

CITY COUNCIL WORKSHOP

**September 6, 2016
6:00 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.
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 Randy McKibbin, Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson.

III. AGENDA ITEMS:

- A. **Presentation:** Recognition of Bonney Lake Little League 11U Softball State Champions.
- p. 3 B. **Presentation:** Proposed Visconsi Development Agreement(s).
- p. 7 C. **Review of Minutes:** August 9, 2016 Council Meeting, August 16, 2016 Workshop, and August 23, 2016 Meeting.
- D. **Council Open Discussion**
- p. 25 E. **Discussion/Action:** AB16-100 – Ordinance D16-100 – An Ordinance Of The City Of Bonney Lake, Washington, Authorizing The Issuance Of Water And Sewer Revenue Bonds In A Principal Amount Not To Exceed \$16,000,000 To Finance A Portion Of The Cost Of Constructing A New Public Works Building; Delegating Authority To The City Administrator And Chief Financial Officer To Complete The Sale Of The Bonds; And Providing The Terms And Conditions For Issuing Additional Water And Sewer Revenue Bonds On A Parity With The Bonds Authorized By This Ordinance. *(1st reading of proposed ordinance held on August 23, 2016; this is the 2nd reading of the ordinance and possible action)*
- p. 67 F. **Discussion:** AB16-70 – Resolution 2532 – Fennel Creek Sewer Lift Station Cost Reimbursement Options. (Pursuant to Public Hearing May 24, 2016) (Tabled for Discussion from June 14 and August 9, 2016 Council Meetings)

III. AGENDA ITEMS (Cont'd.)

- p. 71 G. **Discussion:** AB16-95 – Ordinance D16-95 – Increased Utility Tax on Cable TV.
- p. 77 H. **Discussion:** AB16-99 – Resolution 2548 – Approval of the Allan Yorke Park Master Plan and Phase 1 Design Contract.
- I. **Tour:** Community Gardens – Meeting will be adjourned from Community Gardens at the conclusion of the tour.

IV. EXECUTIVE/CLOSED SESSION:

Pursuant to RCW 42.30.110 and/or RCW 42.30.140, the City Council may hold an executive or closed session. The topic(s) and duration will be announced prior to the session.

V. ADJOURNMENT

For citizens with disabilities requesting translators or adaptive equipment for communication purposes, the City requests notification as early as possible prior to the meeting regarding the type of service or equipment needed.

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 6 September 2016	Agenda Bill Number: AB16-xx
Agenda Item Type: Presentation	Ordinance/Resolution Number: TBD	Councilmember Sponsor:

Agenda Subject: Visconsi Companies, Ltd. Development Proposal/Amendment to Quadrant/WSU Development Agreement

Full Title/Motion: n/a

Administrative Recommendation: Approve

Background Summary: Visconsi Companies, Ltd. has been developing a plan for the commercial portion of the WSU forest. As part of that plan it will be necessary to enter into a second amendment to the 2009 WSU Development Agreement and enter into a new Development Agreement between Visconsi as the developer of the property, Costco as the anchor tenant, and the City.

Attachments: Outline of proposal and preliminary site plan attached

BUDGET INFORMATION

Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input type="checkbox"/> General
				<input type="checkbox"/> Utilities
				<input type="checkbox"/> Other

Budget Explanation: See Attachments

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review:	<i>Approvals:</i>	Yes	No
Date:	Chair/Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Forward to:	Consent Agenda:	<input type="checkbox"/> Yes	<input 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:	Mayor:	Date Reviewed by City Attorney: (if applicable)
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WSU Commercial Proposed Development

- 150,000 square foot Costco with a 30 pump fueling station.
- 7-11 out lot commercial pads.

Costco as Anchor Tenant

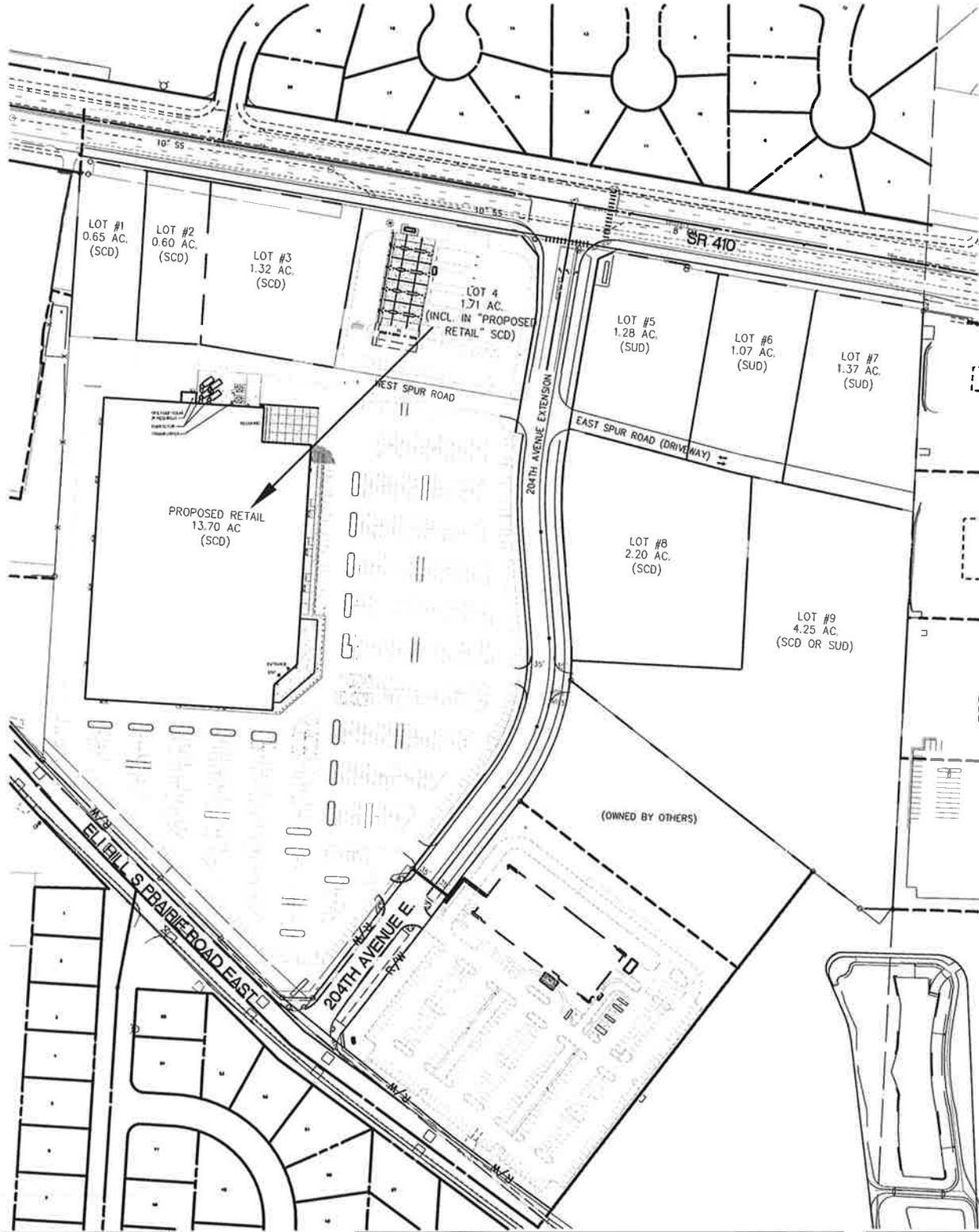
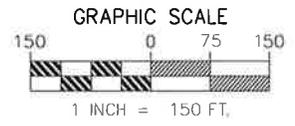
- \$30 million construction project will generate approximately \$250,000 in construction sales tax to the City.
- Generating approximately \$142,400 in building permit fees; \$10,505 in sewer fees; \$146,500 in water fees; \$113,450 in stormwater fees; and \$1,141,771 in traffic impact fees.
- Projected annual sales tax revenue to the City between \$300,000 - \$500,000.
- Projected new annual property tax revenue to the City between \$40,000 - \$50,000.

Development Agreements

- Second amendment to the 2009 Weyerhaeuser/WSU/City Development Agreement & an agreement between Visconsci/Costco/City.
- Developer, Visconsci would construct the 204th extension at its cost and dedicate the improvements to the City at the completion of the construction.
- Up to \$2,500,000 in transportation impact fees credits would be made available to the developer to be allocated to end users throughout the site.
- Fees would be calculated using the shopping center designation for the Costco and 4 out lots, specific use designations would be used for calculating the fees on 4 out lots.
- The developer would provide the City with a bid ready package for the traffic signal and associated SR 410 improvements.
- The City would bid and construct the traffic signal and associated SR 410 improvements.
- The City would not put the traffic signal and associated SR 410 improvements out to bid until Costco has submitted for and received written site plan approval.
- The City would not fund the traffic signal and associated SR 410 improvements until Costco closes on the purchase of the land from the developer.
- The City would expedite the bidding/construction of the traffic signal and associated SR 410 improvements to the extent feasible.
- If Costco does not receive a building permit and commence construction within a certain amount of time the City would not be obligated to disburse transportation impact fee credits.
- The developer will provide for a drive aisle connection to the commercial properties to the east for a future vehicular connection between the two centers.
- The developer would construct the storm water drainage facility on the City property in keeping with the Master Storm Water Drainage Design Plan.

LEGEND

- SCD – SHOPPING CENTER DESIGNATION
- SUD – SPECIFIC USE DESIGNATION



PROJECT No.: XXXXX
 DWC NAME: XXXXX-XX
 DWC SCALE: 1"=150'
 DRAWN BY: SAJ
 CHECKED BY: SAJ
 DATE DRAWN: 9/1/16
 REVISION:

(TIF) DESIGNATION
PRELIMINARY SITE PLAN
 BONNEY LAKE
 WASHINGTON

SHEET NO.
EX-1

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CITY COUNCIL MEETING

August 9, 2016
6:00 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.

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 6:01 p.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 Randy McKibbin, Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Police Chief Dana Powers, Public Services Director John Vodopich, City Attorney Kathleen Haggard, and Deputy City Clerk Susan Haigh.

- C. Agenda Modifications: None.
- D. Announcements, Appointments and Presentations:

- 1. Announcements:
 - a. **Proclamation:** Chief for a Day – Chief Logan.

Mayor Johnson read the proclamation aloud and introduced Chief Logan. Police Chief Powers spoke about Logan and his family. She said Logan will serve as ‘Chief for the Day’ on August 18, 2016 and represent the Police Department at Bonney Lake Days and other events.

- 2. Appointments:
 - a. **AB16-94** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Ratifying The Mayor’s Appointment Of Claire DeFrancesco To The Arts Commission Position No. 8 (Student) For A One-Year Term Expiring April 6, 2017.

Councilmember Lewis moved to approve the Mayor’s Appointment to the Arts Commission. Councilmember Watson seconded the motion.

Mayor Johnson said the Arts Commission has been doing a lot of good work, and he is pleased to see another commissioner come on board.

Motion approved 7 – 0.

3. Presentations:

- a. **Presentation:** Public Works Center Bonding – Jim Nelson, D. A. Davidson & Co.

Mr. Nelson provided a presentation about the City’s bonding outlook. He said the City is currently rated AA+ (the second-highest rating), although Standard & Poor’s rating services gave the city a “negative outlook” which may reduce the city’s bond rating in the next two-year period. He said the City is timing the Public Works Center (PWC) revenue bond at a time of near-historic low interest rates. He provided recommended actions including updating the city’s financial management policy, scheduling a utility rate study, and considering a utility rate increase. He reviewed the next steps for a bond ordinance, with Council approval proposed on September 13, 2016, providing bond funds at the end of September 2016.

Councilmember Rackley asked if a new utility bond will affect the city’s general fund bonding capability. Mr. Nelson said the city’s general obligation bonds are rated AA+ and stable, and the proposed utility bonding would not impact the city’s general bond rates. Mr. Nelson explained that the bond rating is locked in based on the review done at the time of bonding. Mayor Johnson thanked Mr. Nelson for his time.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings: None.

B. Citizen Comments:

Dave Lorence, 9103 204th Ave E, Bonney Lake, spoke about his concerns about the proposed Fennel Creek Lift Station Assessment Reimbursement Area (ARA). He described the overall process, communications with homeowners, and major changes to the estimated ESUs, benefiting parcels, and costs since it was first brought forward. He questioned the reduction in the lift station’s estimated capacity and said homeowners in Kelly Glade hope to work with the city and want clarification of the process and timeline. He said the combined costs of the ARA, permits, and utility fees is about \$20,000 per residential property.

C. Correspondence: City Clerk Edvalson noted the Council received correspondence from William T. Lynn of Gordon Thomas Honeywell, regarding proposed Ordinance D16-96 and proposed Resolution 2532 (Fennel Creek Lift Station).

