES
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EPF-SC Essential Public Facility-State Corrections, see 18A.33.160 F.	P* Permitted only as allowed by PCC 19A.30.010 B.
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R20	Rural 20						
RSep	R10, R20, R40	Rsv5	[Rsvd]	[Rsvd]	[Rsvd]	[Rsvd]	
COMMERCIAL USE CATEGORY							
Adult Business							
Amusement and Recreation	C4,6,7,8	C4,6,7,8	C4,6,7,8				
Billboards							
Building Materials and Garden Supplies							
Bulk Fuel Dealers							
Business Services							
Buy-Back Recycling Center							
Commercial Centers							
Eating and Drinking Establishments	(2)C1,2	(2)C1,2					
Food Stores	(2)C1	(2)C1					
Lodging	C1;PUD3	C1,5;PUD3	C1;PUD3				
Mobile, Manufactured and Modular Home Sales	(1)	(1)					
Motor Vehicles and Related Equipment Sales, Rental, Repair and Service	(1)	(1)					
Personal Services							
Storage	(1)	(1)					
Pet Sales and Services							
Rental and Repair Services	(1)	(1)					
Sales of General Merchandise							
Wholesale Trade							
INDUSTRIAL USE CATEGORY							
Basic Manufacturing							
Contractor Yards	A*	C					
Food and Related Products							
Industrial Services and Repair							
Intermediate Manufacturing and Intermediate/Final Assembly							
Motion Picture, Television and							

OTHER RURAL ZONE CLASSIFICATIONS	NOTES
AIR Airport Overlay, see 18A.33.160 C. and 18A.33.180	P Permitted.
EPF-SC Essential Public Facility-State Corrections, see 18A.33.160 F.	P* Permitted only as allowed by PCC 19A.30.010 B.
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	(2) Section 18A.33.290 applies but only for uses allowed by the levels indicated.

18A.33.285 Single-Family Detached Use Exception.

- A. **Non-Industrial Zones.** One single-family detached dwelling unit may be erected upon an existing vacant parcel, provided said parcel existed as a legal lot of record prior to the effective date of the Frederickson Community Plan. The unit shall be required to comply with requirements for setback, height, and other requirements of the zone in which it is located.
- B. **Industrial Zones.** Within the Frederickson Community Plan area, a single-family detached dwelling unit may be allowed on a existing vacant lot of record with the approval of an Administrative Use Permit when the following criteria are met:
1. The subject parcel existed prior to January 1, 1995, and is not more than two acres in size;
 2. The parcel was created for residential use;
 3. The dwelling unit is screened and setback from property lines to the greatest degree possible to aid in reducing compatibility issues with adjacent industrial uses; and,
 4. The property owner records title notification in a form provided by Pierce County that acknowledges that the dwelling unit is located within an industrially zoned area and that normal activities within this zone may cause discomfort or inconvenience to the dwelling unit's occupants.

(Ord. 2004-52s § 3 (part), 2004)

18A.33.290 Rural Zone Use Exception.