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Councilmember McKibbin said the Committee met at 5:00 p.m. earlier in the evening and discussed personnel updates and a proposed cable utility tax ordinance.
- B. Community Development Committee: Councilmember Lewis said the Committee did not meet on August 2, 2016 due to National Night Out; the Committee's next meeting is scheduled on August 16, 2016.
- C. Economic Development Committee: Councilmember Minton-Davis said the Committee met earlier in the afternoon and discussed the regional economic development commission. The Chamber of Commerce is hosting a meeting on August 18, 2016 at Al Lago Restaurant, where Bonney Lake Permit Center Lead Jenn Francis will present.
- D. Public Safety Committee: Councilmember Watson said the Committee has not met since the last Council Meeting.
- E. Other Reports:
Pierce County Regional Council: Councilmember Lewis said the Puget Sound Regional Council (PCRC) meeting was cancelled this month.

IV. **CONSENT AGENDA:**

- A. **Approval of Accounts Payable and Utility Refund Checks/Vouchers**: Accounts Payable checks/vouchers #74295-74354 (including wire transfer #20160705) in the amount of \$664,533.35.
Accounts Payable checks/vouchers #74356-74407 (including wire transfer number 18554649) in the amount of \$338,830.33.
VOIDS: Check #74086 – replaced with check #74355.
- B. **Approval of Payroll**: July 16-31, 2016 for checks #33083-33104 including Direct Deposits and Electronic Transfers is \$ 630,208.26.
- C. **AB16-93 – Ordinance D16-93** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 8.44 Of The Bonney Lake Municipal Code And Ordinance Nos. 851 And 705 Relating To Emergency Management.

**Councilmember Lewis moved to approve the Consent Agenda.
Councilmember Watson seconded the motion.**

Consent Agenda approved 7 – 0.

V. FINANCE COMMITTEE ISSUES: None.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES: None.

VII. ECONOMIC DEVELOPMENT COMMITTEE ISSUES: None.

VIII. PUBLIC SAFETY COMMITTEE ISSUES: None.

IX. FULL COUNCIL ISSUES:

Mayor Johnson clarified Council procedure with the City Attorney, and Council consensus was for staff to present information prior to opening the floor to take action on the remaining agenda items.

A. **AB16-96 – Ordinance D16-96** – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.16 Of The Bonney Lake Municipal Code And The Corresponding Portions Of Ordinance No. 1528 Related To Latecomer Agreements And Assessment Reimbursement Areas.

City Attorney Haggard explained proposed Ordinance D16-96, which started as a desire to revise the requirement that Assessment Reimbursement Areas must be recorded within 30 days of Council action, which can be difficult as it requires staff to determine estimated costs, rather than use the final actual costs, in a specific time range. She said the city’s existing code is a mix of language based on past revisions to the Revised Code of Washington by the State legislature.

She said the proposed ordinance removes the 30-day recording requirement, and consolidates and removes redundancies to clean up the code. It also provides staff with authority to approve small latecomer agreements administratively, with Council approval still required for more complex agreements and larger benefiting areas. The proposed ordinance also removes the City’s discretion to deny a latecomer agreement, which is based on revisions to State laws. Finally, the proposed ordinance addresses the City’s self-imposed process for how assessments are calculated. She said it defers to State standards, and allows staff to make calculations for engineering and finance administratively, rather than including this level of detail in the municipal code.

City Attorney Haggard recommended the Council take action on the proposed ordinance prior to taking action on the Fennel Creek Lift Station ARA resolution. Councilmembers discussed the requirement to read the ordinance at two meetings and that action could be taken at the next Workshop.

Councilmember Evans asked for clarification on language that has been stricken out in the proposed ordinance; City Attorney Haggard explained that repeated or redundant language was combined and clarified.

Councilmember Swatman moved to table proposed Ordinance D16-96 to the August 9, 2016 Council Workshop for action. Councilmember Watson seconded the motion.

Motion to table proposed Ordinance D16-96 approved 7 – 0.

- B. **AB16-70 – Resolution 2532** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing Formation Of An Assessment Reimbursement Area For Construction Of The Fennel Creek Sewer Lift Station. (Pursuant to Public Hearing May 24, 2016; Tabled for Discussion from June 14, 2016 Council Meeting.)

City Attorney Haggard explained revisions to the proposed Resolution 2532 for the Assessment Reimbursement Area (ARA) since it was brought forward for review and a public hearing. She said over the past weeks she has worked with Public Services Director Vodopich and staff to review the proposed resolution and feedback received at the Public Hearing.

She said the calculations used for the original resolution were complex, especially as the future development of some parcels is unknown. In order to provide a more straightforward calculation, the revised ARA takes the total cost for the lift station and divides it by the capacity in equivalent service units (ESUs), to arrive at a cost per ESU. This per-ESU fee would be applied to properties in the benefiting area based on the actual number of ESUs being used (rather than on current or potential future use). Director Vodopich said as they went through the process they had many conversations about how many ESUs should be applied to each parcel; for single-family lots this is straightforward, but for properties like Swiss Park, the City's parcel on 192nd, and the proposed Skystone development, the actual level of future development is uncertain. He said they opted for simple arithmetic and charging a fee based on the actual per-ESU cost for the lift station. He said owners will pay a per-unit fee based on how they develop their property.

City Attorney Haggard explained why the number of ESUs in the revised ARA resolution is lower than on the earlier draft. She said the Assistant City Engineer calculated the realistic usage capacity for the lift station as it is designed to be 495 ESUs, which is lower than the *maximum* capacity of 670 ESUs. She said the lift station being constructed now will have a 495 ESU capacity, and could be up-sized to maximum capacity in the future by upgrading the pumps. City Attorney Haggard said the Council has some discretion on determining the acceptable fee per ESU based on the information available.

City Administrator Morrison said he feels the proposed revised ARA resolution is a more reasonable and equitable approach, as it does not attempt to determine what will happen on each property in the future.

Councilmembers asked follow-up questions about ARA fees and future costs. Director Vodopich said a future City Council could impose an additional latecomer fee to cover the cost of the upgraded pumps if they are needed in the future, but that would be up to the Council at that time. Councilmember Watson asked what will trigger the ARA fee to be applied to a property. Director Vodopich said if the ARA is approved, the fee would be assessed only if sewer is available within 200' of a property and that property is either sold, or developed, or the owner opts to connect to the sewer.

Councilmember Minton-Davis asked if another public hearing is needed due to the major changes to the resolution. City Attorney Haggard said a public hearing is required if requested by a property owner. She said the Skystone developers implied in their letter that the City will not meet with them, but that is not the case. She said staff deferred a meeting while they worked on this amendment, and Council review was delayed by the cancellation of the August 2, 2016 Workshop.

Mayor Johnson said the city also needs to meet with residents of the Kelly Glade neighborhood, and should have more discussion and time to inform the public. Councilmember Swatman said he wants confirmation on issues about multi-family rates and other items.

Councilmember Lewis asked if the Council has any way to exempt properties from the requirement to hook up if they have a functioning septic system. City Attorney Haggard said this would require an amendment to the City's code. She said a resident on a working septic system would not be required to connect to sewer unless they sold the home. She noted that the Growth Management Act states that urban services will be required in urban areas, and any exemption for septic systems would need to be uniform across the entire city.

Mayor Johnson suggested the Council table this item to the first workshop in September, and in the meantime the City can reach out to the interested parties. City Attorney Haggard said a second public hearing may not be needed if all the groups have a chance to work with the city.

Councilmember Swatman moved to table Resolution 2532 to the September 6, 2016 Workshop for discussion. Councilmember Lewis seconded the motion.

**Motion to table Resolution
2532 approved 7 – 0.**

X. EXECUTIVE/CLOSED SESSION: None.

XI. ADJOURNMENT:

At 6:52 p.m. the Meeting was adjourned by common consent of the City Council.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the August 9, 2016 Meeting:

- William T. Lynn, Gordon Thomas Honeywell, for Skystone Apartments, LLC – *Re: “AB16-96-Ordinance D16-96 and AB16-70 Resolution 2532 (Fennel Creek Lift Station)”*
- Jim Nelson, D. A. Davidson & Co. – *Presentation titled “Water & Sewer Revenue Bond Financing Discussion”.*

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 WORKSHOP

**August 16, 2016
6:00 P.M.**



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.

DRAFT MINUTES

"Where Dreams Can Soar"

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 6:00 p.m.

II. ROLL CALL: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Randy McKibbin, Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson.

Staff members in attendance were Administrative Services Director/City Clerk Harwood Edvalson, Police Chief Dana Powers, Community Development Director John Vodopich, City Attorney Kathleen Haggard, and Deputy City Clerk Susan Haigh.

III. AGENDA ITEMS:

A. Discussion/Action: AB16-96 – Ordinance D16-96 – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.16 Of The Bonney Lake Municipal Code And The Corresponding Portions Of Ordinance No. 1528 Related To Latecomer Agreements And Assessment Reimbursement Areas.

**Councilmember Watson moved to approve Ordinance D16-96.
Councilmember Lewis seconded the motion.**

City Attorney Haggard explained that the proposed ordinance is intended to streamline and simplify the City's code, which had been amended several times in the past to keep in line with State law.

Councilmember Swatman pointed out that this item is a stand-alone ordinance to amend the City's code, and does not take action on the proposed Fennel Creek Lift Station Assessment Reimbursement Area (ARA). City Attorney Haggard confirmed that this proposed ordinance addresses the City's code related to utility latecomer agreements, developer's latecomer agreements, and ARAs generally, and is not specific to the Fennel Creek Lift Station ARA.

Ordinance 1553 approved 7 – 0.

B. Council Open Discussion.

Open Life Church: Councilmember Watson highlighted a positive community project completed by Open Life Church for teachers at Liberty Ridge Elementary in the Sumner School District. He displayed photos of the remodeled teacher's

lounge at the school. He said the Church provides services to students, and this summer decided to support teachers with a refurbished lounge including furniture, appliances, and a coffee station.

Bonney Lake Days: Councilmember Minton-Davis asked whether the Council will participate in this year's Bonney Lake Days parade. Councilmembers Watson and Evans said they cannot attend. Deputy Mayor McKibbin said the Council will participate though they will likely not rent a trailer for the parade. Councilmember Minton-Davis invited all to the annual Kiwanis pancake breakfast at 8:00 a.m. at the Senior Center on August 20 before Bonney Lake Days.

Park Plans: Councilmember Minton-Davis complimented Bruce Dees' presentation on the proposed Allan Yorke Park Plan. She said she plans to push to move this item forward and keep it in the Council's discussions. Mayor Johnson said staff plan to bring an item forward for Council action at a future meeting.

Councilmember Rackley asked about plans for Midtown Park; Mayor Johnson said he has a meeting with representatives from Sumner School District soon. He said they will have more information soon, and he plans to report to the Parks Ad Hoc Committee and Council as well.

Proposed Fennel Creek Lift Station ARA: Councilmember Minton-Davis discussed the proposed Assessment Reimbursement Area (ARA), Resolution 2532. She said she did research to confirm fees required of homeowners to connect to sewer if/when it becomes available to their property. She said the City's System Development Charge (SDC) analysis of 2009 explains that the fee calculation factored in the costs of the existing system, future system, and the treatment plant. She noted the Fennel Creek Lift Station was part of the 6-year Capital Improvement Projects (CIP) when SDC fees were last calculated, and questioned whether residents would be double-charged for the cost of a lift station if they are required to pay both SDC fees and the proposed ARA fees. She said based on her understanding at this time, she does not support the proposed ARA.

Councilmembers and staff discussed the funding source and background of SDC charge calculations. Public Services Director Vodopich said the Comprehensive Plan states that new development is responsible for maintaining the level of service for utilities. He said the SDC calculations are based on estimates for future system expansions, and he needs more information on how the cost for projects on the CIP list were factored into the SDC charge.

Councilmember Watson asked how the Fennel Creek Lift Station compares with the Eastown sewer latecomer agreement. Director Vodopich said there is a similar process for Eastown residents; if they sell or develop their property and sewer is available, they would be required to pay the appropriate SDC fee as well as the latecomer fee that had been assessed for their parcel. He noted that the proposed ARA fee is different than the latecomer fee assessed to Eastown properties.

Mayor Johnson agreed that additional research and discussion is needed, and this will be a topic for the September 6, 2016 Workshop.

C. **Review of Draft Council Minutes:** July 14, 2016 Special Meeting, July 19, 2016 Council Workshop and July 26, 2016 Council Meeting.

The minutes were forwarded to the August 23, 2016 Meeting for approval with minor corrections.

D. **Presentation and Discussion:** AB16-92 – Senior Services.

Administrative Services Director/City Clerk Woody Edvalson and Senior Services Manager Sue Hilberg provided a presentation about the past, present, and future of the Bonney Lake Senior Center. Several members of the staff, Senior Center Advisory Board, and visitors to the Center were in attendance at the Workshop. Staff explained that about 1,400 seniors are registered Senior Center members, and about 100 new members join each year for about 10% year-over-year growth since 2012 (which is similar to County projections for future growth). Ms. Hilberg said the Center depends on a limited staff and a large number of volunteers. She noted these numbers do not show all those served, since not all who use the Center are registered. She explained that about half of registered participants live inside city limits, and about half of trips on the Senior Center bus are for residents inside the city limits.

Councilmembers asked questions about the role of the Advisory Board, fundraising, partnerships with other area Senior Centers, and transportation services. Councilmember Watson asked about how non-resident transportation services work and suggested that the Center work with Beyond the Borders to provide transportation for some. Councilmembers and staff discussed opportunities for federal, local, and private grants and other funding resources.

Councilmembers discussed the Senior Center's role in the community and interest from county residents to access services and activities. They discussed programs available and funding cuts seen at senior programs in nearby cities.

Councilmembers asked about opportunities for grant funds and partnerships with other agencies to provide shared services. The Council discussed future needs and the costs of repairs and upgrades to the existing Center, and the importance of the services it provides. Several councilmembers questioned whether the City's funds should focus on those in the city limits rather than providing services outside the City limits. Many seniors in attendance at the Meeting, including Advisory Board members, noted they live outside the city limits. Mayor Johnson said as the Council looks to the future, the idea of a community campus could include regional senior services in partnership with other agencies. The Council thanked staff and volunteers for their work to make the Senior Center successful.

E. **Discussion:** Council Attendance at Council Committee Meetings.

Councilmember Watson asked for a discussion about Council policies for excused absences from Council Committee meetings. He noted Councilmember Rackley

has been out for medical reasons and there have been issues of Councilmembers missing Committee meetings, and keeping informed about agenda items. Director Edvalson said the City Clerk's office does not keep a separate attendance log, but can check the minutes for absences.

Councilmember Rackley said he has not been able to attend several meetings due to medical issues; Deputy Mayor McKibbin said he and Councilmember Rackley already spoke, and they plan to touch base weekly to confirm whether he can attend.

City Attorney Haggard explained that if the Council wishes to make a deliberate statement that an absence was not approved, they would need to make a motion to not excuse the absence. She said the Municipal Code allows action after three consecutive unexcused workshops or meetings, and calls for 24-hour advance notice for committee meetings, but missing committee meetings is not grounds to require someone to give up their seat. She confirmed that a committee meeting can take place with only two councilmembers present.

Councilmembers and the Mayor discussed attendance and involvement and the importance of notifying the Committee chair if they cannot attend a meeting. Councilmember Lewis noted that he will miss next week's Council meeting.

F. **Discussion:** AB16-28 – Ordinance D16-28 – Impact Fee Deferral Program.

Planning Commission Chair Grant Sulham provided an overview of the proposed ordinance. He said cities must pass an ordinance by September 1, 2016 to stay in compliance with State law. He said impact fees for single-family homes must provide an option for developers to request a fee deferral of up to 18 months. Staff recommended a \$360 fee for the fee deferral process; the Planning Commission recommended a fee of \$200.

Councilmembers discussed the length of time to complete building compared to the 18-month period. Councilmember Swatman said he does not agree with the State legislation requiring a deferral option. He also questioned the difference between the Commission and staff recommendation for the fee amount. Councilmember Rackley said the City has pushed other fees to earlier in the process so they will be included in the builder's financing, not delayed until after final inspection when they come as a surprise to the homebuyer.

City Attorney Haggard said State statute clarifies that payment of closing fees must be made by the seller, and the sales price could be subjectively raised to cover the costs of fees. Councilmember Swatman said he would prefer a mechanism to force builders to pay fees prior to selling the home, and/or disclosing fees to the homeowner. Councilmember Minton-Davis asked about protocol in items that come forward from the Planning Commission, and whether the staff or Commission recommendation should have come forward to the Council.

Deputy Mayor McKibbin said the fee deferral is not automatic; it must be requested. Council consensus was to move the proposed ordinance forward with a fee of \$200 to the August 23, 2016 Meeting for Action.

G. Discussion: AB16-95 – Ordinance D16-95 – Increased Utility Tax on Cable TV.

Public Services Director Vodopich provided information as Chief Financial Officer (CFO) Cherie Gibson was not in attendance. He said the City last adopted a Cable TV utility tax of 1.5% in 2011. He said all other utilities are taxed at 6% and the CFO drafted this ordinance bringing cable taxes to the same rate. The proposed ordinance would provide an estimated \$275,000 of additional revenue to the City. The Finance Committee reviewed the proposed ordinance on August 9, 2016.

Councilmember Swatman said this is a significant tax increase, although it will not be a large amount of money on individual cable customers' bills. He suggested the revenues be dedicated to something specific. Councilmembers discussed the time frame for enacting the increase and when it would appear on customers' bills.

Council consensus was to table the proposed ordinance to a Workshop for further discussion.

IV. EXECUTIVE/CLOSED SESSION: None.

V. ADJOURNMENT:

At 7:23 p.m. the Workshop was adjourned by common consent of the Council.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the August 16, 2016 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

August 23, 2016
6:00 P.M.

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.
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 6:02 p.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 Randy McKibbin, Councilmember Justin Evans, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson. Councilmember Donn Lewis was absent.

Councilmember Rackley moved to excuse Councilmember Lewis. Deputy Mayor McKibbin seconded the motion.

Motion approved 6 – 0.

Staff members in attendance were City Administrator Don Morrison, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Kathleen Haggard, Chief Financial Officer Cherie Gibson, Human Resources Manager Jenna Richardson, Public Services Director John Vodopich, Police Chief Dana Powers, and Administrative Specialist II Renee Cameron.

- C. Agenda Modifications: None.
- D. Announcements, Appointments and Presentations:
 - 1. Announcements: None.
 - 2. Appointments: None.
 - 3. Presentations:
 - a. Recognize Bonney Lake Little League 11U Softball State Champions.

This presentation was tabled to the September 6, 2016 Workshop to allow more of the players to be present for the presentation.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

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

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Deputy Mayor McKibbin said the Committee met at 5:00 p.m. earlier in the evening and discussed three new issues: the utility tax ordinance, a sewer development charge study, and the draft legislation budget.
- B. Community Development Committee: Councilmember Swatman said the Committee met on August 16, 2016 and forwarded one item (AB16-89 - Resolution 2544) to the Council meeting for action this evening.
- C. Economic Development Committee: Councilmember Minton-Davis said the Committee has not met since the last Council Meeting.
- D. Public Safety Committee: Councilmember Watson said the Committee has not met since the last Council Meeting.
- E. Other Reports: None.

IV. CONSENT AGENDA:

- A. **Approval of Minutes**: July 14, 2016 Special Meeting, July 19, 2016 Council Workshop, and July 26, 2016 Council Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers**:
Accounts Payable checks/vouchers Accounts Payable checks/vouchers #74408-74515 (including wire transfer number's 20160801, 20160802, 20160803, and 20160804) in the amount of \$226,531.55; Accounts Payable checks/vouchers #74517-74564 in the amount of \$179,700.49; Accounts Payable checks/vouchers #74565-74568 in the amount of \$3,698.93.

Accounts Payable wire transfer #8172016 in the amount of \$35,526.69 for p-card purchases.

VOIDS: Check #74222 – replaced with check #74516
- C. **Approval of Payroll**: August 1-15th, 2016 for checks #33105-33125 including Direct Deposits and Electronic Transfers is \$ 540,688.
- D. ~~**AB16-28 – Ordinance D16-28 – Impact Fee Deferral Program – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Establishing An Impact Fee Deferral Program For Permits For Single Family Homes.**~~ *Moved to Full Council Issues. Item B.*

Councilmember Swatman requested that Consent Agenda Item D – AB16-28 – Ordinance D16-28 be moved to Full Council Issues, Item B.

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

Consent Agenda approved 6 – 0.

V. FINANCE COMMITTEE ISSUES: None.

- A. **AB16-101** – A Motion Of The City Council Of The City of Bonney Lake, Pierce County, Washington To Authorize The Mayor To Offer The Maintenance Worker II/Facilities Up To The Top Of The Salary Range For Maintenance Worker II.

**Councilmember Watson moved to approve the Motion AB16-101.
Councilmember Swatman seconded the motion.**

Motion AB16-101 approved 6 – 0.

Deputy Mayor McKibbin advised that this issue was added to the Finance Committee Meeting agenda earlier today and the Committee fully discussed any concerns or issues it had. Councilmember Rackley asked for clarification of the motion and his concerns. Deputy Mayor McKibbin assured him his questions were addressed to staff and the Committee was confident in moving it to Full Council for action.

City Administrator Morrison clarified the intent of this motion. He advised that he supports the motion given the extent of experience and knowledge of the selected candidate for the Maintenance Worker II/Facilities position, and the City’s preparation for succession when the Facilities and Special Projects Manager retires. He said this motion would authorize the City to offer up to the maximum of the salary range. Deputy Mayor McKibbin and Councilmember Watson advised that they thoroughly reviewed and discussed this issue at the Finance Committee, and the savings due to the knowledge and skill of the candidate who has been offered the position.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES:

- A. **AB16-89 – Resolution 2544** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Awarding A Professional Services Agreement With Utility Services Associates, LLC For The 2016 Leak Detection Program. *(Tabled from July 23, 2016 Council Meeting).*

**Councilmember Swatman moved to approve Resolution 2544.
Councilmember Rackley seconded the motion.**

Resolution 2544 approved 6 – 0.

VII. ECONOMIC DEVELOPMENT COMMITTEE ISSUES: None.

VIII. PUBLIC SAFETY COMMITTEE ISSUES: None.

IX. FULL COUNCIL ISSUES:

- A. AB16-100 – Ordinance D16-100** – An Ordinance Of The City Of Bonney Lake, Washington, Authorizing The Issuance Of Water And Sewer Revenue Bonds In A Principal Amount Not To Exceed \$16,000,000 To Finance A Portion Of The Cost Of Constructing A New Public Works Building; Delegating Authority To The City Administrator And Chief Financial Officer To Complete The Sale Of The Bonds; And Providing The Terms And Conditions For Issuing Additional Water And Sewer Revenue Bonds On A Parity With The Bonds Authorized By This Ordinance.

This was the first reading of this proposed ordinance. There was no action taken. Council consensus was to move the item forward for the second reading and possible action.

- B. AB16-28 – Ordinance D16-28** – Impact Fee Deferral Program – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Establishing An Impact Fee Deferral Program For Permits For Single-Family Homes. *Moved from Consent Agenda, Item D.*

Councilmember Watson moved to approve Ordinance D16-28, Councilmember Swatman seconded the motion.

Councilmember Swatman said he believes that this particular piece of legislation written by the state Legislature is unconstitutional under the Washington State Constitution, per Senate Bill 5923, approved in April 2015 to promote economic recovery in the construction industry. He referred to Section 1.3 which reads "Counties, cities, and towns collecting impact fees must, by September 1, 2016, adopt and maintain a system for the deferred collection of impact fees for single-family detached and attached residential construction."

Councilmember Swatman and other councilmembers said they believe the legislation conflicts with Article 8, Section 7 of the state Constitution, which states: "No county, city, town or other municipal corporation shall hereafter give any money, property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm,"

City Attorney Haggard advised that she did not believe this bill and the city's ordinance an unconstitutional lending of credit. She said that not adopting this

ordinance could mean the city is out of compliance with the state, that the city will most likely be challenged by developers that want to defer their impact fees, and that she did not think it was feasible to refuse to comply with the state legislature. She said the City could try to argue that a deferment loses the city money, and that if the city thinks they could be losing money that they could recapture it in an administrative fee.

Councilmember Rackley said he is concerned that the State will next require cities to enact a deferral program for sewer development charges. City Attorney Haggard said there is no indication that the state is moving in that direction.

Councilmember Minton-Davis said she was unsure how the state could control how cities collect these fees while the bill doesn't affect the state in any way and asked whether or not developers would even use the deferment program, since it costs \$200 and takes time to apply.

Councilmember Minton-Davis asked Public Services Director Vodopich to have the Permit Center Lead include this fee in the building permit activity presentation during the next quarter report. Director Vodopich advised he would and also stated that the Association of Washington Cities was also opposed to this legislation.

**Ordinance D16-28 Failed 2 – 4.
Councilmembers Evans, Rackley,
Swatman and Watson voted no.**

X. EXECUTIVE/CLOSED SESSION: None.

XI. ADJOURNMENT:

At 6:28 p.m. the Meeting was adjourned by common consent of the City Council.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the August 23, 2016 Meeting:

- City Administrator Don Morrison, *City of Bonney Lake PWC Water & Sewer Revenue Bonds, 2016 Schedule of Events (As of August 16, 2016).*

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 6 September 2016	Agenda Bill Number: AB16-100
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D16-100	Councilmember Sponsor:

Agenda Subject: Utility Bond for Public Works Center

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Issuance Of Water And Sewer Revenue Bonds In A Principal Amount Not To Exceed \$16,000,000 To Finance A Portion Of The Cost Of Constructing A New Public Works Building; Delegating Authority To The City Administrator And Chief Financial Officer To Complete The Sale Of The Bonds; And Providing The Terms And Conditions For Issuing Additional Water And Sewer Revenue Bonds On A Parity With The Bonds Authorized By This Ordinance.