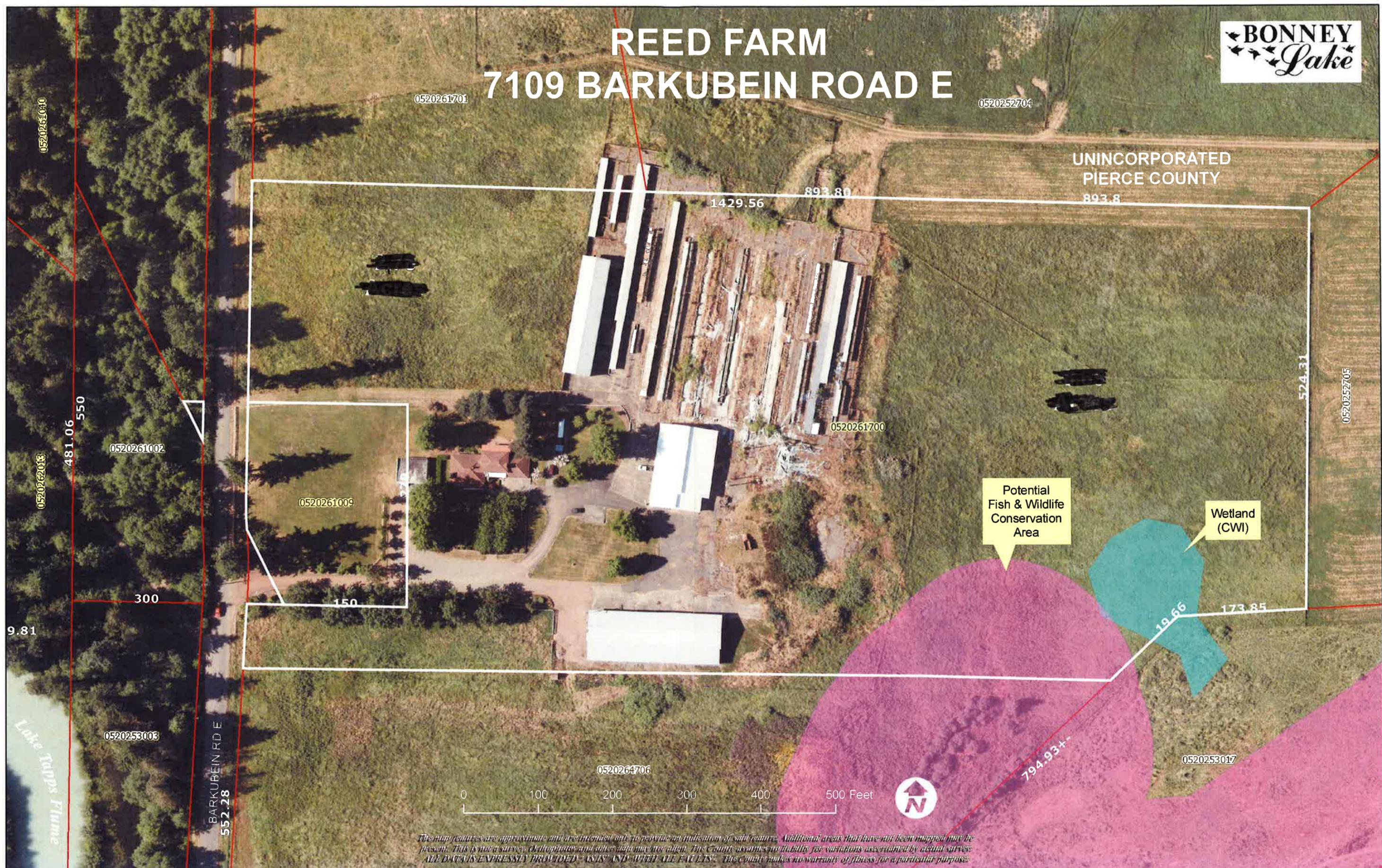
When a vacant parcel located in the Rural Separator or Rural 10 classifications abuts a state highway which is not designated as a limited access highway and is bordered by property improved with existing commercial or industrial use types or multi-family, or mobile home park uses established on or before July 1, 1990, on more than 50 percent of the property's boundaries, use levels/types indicated by footnote (1) and (2) on Table 18A.17.020 are allowed with approval of a Conditional Use Permit by the Hearing Examiner. For purposes of this Section, land uses across an abutting road, other than State highways or major or secondary County arterials, shall be used for purposes of calculating the percentage of land uses along the property's boundaries. The Hearing Examiner, if approving an exception, shall make a finding that the property is within the logical boundary of the existing area of such more intensive uses. (Ord. 2004-87s § 6 (part), 2004; Ord. 2004-52s § 3 (part), 2004)

Division IV. Accessory Uses

18A.33.300 Accessory Uses and Structures.

- A. **Purpose.** The purpose of this Section is to allow accessory uses and structures and provide standards and conditions for regulating them.
- B. **Exemptions.** See the appropriate Section regarding specific development standards for the accessory uses exempted from this Section.
1. See Section 18A.35.060 -- Home Occupations and Cottage Industries
 2. See Section 18A.35.080 -- Accessory Dwelling Units
 3. See Section 18A.35.070 -- Home Based Day Care
 4. See Section 18A.35.090 -- Agricultural Uses and Animals
 5. See Title 19B – Development Regulations - Signs
 6. See Section 18A.33.400 -- Temporary Uses

REED FARM 7109 BARKUBEIN ROAD E



0520261040
0520262013
0520253003
Lake Joops Flume

481.06
550

0520261002

300

BARKUBEIN RD E
552.28

0520261009

150

0520261701

1429.56

893.80

0520261700

0520264706

0520252704

UNINCORPORATED
PIERCE COUNTY

893.8

524.31

0520252705

19.66

173.85

0520253017

794.93+



The map features are approximate and are intended only to provide an indication of said feature. Additional areas that have not been mapped may be present. This is not a survey. Discrepancies and other data may not align. The County assumes no liability for variations ascertained by actual survey. ALL DATA IS EXPRESSLY PROVIDED "AS IS" AND "WITH ALL FAULTS". The County makes no warranty of fitness for a particular purpose.

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Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: July 11, 2013
Re: Workshop Item - Retention of Old Senior Van as Backup

Upon receipt of the new senior van (which the Senior Board helped purchase due to the fact that it needed to be replaced before the ERR fund had accumulated sufficient funds for replacement), there were mechanical issues with the van, and it spent considerable time in the repair shop. Accordingly, the old van was used while the new van was in the shop. The issues with the new van have not necessarily been with the van itself (drive train, transmission, engine, etc.) but with the attachments/accessories such as the lift, etc.

Most of the bugs have now been worked out and the new van has been operating much better. However, there is considerable interest among the seniors themselves to retain the old van as a backup (see attached communications from a couple of Senior Advisory Board members).

The City is anticipating receipt of approximately \$4,000 from the sale of the old van to reimburse the ERR fund (\$4,000 is needed to bridge the remaining gap from what the van cost and how much the ERR van account and seniors contributed).

Mayor Johnson has agreed to put this question to the Council for consideration.

My recommendation is that you authorize the Administration to repair and retain the old senior van under the following conditions:

1. An agreement be entered into between the City and the Bonney Lake-Lake Tapps Senior Citizens, a Washington non-profit corporation (AKA Senior Board) to:
 - Reimburse the City for the repairs needed to the old senior van (estimated at \$7,194)
 - Reimburse the ERR Fund \$4,000 for the loss of revenue from the non-sale of the van
 - Reimburse the City on a quarterly basis for the maintenance and operating cost of the old van. The City will continue to pay all costs associated with the new van.
 - The City will fund the cost of insuring the van.

Dear Mayor,

As you may know I serve on the senior advisory board as vice-president, and am a past president. My husband Russ and I have been coming to the senior center for 7 years. We feel it is by far the most energized and active senior center we have ever attended.

I would like to thank the city administration and council for helping us purchase a new van for the center. It is a real beauty. However, it has had some bugs. I don't know if you are aware, but since the new bus has gone into service on October 31st, the center has logged 4,000 miles in our old bus, while the new one was in for maintenance, repairs, or off on a trip. To me that shows a definite need for a back-up system.

We have been seeing an increase in membership at the center and ridership on our bus, particularly riders with wheelchairs or walkers. When the new bus is gone, and the center borrows the fire department bus, they cannot pick up wheelchair passengers, because the lift is in the front of the bus, and there is no way to get the wheelchair down the aisle of the bus. The daily pick-ups have grown so large that our drive routinely makes two trips each morning and two each afternoon; three each on Wednesdays. On those days, the last load usually does not get to the center before the start of lunch service. For special holiday meals the demand for bus service is even greater, and John, our volunteer driver, sometimes helps out with a second bus route.

I have heard from seniors who went on the Beyond The Borders bus ride-along that their bus running around Bonney Lake has more than 400,000 miles on it. At just over 182,000 on our old bus, it would appear to be only half way through its service life. As a long time business owner, I have learned to not discard or "surplus" assets that still can add value to my business.

I realize the city council has already declared the old bus as surplus. I have been told that you wrote in reply to Nell Snodgrass' inquiry about saving the old bus that the agreement was to sell the old bus to help with the cost of buying the new bus. So my husband and I have been thinking about that and have a suggestion for you.

My husband and I are willing to buy the old van, for a reasonable price that we can afford, and then to donate it to the senior center as a back up vehicle. The proceeds of the sale would go to the city, of course.

We think it is a huge mistake to eliminate the old van as it has been providing a necessary back up for our local runs. We realize it should not be used for out of the area trips, for which the new van was purchased in order to continue to offer those to our seniors.

As you can tell, I have done a lot of research in order to make this proposal. And my husband and I are not what you would call "well-to-do" but we do have big hearts and have found the needs of the senior center are so important to so many of our city's seniors. We, too, are seniors and it's important to us to help others.

A prompt reply would be appreciated.

Sincerely,

Sherry L. Creson and
Russell L. Bartels Sr.

Don Morrison

From: Neil Johnson
Sent: Friday, April 05, 2013 2:38 PM
To: Nell Snodgrass
Subject: RE: The Old Senior Center Van

Follow Up Flag: Follow up
Flag Status: Flagged

Good afternoon Mr. Snodgrass,

Thank you for sharing your thoughts and ideas regarding the use of the old senior van.