Administrative Recommendation: Approve

Background Summary: This is a \$16,000,000 bond issue to fund the acquisition, construction, and equipping of a new Public Works building and storage yard to support the administrative, maintenance, and operational functions of the water, sewer, and stormwater system.
Attachments: Ordinance D16-100

BUDGET INFORMATION				
Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input type="checkbox"/> General <input type="checkbox"/> Utilities <input type="checkbox"/> Other
Budget Explanation: \$16,000,000 Water and Sewer Revenue Bonds				

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>	Yes	No
Date:	Chair/Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Forward to:	Consent Agenda:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): 8/23/2016 (First Reading)	Public Hearing Date(s):
Meeting Date(s): 8/9/2016	Tabled to Date:

APPROVALS		
Director: D.M.	Mayor:	Date Reviewed by City Attorney: (if applicable)

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CITY OF BONNEY LAKE, WASHINGTON
WATER AND SEWER REVENUE BONDS, 2016

ORDINANCE NO. D16-100

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE OF WATER AND SEWER REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 TO FINANCE A PORTION OF THE COST OF CONSTRUCTING A NEW PUBLIC WORKS BUILDING; DELEGATING AUTHORITY TO THE CITY ADMINISTRATOR AND CHIEF FINANCIAL OFFICER TO COMPLETE THE SALE OF THE BONDS; AND PROVIDING THE TERMS AND CONDITIONS FOR ISSUING ADDITIONAL WATER AND SEWER REVENUE BONDS ON A PARITY WITH THE BONDS AUTHORIZED BY THIS ORDINANCE.

PASSED: September 13, 2016

Prepared by:

Stradling Yocca Carlson & Rauth, P.C.
Seattle, Washington

CITY OF BONNEY LAKE, WASHINGTON

ORDINANCE NO. D16-100

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CITY OF BONNEY LAKE

ORDINANCE NO. D16-100

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE OF WATER AND SEWER REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 TO FINANCE A PORTION OF THE COST OF CONSTRUCTING A NEW PUBLIC WORKS BUILDING; DELEGATING AUTHORITY TO THE CITY ADMINISTRATOR AND CHIEF FINANCIAL OFFICER TO COMPLETE THE SALE OF THE BONDS; AND PROVIDING THE TERMS AND CONDITIONS FOR ISSUING ADDITIONAL WATER AND SEWER REVENUE BONDS ON A PARITY WITH THE BONDS AUTHORIZED BY THIS ORDINANCE.

WHEREAS, the City of Bonney Lake, Washington (the “City”), owns and operates a domestic water supply and distribution system and a sanitary sewage collection and disposal system; and

WHEREAS, by Ordinance No. 496, the City combined the water and sewer systems to create a single utility for borrowing purposes, designated in Ordinance No. 496 as the waterworks utility; and

WHEREAS, the City wishes to construct a new public works building to provide maintenance, administrative, and operations offices for the System (as further described herein, the “Project”); and

WHEREAS, the Council finds that it is in the best interest of the City and customers of the System to issue bonds payable from revenue of the System (the “Bonds”) to finance a portion of the cost of the Project, fund a debt service reserve, and pay costs of issuing the Bonds on the terms and conditions set forth in this ordinance; and

WHEREAS, the City currently has outstanding its Water and Sewer Revenue Refunding Bonds, 2007 (the “2007 Bonds”), issued pursuant to Ordinance No. 1260, passed on October 23, 2007 (the “2007 Bond Ordinance”); and

WHEREAS, the 2007 Bond Ordinance permits the City to add the City’s stormwater drainage utility to the System for borrowing purposes, and the City wishes to do so, as provided in this ordinance; and

WHEREAS, the 2007 Bond Ordinance permits the City to issue to issue additional revenue bonds on a parity of lien with the 2007 Bonds if certain conditions are satisfied; and

WHEREAS, the City has determined that those conditions will be satisfied and that it is in the best interest of the City to sell the Bonds by negotiated sale to D.A. Davidson & Co.; and

WHEREAS, as authorized by RCW 39.46.040(2), the Council wishes to delegate to the City Administrator and Chief Financial Officer, as its designated representatives, the authority to complete the sale of the Bonds on the terms and within the parameters set forth in this ordinance;

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

Section 1. **Definitions.** As used in this ordinance, the following words have the following meanings, unless a different meaning clearly appears from the context:

"Annual Debt Service" means, in any calendar year, that year's total of principal and interest requirements for the then-outstanding Parity Bonds (except the principal maturity of any Parity Bonds issued as term bonds), plus any mandatory sinking fund or mandatory bond redemption requirement for such Parity Bonds for that year, less all capitalized interest payable that year from proceeds of such Parity Bonds.

From and after the date on which no 2007 Bonds remain outstanding, "Annual Debt Service" may be reduced by the amount of any Debt Service Offsets for the applicable calendar year.

"Assessment Bonds" means the principal portion of any issue of Parity Bonds allocated to the financing of improvements within a ULID. The allocation will be determined as of the issue date of each series of Parity Bonds (and as of any date on which any Parity Bonds are redeemed, defeased or purchased), and the total amount so allocated will be equal to the principal amount of ULID Assessments on the final assessment roll for that ULID remaining unpaid as of that date. Assessment Bonds will be allocated pro rata to each maturity within a series of Parity Bonds. (For example, if the then-outstanding assessments equal 70% of the total principal amount of a series of Parity Bonds that financed ULID improvements, then 70% of each maturity of that series will be deemed Assessment Bonds.) Upon redemption, defeasance or purchase of all or a portion of a series of Parity Bonds that includes an allocation of Assessment Bonds, the amount of Assessment Bonds remaining outstanding will be reduced on a pro rata basis with bonds that are not deemed Assessment Bonds.

"Average Annual Debt Service" means, in any calendar year, the sum of the remaining Annual Debt Service of the then-outstanding Parity Bonds, divided by the number of years those Parity Bonds are scheduled to remain outstanding.

"Beneficial Owner" means any person that has or shares the power, directly or indirectly, to vote or consent with respect to, or to dispose of or make decisions concerning ownership of, any Bond (including persons holding Bonds through nominees, depositories or other intermediaries).

"Bond Fund" means the "Water and Sewer Revenue Bond Fund, 1998" created pursuant to Section 10 of Ordinance No. 761 and continued by this ordinance.

"Bond Register" means the registration books maintained by the Registrar setting forth the names and addresses of owners of the Bonds in compliance with Section 149 of the Code.

"Chief Financial Officer" means the Chief Financial Officer of the City or the successor to the duties of that office.

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

"Code" means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

"Contract Resource Obligation" means an obligation of the City designated as such in accordance with Section 13 of this ordinance to make payments for water supply, sewer service, water or sewage treatment or disposal, or other goods or service relating to the System.

"Council" means the Bonney Lake City Council, the general legislative body of the City, as it may be duly and regularly constituted from time to time.

"Debt Service Offset" means receipts of the City, including but not limited to federal interest subsidy payments, designated as such by the City that are not included in Gross Revenue and are legally available and pledged to pay debt service on Parity Bonds.

"Designated Representatives" means the City Administrator and the Chief Financial Officer appointed as the District's designated representatives in accordance with RCW 39.46.040(2), either of whom may act alone as provided in this ordinance.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.

"Fitch" means Fitch Ratings, its successors and their assigns, and, if that entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Fitch" will be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or S&P) designated by the Chief Financial Officer.

"Future Parity Bonds" means revenue bonds of the City issued after the date of issuance of the Bonds that have a lien on Gross Revenue to pay and secure payment of the principal thereof and interest thereon equal to the lien on Gross Revenue to pay and secure payment of the principal of and interest on the Bonds.

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

"Gross Revenue" means all the earnings and revenue received by the System from any source whatsoever, including connection charges, except ULID Assessments, general ad valorem taxes, grants from the state or federal governments, proceeds from the sale of City property, bond

proceeds, gifts, developer extension payments, and earnings in refunding or defeasance accounts (unless such earnings are paid into the Bond Fund). Once the Rate Stabilization Account may be established, as provided in Section 7(c) of this ordinance, deposits into the Rate Stabilization Account will be deducted from Gross Revenue and withdrawals from the Rate Stabilization Account will be added to Gross Revenue.

"Independent Utility Consultant" means (i) an independent registered professional engineer experienced in the design, construction and operation of municipal utilities and licensed to practice in the State, or (ii) an independent certified public accountant, and from and after the date on which no 2007 Bonds remain outstanding, may also mean (iii) an independent person or firm having a reputation for skill and experience with municipal utilities of comparable size and character to the System in such areas as are relevant to the purpose for which he, she or it is retained.

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

"Maximum Annual Debt Service" means the maximum amount of Annual Debt Service that will become due in any future year on any outstanding Parity Bonds.

"Moody's" means Moody's Investors Service, its successors and their assigns, and, if that entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, "Moody's" will be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Chief Financial Officer.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenue" means Gross Revenue less the Operating and Maintenance Expenses. For all calculations of Net Revenue contemplated by this ordinance, Gross Revenue may include withdrawals from the Rate Stabilization Account, as provided in Section 7(c) of this ordinance.

"Operating and Maintenance Expenses" means all reasonable expenses incurred by the City in causing the System to be operated and maintained in good repair, working order and condition and all payments made to another agency for treatment or disposal of sewage or acquisition of water, but excluding depreciation, any City-imposed utility taxes or payments in lieu of taxes, and non-cash adjustments.

"Parity Bonds" means the 2007 Bonds, the Bonds, and any Future Parity Bonds.

"Principal and Interest Account" means the account of that name established within the Bond Fund to pay the principal of and interest on all Parity Bonds.

"Project" means the acquisition, construction, and equipping of a new public works building to provide maintenance, administrative, and operations offices for the System, as described in Section 2 of this ordinance.

“Project Fund” means the “Public Works Building Construction Fund 2016” authorized to be created pursuant to Section 17 of this ordinance.

"Purchase Contract" means the contract for purchase of the Bonds authorized to be entered into by the City and the Underwriter pursuant to Section 18.

“Qualified Insurance” means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of the policy or surety bond, are currently rated in one of the two highest rating categories by two Rating Agencies.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of registered owners of the applicable Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is currently rated in one of the two highest rating categories by any Rating Agency.

“Rate Stabilization Account” means the account of that name authorized to be established within the Revenue Fund pursuant to Section 7(c) of this ordinance.

“Rating Agency” means Moody’s, S&P or Fitch.

“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 will be deemed to be the sole Registered Owner.

"Registrar" means, initially, the fiscal agent of the State of Washington, as the same may be designated from time to time, whose duties include registering and authenticating the Bonds, maintaining the Bond Register, paying principal of and interest on the Bonds, and effecting transfers of the Bonds.

"Reserve Account" means the account of that name established within the Bond Fund to secure the payment of the principal of and interest on all Parity Bonds.

"Reserve Requirement" means the least of (i) 1.25 times the Average Annual Debt Service of all outstanding Parity Bonds, (ii) Maximum Annual Debt Service of all outstanding Parity Bonds, or (iii) 10% of the principal amounts of all Parity Bonds then outstanding, as of the date each series of those Parity Bonds was issued.

“Revenue Fund” means the City’s Combined Utility Revenue Fund described in Section 7 as comprising the enterprise funds into which are deposited revenue of the utilities that are combined for borrowing purposes as the “System.”

“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.

“S&P” means Standard & Poor’s Ratings Services, its successors and their assigns, and, if that entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch) designated by the Chief Financial Officer.

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

"State" means the State of Washington.

"Surety Bond" means any bond insurance, collateral, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on any Parity Bonds, issued by an institution that has been assigned a credit rating at the time of issuance of those Parity Bonds secured by such Surety Bond equal to or better than the highest then-existing rating for any of the Parity Bonds.

"System" means the combined water supply and distribution system, sanitary sewage disposal system, and stormwater drainage system of the City, together with all additions thereto and betterments thereto and extensions thereof at any time made.

“Tax Certificate” means the certificate with respect to federal tax matters relating to the Bonds authorized to be executed by the Chief Financial Officer pursuant to the provisions of Section 11 of this ordinance.

“Term Bonds” means any Future Parity Bonds identified as such in the proceedings for the sale thereof, the payment of the principal of which is fully provided for by a schedule of mandatory sinking fund redemptions.

"ULID" means a utility local improvement district of the City.

"ULID Assessments" means all ULID assessments and installments thereof, plus interest and penalties thereon, levied in any ULID created to secure the payment of any Parity Bonds and pledged to be paid into the Bond Fund.

“Underwriter” means D.A. Davidson & Co.

“2007 Bond Ordinance” means Ordinance No. 1260 of the City, passed by the Council on October 23, 2007, which authorized the issuance of the 2007 Bonds.

"2007 Bonds" means the City’s Water and Sewer Revenue Refunding Bonds, 2007, dated December 3, 2007, issued pursuant to the 2007 Bond Ordinance in the initial principal amount of \$4,570,000, and currently outstanding in the approximate amount of \$1,335,000.

Rules of Interpretation. Words of the masculine gender are deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and vice versa unless the context otherwise indicates. Reference to sections and other subdivisions of this ordinance are to the sections and other subdivisions of this ordinance as originally adopted unless expressly stated to the contrary. The

headings or titles of the sections hereof, and the table of contents appended hereto, are for convenience of reference only and do not define or limit the provisions hereof.

Section 2. Adding the Stormwater Drainage Utility to the System; the Project.

A. As permitted by Ordinance No. 1260, which authorized the issuance of the 2007 Bonds, the City's stormwater drainage utility is hereby added to the System for borrowing purposes. Revenues of the stormwater drainage utility's enterprise fund shall be included in the Revenue Fund, as provided in Section 7 of this ordinance.

B. The City specifies and adopts as a plan of additions and improvements to and betterments of the System those capital improvements set forth in the City's current Capital Facilities Plan, which Plan includes the acquisition, construction and equipping of a new public works building and storage yard to support the administrative, maintenance and operational functions of the System, comprising approximately 11 acres of total space, including an 11,580sf administration building, 24,724sf of heated shops, and 9,002sf of heated garage space, plus a storage and materials yard, at an estimated cost of \$23,900,000 (a portion of which will be paid for from proceeds of the Bonds), to be located at a site to be determined by the Council (the "Project").

The cost of all necessary planning, legal, architectural, engineering, design and other consulting services, inspection and testing, administrative and relocation expenses, on- and off-site utilities, purchases of equipment, and other costs incurred in connection with the Project may be deemed a part of the cost of the Project. The City will determine the extent and specifications for the Project.

The City will determine the application of available funds among the various components of the Project to accomplish, as nearly as may be, the entire Project. If proceeds of sale of the Bonds, plus any other money of the City legally available for such purpose, are insufficient to accomplish all of the Project, the City will use the available funds to accomplish those components of the Project that the Council deems most necessary and in the best interest of the City.

If the City determines that it has become impracticable to accomplish one or more components of the Project because of changed conditions, incompatible development or costs substantially in excess of those estimated, the City shall not be required to accomplish such component or components and may apply the Bond proceeds to other components of the Project.

If the entire Project has been constructed or duly provided for, or found to be impracticable, and Bond proceeds remain available, the Council may apply Bond proceeds to other capital repairs or improvements to facilities of the System or to retiring the Bonds.

Section 3. Satisfaction of Parity Conditions. So that the Bonds may be issued as Parity Bonds, the Council hereby finds, in accordance with the provisions of Section 12 of the 2007 Bond Ordinance, as follows:

- The Bonds are being issued to acquire, construct, and install facilities of the System pursuant to a plan of additions and betterments (adopted as provided in Section 2 of this ordinance).
- There is not now, and at the time of the issuance of the Bonds there will not be, any deficiency in the Bond Fund, the Principal and Interest Account or the Reserve Account.
- The principal of and interest on the Bonds will be payable out of the Bond Fund.
- Upon the issuance of the Bonds, the Reserve Account will be funded at the Reserve Requirement from proceeds of the Bonds or other funds.
- By Section 6, this ordinance provides for the amortization of any Bonds issued as term bonds in accordance with a schedule of mandatory redemption payments.
- Prior to delivery of the Bonds to the Underwriter, the City will have on file a certificate of the Chief Financial Officer demonstrating that during any twelve consecutive calendar months out of the 36 months immediately preceding the date of issuance of the Bonds, Net Revenue will be at least equal to 1.25 times the maximum Annual Debt Service on the 2007 Bonds and the Bonds.

The parity conditions being satisfied or provided for, the Bonds may be issued with a lien on Gross Revenue equal to the lien thereon of the 2007 Bonds.

Section 4. Authorization of Bonds. The City shall now issue and sell not to exceed \$16,000,000 aggregate principal amount of water and sewer revenue bonds to pay costs of the Project, fund the Reserve Requirement, and pay costs of issuance of the bonds. The bonds shall be designated the “City of Bonney Lake, Washington, Water and Sewer Revenue Bonds, 2016” (the “Bonds”), shall be dated as of the date of their original issuance and delivery to the Underwriter, 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 Registrar deems necessary for purposes of identification and control, shall bear interest payable semiannually on the first days of June and December, commencing on the date and at rates to be established pursuant to Section 18 and set forth in the Purchase Contract, and shall mature in the years and in the principal amounts to be established pursuant to Section 18 and set forth in the Purchase Contract.

The Bonds are an obligation only of the Bond Fund and are payable and secured as provided herein. The Bonds do not constitute an indebtedness or general obligation of the City within the meaning of the constitutional and statutory provisions and limitations of the State of Washington.

Section 5. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The City hereby specifies and adopts the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agent. The City will cause the Bond Register to be maintained by the Registrar. So long as any Bonds remain outstanding, the Registrar will make all necessary provisions to permit the exchange or registration of transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the

option of the Chief Financial Officer upon prior notice to the Registrar, DTC, and each entity entitled to receive notice pursuant to Section 19, and a successor Registrar appointed by the Chief Financial Officer. No resignation or removal of the Registrar will be effective until a successor has been appointed and until the successor Registrar has accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance and to carry out all of the Registrar's powers and duties under this ordinance. The Registrar is responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The City and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 19 of this ordinance), and neither the City nor the Registrar will be affected by any notice to the contrary. Payment of the Bonds will be made only as described in Section 5(h) hereof, but Bonds may be transferred as herein provided. All payments made as described in Section 5(h) shall be valid and shall satisfy and discharge the liability of the City on the Bonds to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, a Designated Representative is authorized to execute and deliver to DTC a Letter of Representations.

Neither the City nor the Registrar has any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds for the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) 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 those notices as the City is required to give to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository will be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners mean DTC (or any successor depository) or its nominee and do not mean the owners of any beneficial interest in those Bonds.

(d) *Use of Depository.*

(1) The Bonds will be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond for each interest rate maturing on each maturity date for the Bonds in a denomination corresponding to the total principal therein of that interest rate designated to mature on that date. Registered ownership of 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 must be qualified under applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative pursuant to subsection (2) below or that substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) 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 Designated Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative may hereafter appoint a substitute depository. Any such substitute depository must be qualified under applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar, upon receipt of all outstanding Bonds, together with a written request on behalf of the Designated Representative, will issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in the written request of the Designated Representative.

(4) 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 Designated Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain their bonds in certificated form, the ownership of the Bonds may then be transferred to any person or entity as herein provided, and will no longer be held in fully immobilized form. The Designated Representative will deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue certificated Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Bonds together with a written request on behalf of the Designated Representative to the Registrar, new Bonds will be issued in the appropriate denominations and registered in the names of those persons named in the written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any Bond will be valid unless that Bond is surrendered to the Registrar with the assignment form appearing on the Bond duly executed by the Registered Owner or the Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon surrender, the Registrar will cancel the surrendered Bond and authenticate and deliver, without charge to the Registered Owner or transferee therefor, 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 the surrendered and cancelled Bond. Any Bond may be surrendered to the 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 Registrar is not obligated to register the transfer or to exchange any Bond during the 15 days preceding the date that Bond is to be redeemed.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the 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.* The principal of and interest on the Bonds are payable in lawful money of the United States of America. Interest on the Bonds will be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal of and interest on the Bonds will be made as provided in 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 will be paid by check or draft mailed to the Registered Owners of the Bonds at the addresses for the Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date; 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 date due to an account with a bank located within the United States. Principal of the Bonds will be payable upon presentation and surrender of the Bonds by the Registered Owners at the principal office of the Registrar.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

Section 6. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds may be subject to optional redemption prior to their stated maturities as may be approved by a Designated Representative in accordance with Section 18 and set forth in the Purchase Contract.

(b) *Mandatory Redemption.* If any of the Bonds are structured as term bonds, a schedule of mandatory redemption payments to amortize those Bonds must be established and approved by a Designated Representative in accordance with Section 18 and set forth in the Purchase Contract.

(c) *Selection of Bonds for Redemption.* In the case of an optional redemption, the City may select the maturities to be redeemed. As long as the Bonds are held in book-entry only form, the selection of Bonds within a maturity to be redeemed will be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in book-entry only form and the City redeems at any one time fewer than all of the Bonds of the same maturity, the particular Bonds or portions of Bonds of that maturity to be redeemed will be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and Registrar will 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 Registrar there will 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) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds at any time at a price deemed reasonable by the City.

(e) *Notice of Redemption.*

(1) *Official Notice.* Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption, which notice in the case of an optional redemption may be conditional, will be given by the 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 Registrar. Any notice of redemption may be rescinded at any time on or prior to the date fixed for redemption by the delivery of notice in the manner provided for above.

All official notices of redemption will be dated and 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 has been rescinded or the notice of redemption is conditional, in which case the notice will state that the redemption price will become due and payable unless the conditions for redemption set forth therein are not satisfied) the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that unless the City defaults in the payment of the redemption price, interest thereon will cease to accrue from and after that date, and

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

(2) *Effect of Notice; Bonds Due.* Official notice of redemption having been given as aforesaid, unless the notice of redemption is rescinded or the notice of redemption is conditional and the conditions for redemption set forth therein are not satisfied, 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 on or prior to the redemption date the City will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date. From and after such date, unless the City defaults in the payment of the redemption price, such Bonds or portions of Bonds will cease to bear interest. Upon surrender of such Bonds for redemption in accordance with the notice, such Bonds will be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date are payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there will 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 such further notice nor any failure to give all or any portion of such further notice will 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 will 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 20 days before the redemption date to each party entitled to receive notice pursuant to Section 19, and to the Underwriter or to its business successor, if any, and to such persons and with such additional information as the Designated Representative may deem appropriate, but such mailings are not a condition precedent to the redemption of Bonds.

(4) *CUSIP Numbers.* Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will 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 6, 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.

Section 7. Revenue Fund; Priority of Payments from Gross Revenue.

(a) *Combined Utility Revenue Fund.* There have heretofore been established in the office of the Chief Financial Officer a water enterprise fund (into which is deposited all revenue received from operation of the City's domestic water supply and distribution system), a sewer enterprise fund (into which is deposited all revenue received from operation of the City's sanitary sewage collection and disposal system), and a stormwater enterprise fund (into which is deposited all revenue received from operation of the City's stormwater drainage system).

Because the three utilities have been combined for borrowing purposes and designated the “System,” (i) those three enterprise funds are deemed to constitute the “Combined Utility Revenue Fund” (the “Revenue Fund”) for the purposes described herein, and (ii) all revenue of the three enterprise funds is deemed to constitute “Gross Revenue,” as defined in Ordinance No. 1260, this ordinance, and the ordinances authorizing any Future Parity Bonds, subject to the exclusion of certain revenue sources as expressly set forth in the definition of “Gross Revenue.” Notwithstanding the foregoing, the enterprise funds may nonetheless continue to be accounted for separately by the City, in accordance with applicable State law and accounting procedures.

(b) *Priority of Application of Gross Revenue.* The Revenue Fund shall be held separate and apart from all other funds and accounts of the City, and all Gross Revenue shall be deposited in the Revenue Fund.

(1) So long as the 2007 Bonds remain outstanding, Gross Revenue in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

First, to pay Operating and Maintenance Expenses;

Second, to make payments into the Principal and Interest Account required to meet debt service payments on Parity Bonds;

Third, to make required payments into the Reserve Account;

Fourth, to meet the required debt service on any water and sewer revenue bonds having a lien and charge on Gross Revenue junior and inferior to the lien thereon to pay or secure the payment of Parity Bonds; and

Fifth, to redeem and retire any then outstanding water and sewer revenue bonds or to purchase any or all of those bonds on the open market, or to make necessary betterments and replacements of or repairs, additions or extensions to the System, or for any other lawful City purpose.

(2) From and after the date on which no 2007 Bonds remain outstanding, Gross Revenue in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

First, to pay Operating and Maintenance Expenses;

Second, to make all payments into the Principal and Interest Account required to pay interest on Parity Bonds;

Third, to make all payments into the Principal and Interest Account required to pay principal on Parity Bonds (either at maturity or upon mandatory redemption of term bonds);

Fourth, to make all payments required to be made under any reimbursement agreement (or other equivalent document) in connection with Qualified Insurance or a Qualified

Letter of Credit; provided, however, that if there is not sufficient money to make all payments under multiple reimbursement agreements, payments will be made pro rata;

Fifth, to make required payments into the Reserve Account;

Sixth, to make all payments required to be made into any bond redemption fund or debt service reserve fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds or other revenue obligations of the City having a lien on Gross Revenue junior and inferior to the lien thereon to pay or secure the payment of Parity Bonds; and

Seventh, to retire by redemption or purchase any outstanding water and sewer revenue bonds, warrants, or other revenue obligations of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, to make deposits into the Rate Stabilization Account, or for any other lawful City purposes.

(c) *Rate Stabilization Account.* From and after the date on which no 2007 Bonds remain outstanding, the Chief Financial Officer is authorized to establish a Rate Stabilization Account within the Revenue Fund. The City may thereafter make payments into the Rate Stabilization Account from the Revenue Fund at any time. Money in the Rate Stabilization Account may be withdrawn at any time for deposit into the Revenue Fund and used for the purposes for which Gross Revenue may be used. Amounts withdrawn from the Rate Stabilization Account and deposited into the Revenue Fund shall increase Gross Revenue for the period in which they are so withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Gross Revenue for the period in which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within that fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Revenue Fund.