Unfortunately, we counted the sale (trade-in) value of the old van against the purchase price of the new van. If we were to not realize that income, we would have been about \$4,000 short of having had the funds to purchase the new van. Of course, this would of delayed the purchase of a new van.

Thank you for serving on the advisory board.

Neil

Neil Johnson, Jr.
Mayor

From: Nell Snodgrass [nelljune@comcast.net]
Sent: Thursday, April 04, 2013 4:30 PM
To: Neil Johnson
Subject: The Old Senior Center Van

Sir:

My name is Nell Snodgrass. I am an advisory board member at the Senior Center. Some of us have talked about trying to keep the old van. And hope that can be done. Sometimes, we need two to transport seniors to the center. Several Wednesdays when people come to have lunch and play bingo, the second or third load arrive to late to have lunch before bingo. I remember one time in particular, the last load didn't arrive until 12:25 p.m. Normally lunch is not served after 12:15. Almost every day there are two runs, and sometimes three, runs to pick up seniors.

On special days, like Easter, Mother's Day, Thanksgiving, Christmas and other days like that, we could use the second van to transport seniors. Even on Thanksgiving and Christmas when we celebrate on two different days, 2 or 3 different runs are made.

When we just had one van, when it went for repair or service, the gray bus (police, or fire department bus) was used to pick up seniors. It is not comfortable and does not have seat belts. It also does not have wheel chair accessibility. There are anywhere from one to four seniors that come every day who are in wheel chairs. There are some seniors who use walkers that cannot use the steps who board the van using the wheel chair lift. I have seen the gray bus used at least once or twice a month.

The van is already paid for and the last time I rode in it, it didn't look like it was ready for the junk heap. It would probably be sparingly used so therefore would not need to be serviced so much.

Would you please keep the older van for backup use? We, as seniors who use the center, would appreciate it.

Sincerely,

Nell Snodgrass
Advisory Board Member
253-307-7223

Sent: Thursday, June 27, 2013 3:49 PM
To: Neil Johnson; Woody Edvalson
Cc: Don Morrison; Charlie Simpson
Subject: RE: Old Sr. Van..

Hi Neil and Woody,

The prospect of keeping the "old" bus is exciting. We would be using the vehicle as a back-up when our new bus is in the shop for routine servicing or unexpected repairs or when it is being used for an weekday trip that takes it out of service. This is when we have borrowed the EPFR bus in the past.

Our attendance has been increasing, as noted by Ms. Creson, and there are certain days that we would benefit from the use of the old bus for daily pick-ups. This would enable Phil and John, our volunteer driver, to get the participants to the center at a time that would allow the seniors to enjoy the services and activities we offer here not just in time for the meal program.

I understand that the cost of keeping the old bus in service would encumber the city with an unanticipated cost. I honestly do not know what to recommend as far as the funding of this goes. However, I do know that the benefit of having a secondary vehicle available to the SC participants and staff would greatly increase the quality of service that we provide to our citizens.

Thank you for considering the importance of this.

I apologize for the delay in my response. As you know Lara resigned and I have been acting as the SC cook for a bit.

Sue

*Sue Hilberg
Senior Services Manager
Bonney Lake Senior Center*

Don Morrison

From: Charlie Simpson
Sent: Thursday, June 27, 2013 12:52 PM
To: Neil Johnson; Don Morrison
Cc: Dan Grigsby; Sue Hilberg; Woody Edvalson
Subject: Evaluation of older senior bus
Attachments: Senior Van - Eval.pdf

Neil/Don

Attached are the reports that were generated by independent vendors on the older bus. Bottom line is that to bring this up to a drivable safe condition it will cost:

\$3,248 - mechanical (when they begin to take this apart they will find more)
\$1,596 - (6) tire (current tires are bald)
\$2,350 - to repair chair lift

Grand total of \$7,194

Let me know what is decided.

Charlie

Charles E. Simpson
City of Bonney Lake
Assistant Public Works Director
253-447-4323
simpsonc@ci.bonney-lake.wa.us