Section 8. Bond Fund.

(a) *Bond Fund and Accounts Therein.* A special fund of the City known as the “Water and Sewer Revenue Bond Fund, 1998” (the “Bond Fund”), has heretofore been created in the office of the Chief Financial Officer and is hereby continued so long as the Bonds remain outstanding. The purpose of the Bond Fund is to pay and secure the payment of the principal of and interest on all Parity Bonds. Within the Bond Fund are established the Principal and Interest Account and the Reserve Account. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Parity Bonds.

(b) *Payments into Principal and Interest Account.* The City obligates and binds itself to set aside and pay into the Principal and Interest Account out of Net Revenue in the Revenue Fund or any other funds of the City legally available for this purpose:

(1) Each February and August, no later than 20 days prior to each March 1 and September 1 interest payment date for the 2007 Bonds, an amount that, together with other money on deposit therein and available therefor, is sufficient to pay the interest coming due on the outstanding 2007 Bonds on that upcoming interest payment date.

(2) Each August, no later than 20 days prior to each September 1 principal payment date for the 2007 Bonds, an amount that, together with other money on deposit therein and available therefor, is sufficient to pay the principal (either at maturity or by mandatory redemption) due on the outstanding 2007 Bonds on that upcoming principal payment date.

(3) On or prior to each interest payment date for the Bonds and any Future Parity Bonds, an amount that, together with other money on deposit therein and available therefor, is sufficient to pay the interest coming due on the Bonds and any Future Parity Bonds on that interest payment date.

(4) On or prior to each principal payment date for the Bonds and any Future Parity Bonds, an amount that, together with other money on deposit therein and available therefor, is sufficient to pay the principal (either at maturity or by mandatory redemption) due on the Bonds and any Future Parity Bonds on that principal payment date.

Money in the Principal and Interest Account is held for the benefit of the owners of all Parity Bonds then outstanding and is payable equally and ratably and without preference or distinction as between different series, installments or maturities.

(c) *The Reserve Account.*

(1) *General Provisions.* Prior to or upon the issuance of the Bonds, the City will deposit into the Reserve Account funds sufficient to satisfy the Reserve Requirement for the Bonds. The City covenants and agrees that, except as otherwise expressly provided herein, it will thereafter maintain an amount of money and assets in the Reserve Account that will be equal to the Reserve Requirement, as it may be recalculated from time to time based on the amount of Parity Bonds outstanding. Withdrawals from the Reserve Account may be made only as authorized herein.

The City further covenants and agrees that if it issues any Future Parity Bonds, it will provide in the ordinance authorizing the issuance of those Future Parity Bonds that, on the date of their issuance, an amount will be deposited into the Reserve Account (from Parity Bond proceeds or any other source) that, together with the amount already on deposit in the Reserve Account, will be equal to the Reserve Requirement.

Whenever there is a sufficient amount in the Principal and Interest Account and the Reserve Account to pay the principal of, premium, if any, and interest on all Parity Bonds then outstanding, the money in the Reserve Account may be used to pay such principal, premium, if any, and interest. Money in the Reserve Account may also be withdrawn to redeem and retire, by payment of principal, premium, if any, and the interest due to such date of redemption, any outstanding Parity Bonds so long as the money remaining on deposit in the Reserve Account is at least equal to the Reserve Requirement for the remaining outstanding Parity Bonds.

(2) *Withdrawals to Pay Debt Service.* If a deficiency occurs in the Principal and Interest Account to meet any maturing installment of principal of or interest on Parity Bonds, the deficiency will be made up from the Reserve Account by the withdrawal of cash therefrom

for that purpose and by the sale or redemption of obligations held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Surety Bond or Qualified Letter of Credit or Qualified Insurance in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Surety Bond, Qualified Letter of Credit or such Qualified Insurance provides. If more than one Surety Bond, Qualified Insurance, or Letter of Credit is available, draws shall be made ratably thereon to make up the deficiency.

So long as any 2007 Bonds remain outstanding, any deficiency created in the Reserve Account by reason of a withdrawal to pay debt service shall be made up from ULID Assessments, if any, and from Net Revenue available after making necessary provision for the payments required to be made by paragraphs First and Second in Section 7(b)(1) of this ordinance.

From and after the date on which no 2007 Bonds remain outstanding, any deficiency created in the Reserve Account by reason of a withdrawal to pay debt service shall be made up from ULID Assessments, if any, and from Net Revenue available after making necessary provision for the payments required to be made by paragraphs First through Fourth in Section 7(b)(2) of this ordinance.

(d) *Use of Liquidity Instruments.* Notwithstanding any provisions of subsection (c) that may be to the contrary, the Reserve Requirement may be provided for, and cash and other assets in the Reserve Account may accordingly be reduced, as follows:

(1) So long as the 2007 Bonds remain outstanding, the City may satisfy all or a portion of the Reserve Requirement by obtaining one or more Surety Bonds. If the City obtains one or more Surety Bonds for this purpose, the City covenants and agrees to maintain an amount in the Reserve Account at least equal to the difference between the Reserve Requirement and the aggregate limit on the amounts payable under such Surety Bonds to pay debt service on any Parity Bonds (the "Surety Bond Limit"). The amount of this difference at any time and from time to time is hereinafter referred to as the "Adjusted Reserve Requirement." If the Surety Bond Limit is expected to be reduced because a Surety Bond expires on a fixed date or terminates at the end of a fixed term, the City hereby covenants and agrees to replenish the Reserve Account to an amount equal to the Reserve Requirement or the applicable Adjusted Reserve Requirement no later than that date of expiration or termination.

If the Surety Bond Limit is reduced by reason of payment made under a Surety Bond to the Registrar to pay any principal of or interest on or any Parity Bonds, the City hereby covenants and agrees to make payments to the provider of that Surety Bond under the terms of a reimbursement agreement effective to reinstate the maximum Surety Bond Limit; and to the extent that there is no applicable reimbursement agreement, the City covenants and agrees to deposit in the Reserve Account from money first available therefor pursuant to Section 7(b) of this ordinance such amounts as are necessary to provide a balance therein equal to the then applicable Adjusted Reserve Requirement.

(2) From and after the date on which no 2007 Bonds remain outstanding, the City may satisfy the Reserve Requirement by obtaining Qualified Insurance or a Qualified Letter of Credit for all or a portion of the amounts required to be deposited in the Reserve Account. In computing the amount on hand in the Reserve Account, Qualified Insurance and a Qualified Letter of Credit shall be valued at the amount available to be drawn thereon. Any Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years' notice to the City. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions for restoring a deficiency described in subsection 8(c)(2).

If the City elects to meet the Reserve Requirement by using a Qualified Letter of Credit or Qualified Insurance, the City may contract with the provider of the Qualified Letter of Credit or Qualified Insurance that the City's reimbursement obligation, if any, to the provider will be made with the priority of payment described in paragraph Fourth in Section 7(b)(2).

(d) *Application and Investment of Money in the Bond Fund.* All money in the Bond Fund may be kept in cash or deposited in institutions permitted by law in an amount in each institution not greater than the amount insured by any department or agency of the United States Government, or may be invested in Government Obligations or other legal investments permitted to the City maturing not later than the date when needed (for investments in the Principal and Interest Account) or the last maturity of any outstanding Parity Bonds (for investments in the Reserve Account). In no event shall any money in the Bond Fund or any other money reasonably expected to be used to pay principal of or interest on the Bonds be invested at a yield that would cause the Bonds to be arbitrage bonds within the meaning of Code.

Income from the investments in the Principal and Interest Account shall be retained in that account. Income from investments in the Reserve Account shall be retained in that account until the amount therein equals the Reserve Requirement, and any excess shall be transferred to the Principal and Interest Account and used to pay principal of and interest on Parity Bonds. The City may also transfer out of the Reserve Account any money required in order to prevent any Parity Bonds from becoming "arbitrage bonds" under the Code.

(e) *Lien of Bond Fund.* The Gross Revenue and all ULID Assessments are hereby pledged for the payment of all Parity Bonds. This pledge constitutes a lien and charge upon Gross Revenue prior and superior to any other liens and charges whatsoever, subject only to Operating and Maintenance Expenses.

(f) *Sufficiency of Revenues.* The Council finds and determines that in fixing the amounts to be paid into the Bond Fund and the accounts therein, it has exercised due regard for Operating and Maintenance Expenses and the existing debt service requirements of the System and that it has not obligated the City to set aside and pay into the Bond Fund a greater amount of the Gross Revenue than in its judgment will be available over and above such Operating and Maintenance Expenses and debt service requirements.

Section 9. **Defeasance.** If money 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 Principal and Interest Account for the payment of the principal of and interest on the Bonds so provided for, and those Bonds will 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 those Bonds will be deemed not to be outstanding hereunder.

Upon the defeasance of any Bonds, the Registrar will provide notice of the defeasance to Registered Owners and to each party entitled to receive notice in accordance with Section 19 of this ordinance.

Section 10. General Covenants.

(a) *Rate Covenant.*

(1) So long as the 2007 Bonds remain outstanding, the City will establish, maintain, revise as necessary, and collect rates and charges for water supplied and sanitary sewage disposal and stormwater drainage service furnished sufficient to produce Net Revenue in each calendar year that, together with other revenue available therefor, will be at least equal to 1.25 times the Annual Debt Service in that calendar year, except that during the installment payment period of any ULID Assessments, the Net Revenue produced in any such year, together with ULID Assessments collected in that calendar year and other revenue available therefor, will be at least equal to 1.10 times Annual Debt Service.

(2) From and after the date on which no 2007 Bonds remain outstanding, the City will establish, maintain, revise as necessary, and collect rates and charges for water supplied and sanitary sewage and disposal and stormwater drainage service furnished sufficient to produce Net Revenue in each calendar year that will be at least equal to 1.25 times the Annual Debt Service on all then-outstanding Parity Bonds that are not Assessment Bonds. In addition, in each calendar year in which any Assessment Bonds are outstanding, ULID Assessments (plus Net Revenue available after satisfying the requirement of the preceding sentence) must equal at least 1.0 times the Annual Debt Service in that year on all Parity Bonds that are Assessment Bonds.

(b) *Maintenance of the System.* The City will at all times maintain and keep the System in good repair, working order and condition, and also will at all times operate the System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Collecting ULID Assessments.* The City will collect promptly all ULID Assessments. ULID Assessments may be used to pay the principal or interest on any Parity Bonds without those ULID Assessments being particularly allocated to the payment of principal of or interest on any particular series of Parity Bonds.

(d) *Disposition or Encumbrance of System Assets.* The City may sell, transfer or otherwise encumber or dispose of any or all of the works, plant, properties, facilities, or other

part of the System or any real or personal property comprising a part of the System, only consistent with one or more of the following:

(1) The City in its discretion may carry out such a sale, transfer or disposition (each, as used in this subsection, a "transfer") if the facilities or property transferred are not material to the operation of the System, or have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System or are no longer necessary, material or useful to the operation of the System; or

(2) The City in its discretion may carry out such a transfer if the aggregate depreciated cost value of the facilities or property being transferred under this paragraph (2) in any fiscal year comprises no more than 3% of the total assets of the System; or

(3) The City in its discretion may carry out such a transfer if the City receives from the transferee an amount equal to the greater of the following:

(A) An amount that will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Gross Revenue from the portion of the System sold or disposed of for the preceding year bears to the Gross Revenue for that year; or

(B) An amount that will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Net Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for that year; or

(C) An amount equal to the fair market value of the portion of the System transferred. As used herein, "fair market value" means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the willing buyer and willing seller each acting prudently and knowledgeably and assuming that the price is not affected by coercion or undue stimulus.

The proceeds of any transfer under this paragraph (3) must be used first to promptly redeem, or irrevocably set aside for the redemption of, Parity Bonds, and, if any proceeds remain, second, to provide for part of the cost of additions to and betterments and extensions of the System. In no event shall proceeds of any transfer under this section be treated as Gross Revenue for purposes of this ordinance.

(e) *Books and Records.* The City will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System.

(f) *No Free Service.* The City will not furnish any service of the System to any customer whatsoever free of charge and will take prompt legal action to enforce collection of all delinquent accounts.

(g) *Insurance.* The City will at all times carry fire and such other forms of insurance on such of the buildings, equipment, facilities and properties of the City as under good practice are ordinarily carried on such buildings, equipment, facilities and properties by utilities engaged in the operation of water and sewer systems to the full insurable value thereof, and also will carry adequate public liability insurance at all times. The premiums on such insurance policies are declared to be a normal part of Operating and Maintenance Expenses. From and after the date on which no 2007 Bonds remain outstanding, the City may satisfy all or a portion of the requirements of this paragraph by a program of self-insurance.

(h) *Operating and Maintenance Expenses.* The City will pay all Operating and Maintenance Expenses and otherwise meet the obligations of the City as herein set forth.

Section 11. Tax Covenants. .

(a) *General.* The City covenants not to take any action, or knowingly to omit to take any action within its control, that if taken or omitted would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes.

(b) *Tax Certificate.* Upon the issuance of the Bonds, the Chief Financial Officer is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the Bonds, based on the facts and estimates known or reasonably expected on the date of their issuance, and make certain covenants with respect to the Bonds as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds. The City covenants that it will comply with the Tax Certificate unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the Bonds.

(c) *Arbitrage Covenant.* The City covenants that it will not take any action or fail to take any action with respect to 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 any Bond to be an "arbitrage bond" within the meaning of that term in Section 148 of the Code. The City will comply with the requirements of Section 148 of the Code throughout the term of the Bonds.

(d) *No Hedge Bonds.* The City reasonably expects that at least 85% of the proceeds of the Bonds will be spent within three years of the date the Bonds are issued to carry out the governmental purposes of the Bonds.

(e) *Not Qualified Tax-Exempt Obligations.* The City is not designating the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Section 12. Additional Borrowing.

(a) *No Senior Lien Bonds.* The City hereby covenants and agrees with the owners of the Bonds that the City (i) will not create any special fund or funds for the payment of the principal of and interest on any other revenue bonds that will have any priority over the payments

required by this ordinance to be made out of Gross Revenue and ULID Assessments, and (ii) will issue Parity Bonds only as permitted in this Section 12.

(b) *Future Parity Bonds.* The City reserves the right to issue Future Parity Bonds for the purpose of:

- Providing funds to acquire, construct, reconstruct, install or replace any equipment, facilities, additions, betterments or other capital improvements to the System pursuant to an adopted plan or plans of additions and betterments to the System, or
- Refunding at or prior to their maturity, any part or all of any outstanding revenue bond anticipation notes, or revenue bonds, or other obligations payable out of the Gross Revenue, or
- Any other purpose permitted by law,

upon compliance with the following conditions:

(1) At the time of the issuance of any Future Parity Bonds, there is no deficiency in the Bond Fund, the Principal and Interest Account, or the Reserve Account.

(2) The principal of and interest on any Parity Bonds must be payable out of the Bond Fund and, upon issuance of such Parity Bonds, the Reserve Account shall be funded, from Parity Bond proceeds or otherwise, at the Reserve Requirement.

(3) If any of the Future Parity Bonds are to be issued as term bonds, the ordinance authorizing their issuance must provide for a schedule of mandatory sinking fund redemption payments to be made into the Principal and Interest Account sufficient to amortize the principal of the term bonds on or before the maturity date thereof.

(4) The ordinance authorizing the issuance of the Future Parity Bonds must provide that ULID Assessments levied in any ULIDs created to pay part of the cost of improvements to the System for which such Parity Bonds are issued will be paid into the Bond Fund.

(5) Prior to the delivery of any Future Parity Bonds, the City must have on file either:

(A) a certificate of the Chief Financial Officer demonstrating that during any 12 consecutive calendar months out of the immediately preceding 36 calendar months, Net Revenue will be at least equal to 1.25 times the maximum Annual Debt Service on all outstanding Parity Bonds plus the Future Parity Bonds proposed to be issued; or

(B) a certificate of an Independent Utility Consultant showing that, in the consultant's professional opinion, the "Adjusted Net Revenue" and the "Estimated Assessment Income" (each determined as described in this Section 12(b)(5)(B)) for each calendar

year after the issuance of the Future Parity Bonds will equal at least 1.25 times the "Future Average Annual Debt Service" (determined as described in this Section 12(b)(5)(B)).

The term "Future Annual Debt Service" as used in this section means the amount required to be paid in a calendar year for (i) interest on all Parity Bonds then outstanding including the proposed Future Parity Bonds plus (ii) the principal of all Parity Bonds then outstanding including the proposed Future Parity Bonds. The term "Future Average Annual Debt Service" as used in this Section 12(b)(5)(B) means the total Future Annual Debt Service for the calendar years in which all Parity Bonds including the proposed Future Parity Bonds are outstanding divided by the number of such years.

The term "Adjusted Net Revenue" as used in this Section 12(b)(5)(B) means the Net Revenue for a period of any 12 consecutive months out of the 18 months immediately preceding the date of delivery of the proposed Future Parity Bonds as adjusted by the Independent Utility Consultant to take into consideration the following changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the proposed Future Parity Bonds will be outstanding:

- The additional Net Revenue that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 18-month period had been in force during the full 12-month period;
- The additional Net Revenue that would have been received if any facility of the System that became fully operational after the beginning of such 12-month period had been so operating for the entire period;
- The additional Net Revenue estimated by the Independent Utility Consultant to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System that are (i) under construction at the time of the certificate or (ii) will be constructed from the proceeds of the proposed Future Parity Bonds;
- The additional Net Revenue estimated by such Independent Utility Consultant to be received if any customers added to the System during such 12-month period had been customers for the entire period; and
- The additional Net Revenue estimated to be received from anticipated growth in customers (not to exceed 2% per year) for a period of not more than ten years after delivery of the proposed Future Parity Bonds.

The "Estimated Assessment Income" for each calendar year will be determined as follows:

- by deducting from the principal amount of unpaid ULID Assessments levied by the City in each applicable ULID and payable into the Bond Fund for estimated nonpayment an amount equal to 5% of such unpaid principal;
- by dividing the principal balance remaining after such deduction by the number of years in which installments on each such assessment roll may be paid without becoming delinquent; and

- by adding to the amount found for each year the interest due and payable on such installments.

The Independent Utility Consultant may rely upon, and his certificate must have attached to it, financial statements of the System showing income and expenses for the period upon which the certificate is based. The certificate of the Independent Utility Consultant will be conclusive and the only evidence required to show compliance with the provisions and requirements of this Section 12(b)(5).

Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of those refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Parity Bonds over and above the amount required in that year for the principal of and interest on the Parity Bonds being refunded thereby, the condition stated in this Section 12(b)(5) need not be met.

(c) *Junior Lien Obligations.* Nothing in this ordinance will prevent the City from (i) issuing revenue bonds or other obligations that are a lien and charge on the Gross Revenue junior or inferior to the payments required to be made out of Gross Revenue into the Bond Fund and Accounts therein to pay and secure the payment of any outstanding Parity Bonds, and (ii) securing such junior lien revenue bonds by pledge of assessments levied in one or more ULIDS that are created to construct the improvements to be paid for out of the proceeds of such junior lien revenue bonds. Payments to be made under junior lien obligations must not be subject to acceleration.

(d) *Refunding Obligations.* Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 13. **Contract Resource Obligations.** From and after the date on which no 2007 Bonds remain outstanding, the City may enter into one or more contracts or other obligations for the acquisition, from facilities to be constructed or improved by the use of payments to be made by the City under such contracts or other obligations, of water supply, sewer service, water or sewer treatment or disposal, or other goods or services relating to the System.

The City may determine that such contract or other obligation is a Contract Resource Obligation and may provide that all payments under that Contract Resource Obligation (including payments prior to the time that water supply, sewer service, water or sewer treatment or disposal, or other goods or services relating to the System, are being provided, or during a suspension or after termination of supply or service) shall be Operating and Maintenance Expenses if the following requirements are met at the time the Contract Resource Obligation is entered into:

(1) The City is not in default with respect to any of its obligations under this ordinance.

- (2) The City has on file a certificate of an Independent Utility Consultant stating that:
- the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the water supply, sewer service, water or sewage treatment or disposal, or other goods or services rendered;
 - the source of any new supply and any facilities to be constructed to provide the water supply, sewer service, water or sewage treatment or disposal, or other goods or services, is sound, the facilities are technically and economically feasible in accordance with prudent utility practice, and the facilities are likely to provide supply or other service no later than a date set forth in the Consultant's certification; and
 - the Adjusted Net Revenue (as that term is defined in Section 12(b)(5)(B) and further adjusted by the Consultant's estimate of the payments to be made in accordance with the Contract Resource Obligation) for the five fiscal years following the year in which the Contract Resource Obligation is incurred equals at least 1.25 times the Annual Debt Service for each of those five fiscal years.

Payments required to be made under Contract Resource Obligations must not be subject to acceleration.

Nothing in this Section 13 shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, sewer service, water or sewage treatment or disposal, or other goods or services from existing facilities and from treating those payments as Operating and Maintenance Expenses so long as such service is actually being supplied. Nothing in this Section 13 shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, sewer service, water or sewage treatment or disposal, or other goods or services from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Net Revenue subordinate to that of the Parity Bonds, except that such payments must not be subject to acceleration.

Section 14. Separate Utility Systems. The City may at any time create, acquire, construct, finance, own and operate one or more systems for water supply, sewer service, water or sewer treatment or disposal, or other utility service, which systems would be separate from and in addition to the System. The revenue of any such separate system, and the assessments from any ULID created solely to finance improvements to such a separate system, are not to be included in Gross Revenue and may be pledged to the payment of revenue obligations issued for any purpose relating to a separate system. Neither the Gross Revenue nor the Net Revenue may be pledged to the payment of any obligations of such a separate system, except that the Net Revenue may be pledged on a basis junior and subordinate to the lien thereon of the Parity Bonds so long as the payment of such obligations is not subject to acceleration.

Section 15. Form and Execution of the Bonds. The Bonds will be in substantially the form set forth on Exhibit A of this ordinance. The Bonds must be signed on behalf of the City by

the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, and the seal of the City may be impressed or imprinted thereon.

Only a Bond that bears thereon a Certificate of Authentication in the form set forth in Exhibit A hereto, manually executed by the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The executed Certificate of Authentication is conclusive evidence that the Bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this ordinance.

If any officer of the City who has signed, attested, authenticated, registered or sealed a Bond ceases to hold that office before the Bond so signed, attested, authenticated, registered or sealed has been actually issued and delivered, the Bond will be valid nevertheless and may be issued by the City with the same effect as though the person who had signed, attested, authenticated, registered or sealed that Bond had not ceased to hold that office. Any Bond may also be signed, attested, authenticated, registered or sealed on behalf of the City by a person who, at the actual date of execution of the Bond is a proper officer of the City although at the original date of the Bond that person did not hold that office.

Section 16. Lost or Destroyed Bonds. If a Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like maturity, amount, date, and tenor to the Registered Owner upon such owner's paying the expenses and charges of the City in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City with indemnity satisfactory to the Registrar.

Section 17. Application of Bond Proceeds. A special fund of the City known as the "Public Works Building Construction Fund 2016" (the "Project Fund") is hereby authorized to be created in the office of the Chief Financial Officer. At the time of delivery of the Bonds, proceeds of the Bonds shall be deposited as follows:

(a) The accrued interest, if any, to the date of delivery shall be deposited in the Principal and Interest Account and used to pay a portion of interest on the Bonds on the first interest payment date;

(b) An amount shall be deposited in the Reserve Account that is sufficient, with other funds on deposit therein, to satisfy the Reserve Requirement for the Bonds; and

(c) The remaining proceeds of the Bonds shall be deposited in the Project Fund and used to pay costs of the Project and costs of issuance of the Bonds.

Money remaining in the Project Fund after all such costs have been paid or reimbursed shall be applied to other capital improvements of the System or used to pay debt service on Parity Bonds or retire Parity Bonds. Money in the Project Fund may be invested as permitted by law. All interest earned and profits derived from such investments shall be retained in and become a part of the Project Fund.

Section 18. Sale of the Bonds. The Bonds will be sold by negotiated sale to the Underwriter on terms and conditions to be established as provided in this ordinance and set forth in a bond purchase agreement between the City and the Underwriter (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 for a limited time the authority to approve the aggregate principal amount and structure of the Bonds, the interest rates, maturity schedule, redemption provisions, and certain other terms for the Bonds, within the following parameters:

- (a) the aggregate principal amount of the Bonds does not exceed \$16,000,000,
- (b) the final maturity date for the Bonds is no later than 26 years following the date of issuance of the Bonds,
- (c) the Bonds are subject to optional redemption at a price of par as set forth in the Purchase Contract on a date no later than 10 ½ years following the date of issuance of the Bonds,
- (d) the Bonds are sold (in the aggregate) at a price not less than 95% and not more than 125%,
- (e) the true interest cost for the Bonds (in the aggregate) does not exceed 4.0%, and
- (f) the Bonds conform to all other terms of this ordinance.

Subject to these terms and conditions, a Designated Representative is hereby authorized to execute the Purchase Contract and deliver it to the Underwriter. The signature of one Designated Representative is sufficient to bind the City. Following the execution of the Purchase Contract, a Designated Representative will provide a report to the Council, describing the final terms of the Bonds approved pursuant to the authority delegated in this ordinance. 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 18 expires on December 31, 2016. If a Purchase Contract for the Bonds has not been executed on or prior to December 31, 2016, the authorization for the issuance of the Bonds is rescinded, and the Bonds authorized under this ordinance may not be issued nor their sale approved unless the Bonds are re authorized by ordinance of the Council. 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 18.

The Designated Representatives are hereby authorized to review and approve on behalf of the City the preliminary and final official statements relative to 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 Rule 15c2-12.