253-447-4330
F&X

Korum Ford Lincoln
100 River road
Puyallup, wa 98371
253-286-5070

Estimate

Name		Phone	Date	Done	Mileage	RO Number			
B-LAL2					183383	6515885			
CP / ESP / Internal		ESP Phone Number		Technitlon					
				RL					
Repair	Job#	Hrs	Description	Parts	Labor	SS	Tax	Line total	
		4.0	FBRK w/brake	106.51	320.-	35.20	43.41	505.15	
		1.4	Sway Bar Bush	56.84	137.20	15.10	19.66	228.80	
			4 W WHEEL ALIGN					109.23	
		3.5	DRIVE LINE CORRECT	49.78	343.-	37.73	40.47	470.98	
		.8	Serp Belt / ten	145.87	78.40	8.63	21.90	254.80	
		3.0	Flt/str Boty	1200	294	32.34	30.68	357.02	
		1.0	BATT + cable	229.80	80.-	8.80	29.95	348.55	
			BATT INSTALL						
			LOF					46.-	
			TRONZ FL.					256.83	
			COOLANT FL.					129.83	
			PLS FL.					166.02	
			BRK FL.					187.91	
			Injector service		hour for 11..			185.59	
The above is an estimate based on our inspection and does not cover any additional parts or labor which may be required after the work has been started. Occasionally, worn or damaged parts are discovered which may not be evident on the first inspection. Because of this, the above prices are not guaranteed. Quotations on parts and labor are current and subject to change				Rental Car \$30 day					
				Sublet/Towing Fees					
				Deductible	plus	tax			
				Total					3247.71

QUOTE # 5852

CUSTOMER INFORMATION		VEHICLE INFORMATION	STORE LOCATION
ACCOUNT USE CHARGE		2000 FORD	WAS 24
19306 BONNEY LK BLVD		E-450	19815 SOUTH PRAIRIE RD E.
SRG BOYLE		CITY BUS S	BONNEY LAKE WA 98391
BONNEY LAKE	WA 98391	PLATE # UNKNOWN	PHONE: 253-862-0110
(H) 253-447-3101		MILEAGE: UNKNOWN	170 AVP ACCESS-DO NOT DELETE
	(M) 253-350-0120		

CODE	CC	QTY	SIZE	DESCRIPTION	F.E.T.	PRICE	AMOUNT
14048	NRM	6	LT225/75R16E1 115R B	MICHELIN LTX M/S2	.00	225.00	1,350.00
WARRANTY: MILEAGE- 70,000 WORKMANSHIP/MATERIALS-LIFETIME							
80075	NRM	6	STATE REQUIRED	ENVIRONMENTAL FEE	.00	1.00	6.00
80224	NRM	6	WASTE TIRE DISPOSAL	FEE	.00	2.50	15.00
COMMENT: they will be by to pick these quotes up							
80219	NRM	6	INSTALLATION &	LIFETIME SPIN BALANCING	.00	16.00	96.00
80402	NRM	6	VALVES, ROTATIONS &	LIFETIME REPAIRS INCLUDED	.00	.00	.00

TAX: 128.57
 TOTAL: 1,595.57

FREE CUSTOMER FLAT REPAIR AND ROTATION
 This quote is good for 30 days
 THANK YOU FOR SHOPPING DISCOUNT TIRE CO.

 (Salesman's Signature)



866-626-VANS (8267)
WWW.KERSEYMOBILITY.COM

Estimate

Date	Estimate #
5/11/2012	5794

Bill To

City of Bonney Lake
19306 Bonney Lake Boulevard
Bonney Lake, WA 98391

Ship To

City of Bonney Lake
19306 Bonney Lake Boulevard
Bonney Lake, WA 98391

			Rep
			SR
Quantity	Description	Price Each	Total
2.5	Labor	110.00	275.00
1	Lift Pump Assy 212100108	1,838.51	1,838.51
1	Shipping UPS ground	25.00	25.00
1	Shop Supply Fee	9.28	9.28
<p>2000 Ford E-450 Arrow Tech Bus VIN#1FDXE45S8YH899096 168,060 miles. Customer stated the Lift isn't working correctly. We performed a service on the lift. Inspected the lift for bleeding out upon the doors. The lift is leaking internally which is causing the lift to rest upon the doors, the only way to correct this is to replace the lift pump assy. Last visit we adjusted the stow/deploy limit switches which allows the inner barrier to lie flat on the floor. All lift bolts were checked for tightness. Lift is a Ricon model #S2005 s.n.#126294</p>			
ESTIMATES GOOD FOR 30 DAYS ONLY UNLESS OTHERWISE NOTED		Subtotal	\$2,147.79
Customer Signature: _____ Date: _____		Sales Tax (9.4%)	\$201.90
		Total	\$2,349.69

Steve in Service

TWO LOCATIONS FOR YOUR CONVENIENCE:
Western Washington: 6015 160th Ave E / Sumner, WA 98390 / 863-4744
Eastern Washington: 5805 West Thorpe Rd / Spokane, WA 99224