The Designated Representative 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, the 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 Purchase Contract, including fees and expenses of the Underwriter and other retained services, including bond counsel, rating agencies, fiscal agency, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 19. Continuing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the holders 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 MSRB the following annual financial information and operating data (collectively, the "Annual Financial Information") for each prior fiscal year, commencing with the fiscal year ending December 31, 2016:

- (1) Annual financial statements prepared in accordance with the generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law (the "Annual Financial Statements");
- (2) A statement of authorized, issued and outstanding bonds secured by the Net Revenue;
- (3) Debt service coverage ratios; and
- (4) General customer statistics for the System.

The Annual Financial Information described above will be provided on or before the last day of the ninth month after the end of the City's fiscal year. The City may adjust that date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross reference to other documents available to the public on the MSRB's internet website or filed with the SEC.

If not submitted as part of the Annual Financial Information, then when and if available, the City will provide its audited Annual Financial Statements, prepared in accordance with regulations prescribed by the Washington State Auditor, to the MSRB.

(c) *Listed Events.* The City agrees to provide notice of the following events 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 Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing 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 involving 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 relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) *Notice of Failure to Provide Annual 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 the Annual Financial Information and notices of listed events will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, will be null and void if the City (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this ordinance, the City may amend this Section 13 and any provision of this Section 13 may be waived with an approving opinion of nationally recognized bond counsel.

In the event of any amendment of or waiver of a provision of this Section 13, the City will describe the amendment in the next annual report and include, as applicable, a narrative explanation of the reason for the amendment or waiver 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, (i) notice of the change will be given in the same manner as for a listed event under subsection (c), and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if practical, 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.* The right of an owner or Beneficial Owner of Bonds to enforce the provisions of this section is limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this undertaking will not be an event of default with respect to the Bonds under this ordinance.

Section 20. Amendatory and Supplemental Ordinances. After the Bonds are issued, this ordinance may be amended only in accordance with and subject to the provisions of this Section. Ordinances authorizing the issues of Future Parity Bonds are not deemed to be supplemental or amendatory ordinances as described in this Section.

(a) *Amendments Not Requiring Consent.* The City may from time to time and at any time, without the consent of or notice to the Registered Owners of the Bonds at the time outstanding, pass amendatory ordinances as set forth below. Before the City passes any amendatory ordinance pursuant to this subsection (a), the City must receive an opinion of nationally recognized bond counsel to the effect that (A) the amendatory ordinance is authorized or permitted by this ordinance, (B) upon its effective date it will be valid and binding upon the City in accordance with its terms, and (C) it will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any outstanding Bonds.

(1) to cure any formal defect, omission, inconsistency or ambiguity in this ordinance in a manner not adverse to the Registered Owner of any Bond;

(2) to impose upon the Registrar (with its consent) for the benefit of the Registered Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties that may lawfully be granted, conferred or imposed and that are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance other covenants, agreements, limitations and restrictions to be observed by the City that are not contrary to or inconsistent with this ordinance as theretofore in effect;

(4) to confirm, as further assurance, any pledge under, and to subject to any claim, lien or pledge created or to be created by, this ordinance any other money, securities or funds;

(5) to authorize different denominations of the Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of outstanding Bonds

of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature; and

(6) to modify, alter, amend or supplement this ordinance in any other respect that is not materially adverse to the Registered Owners of the Bonds at the time outstanding, and that does not involve a change described in subsections (b) or (c) of this Section.

(b) *Amendments Requiring Supermajority Consent.* From and after the date on which no 2007 Bonds remain outstanding, in addition to any amendatory ordinance that may be passed pursuant to subsection (a) above and subject to the terms and conditions contained in subsection (c) below, the registered owners of not less than 60% in aggregate principal amount of all Parity Bonds then outstanding will have the right from time to time to consent to and approve the passage by the City of any amendatory ordinance deemed necessary or desirable by the Council for the purpose of amending or supplementing, in any particular, any of the terms or provisions contained in this ordinance (excluding changes described in subsection (c) of this Section), upon compliance with the following:

(1) Prior to passage of the proposed amendatory ordinance, the City will cause notice of the proposed amendatory ordinance to be given by first class United States mail to all registered owners of the Parity Bonds then outstanding, to any bond insurer providing a bond insurance policy then in effect with respect to an issue of Parity Bonds, to the extent required under such policy, and to each Rating Agency then maintaining a rating on any Parity Bonds at the request of the City. The notice must briefly summarize the proposed amendatory ordinance and state that a copy is available for review on the City's website or may be obtained by request to the City Clerk.

(2) The ordinance may be passed in substantially the form summarized in such notice and go into effect upon receipt by the City of (i) the consents, in writing, of the required percentage of registered owners of the Parity Bonds, and (ii) an opinion of nationally recognized bond counsel to the effect that (A) the amendatory ordinance is authorized or permitted by this ordinance, (B) upon its effective date it will be valid and binding upon the City in accordance with its terms, and (C) it will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any outstanding Parity Bonds issued as tax-exempt bonds.

(3) If registered owners of not less than 60% of Parity Bonds then outstanding have consented to the passage of the amendatory ordinance as herein provided, no owner of the Bonds shall have any right to object to the passage of the amendatory ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the passage thereof, or to enjoin or restrain the City from passing the same or from taking any action pursuant thereto.

(c) *Amendments Requiring Unanimous Consent.* Nothing contained in this Section shall permit, or be construed as permitting, except upon the written consent of all registered owners of the Parity Bonds then outstanding:

(1) a change in the times, amounts or currency of payment of the principal of or interest on any Parity Bond then outstanding, or a reduction in the principal amount or redemption price of any Parity Bond then outstanding, or a change in the method of redemption or redemption price of any Parity Bond then outstanding, or a change in the method of determining the rate of interest thereon; or

(2) a preference or priority of any Parity Bond over any other Parity Bond; or

(3) a reduction in the aforesaid percentage of owners of Parity Bonds required to approve any such amendatory or supplemental ordinance.

(d) *Effect of Amendment.* Upon the passage of any amendatory ordinance in accordance with the provisions of this Section, this ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all Registered Owners of Bonds then outstanding shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such amendments.

Section 21. General Authorization; Prior Acts. The Mayor, City Administrator, Chief Financial Officer, City Clerk, City Attorney, and any other appropriate officers of the City are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions 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 22. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City is declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, will be null and void and will be deemed separable from the remaining covenants and agreements of this ordinance and will in no way affect the validity of other provisions of this ordinance or of the Bonds.

Section 23. Effective Date. This ordinance becomes effective five days from and after its passage and publication as provided by law.

PASSED by the City Council of the City of Bonney Lake, Washington, on September 13, 2016.

CITY OF BONNEY LAKE, WASHINGTON

By _____
Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

EXHIBIT A

Form of Bonds

NO. _____

\$(PAMT)

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF BONNEY LAKE

WATER AND SEWER REVENUE BOND, 2016

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY OF BONNEY LAKE, WASHINGTON (the "City"), 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 June and December, commencing on _____ 1, 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 of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC. The fiscal agent of the State of Washington is acting as the registrar, authenticating agent and paying agent for the bonds of this issue (the "Registrar").

This bond is one of the City's Water and Sewer Revenue Bonds, 2016, issued in the aggregate principal amount of \$_____ (the "Bonds"), pursuant to Ordinance No. _____ (the "Bond Ordinance"), passed by the City Council on _____, 2016. The Bonds are issued to finance the cost of acquiring, constructing and equipping facilities for the water, sewer and stormwater system of the City (the "System"). Capitalized terms used in this bond and not otherwise defined have the meanings given them in the Bond Ordinance.

The Bonds are limited obligations of the City, payable solely from the special fund of the City known as the Water and Sewer Revenue Bond Fund, 1998 (the "Bond Fund"). The Bonds are not general obligations, and neither the full faith and credit nor the taxing power of the City or the State of Washington or any subdivision thereof is pledged to payment of the Bonds.

The City has pledged and bound itself to set aside from Gross Revenue and to pay into the Bond Fund and the Accounts therein, the various amounts required by the Bond Ordinance to be paid into and maintained in said Fund and Accounts, all within the times provided by the Bond Ordinance. The City has further pledged and bound itself to pay into the Revenue Fund as collected, all Gross Revenue.

The amounts so pledged to be paid out of the Revenue Fund into the Bond Fund and Accounts therein are hereby declared to be a prior lien and charge upon money in the Revenue Fund superior to all other charges of any kind or nature except Operating and Maintenance Expenses and equal in rank to the lien and charge on the money in the Bond Fund to pay and secure the payment of the 2007 Bonds and any Future Parity Bonds.

The pledge of Gross Revenue for payment of principal of and interest on this bond may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

The Bonds are not "private activity bonds" as that term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The City has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

This bond will 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 has manually signed by the Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the ordinances and other proceedings of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that this bond does not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Bonney Lake, Washington, has caused this bond to be signed on behalf of the City with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the Clerk, and the seal of the City to be imprinted or impressed hereon, as of this _____ day of _____, 2016.

CITY OF BONNEY LAKE,
WASHINGTON

By _____ /s/
Neil Johnson, Jr., Mayor

[SEAL]

AUTHENTICATED:

/s/ _____
Harwood T. Edvalson, MMC, City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the Water and Sewer Revenue Bonds, 20__, of the City of Bonney Lake, Washington, dated _____, 20__, as described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENT,
Registrar

By _____
Authorized Signer

CERTIFICATE

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

1. That the attached is a true and correct copy of Ordinance No. _____ of the City (the “Ordinance”), as finally passed at a regular meeting of the Council held on September 13, 2016, and duly recorded in my office.

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 of the Council was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of said 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 _____ day of _____, 2016.

Clerk, City of Bonney Lake

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

Department/Staff Contact: Exec / Morrison	Meeting/Workshop Date: 6 September 2016	Agenda Bill Number: AB16-70
Agenda Item Type: Discussion	Ordinance/Resolution Number:	Councilmember Sponsor: Donn Lewis

Agenda Subject: Fennel Creek Sewer Lift Station Cost Reimbursement Options

Full Title/Motion: n/a

Administrative Recommendation: Drop the Assessment Reimbursement Area proposal (Resolution No. 2532) and amend the SDC rate schedule to include a surcharge for the Fennel Creek Lift Station benefitting service area.

Background Summary: The City is constructing a new sewer lift station on 192nd Ave. This lift station will benefit those properties draining to the lift station, including the City property at Junction 192, the planned Skystone Apartment project, and other properties in the area that are currently on septic systems and will need sewer service at some time in the future. The Administration had proposed to obtain partial reimbursement of the costs of the new lift station from these potentially benefitting properties through imposition of an Assessment Reimbursement Area (ARA) under draft Resolution No. 2532. This would have imposed a fee of \$3,500 per equivalent service units (ESUs) based on the number of ESUs the lift station would have the capacity to serve upon completion (largely because of initial smaller pumps). However, it would ultimately be able to serve more ESUs with bigger pumps. The ARA fee would only be due and payable if a property applied for a sewer connection within the next 20 years. A public meeting was held on 12 May and a City Council Hearing was held 24 May. Several public meetings have been held since, with several property owners questioning both inclusion in the ARA and the cost of the assessment. Another option, which some cities utilize, is an sewer development charges (SDC) surcharge for potentially benefitting parties in the service area. At meetings with both Kelly Glade and Skystone Apartment representatives, this option appeared more desirable. There is also the matter of whether to set the rate at \$3,500 based on the capacity of the lift station currently under construction (453 ESUs), or at a lesser rate of \$2,586 at full capacity build-out with the larger pumps (670 ESUs). Also, we have since learned that when the 2009 SDC study was completed by FCS Group, the Fennel Creek (FC) lift station was added as a future project (at \$850,000) and figured into the SDC calculation. Future projects accounted for 32% of the SDC charge, and the FC lift station project constituted 4.1% of cost of the future projects that were included in the calculation. Thus, an estimated \$137.84 of the current SDC charge is attributable to this new lift station. Accordingly, the SDC surcharge amount (either the \$3,500 or \$2,586) could be reduced by \$137.84 (rounded to \$138).

Attachments: Fennel Creek Lift Station Service Area Map

BUDGET INFORMATION

Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input type="checkbox"/> General
				<input type="checkbox"/> Utilities
				<input type="checkbox"/> Other

Budget Explanation:

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review:	Community Development	<i>Approvals:</i>		Yes No
	Date: 17 May 2016	Chair/Councilmember	Donn Lewis	<input type="checkbox"/> <input type="checkbox"/>
		Councilmember	Jim Rackley	<input type="checkbox"/> <input type="checkbox"/>
		Councilmember	Dan Swatman	<input type="checkbox"/> <input type="checkbox"/>
	Forward to:	Consent Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		

Commission/Board Review:

Hearing Examiner Review:

COUNCIL ACTION

Workshop Date(s): 7 June 2016

Public Hearing Date(s): 24 May 2016

Meeting Date(s): 14 June 2016

Tabled to Date:

APPROVALS

Director:

Mayor:

Date Reviewed

Neil Johnson Jr.

by City Attorney:
(if applicable)

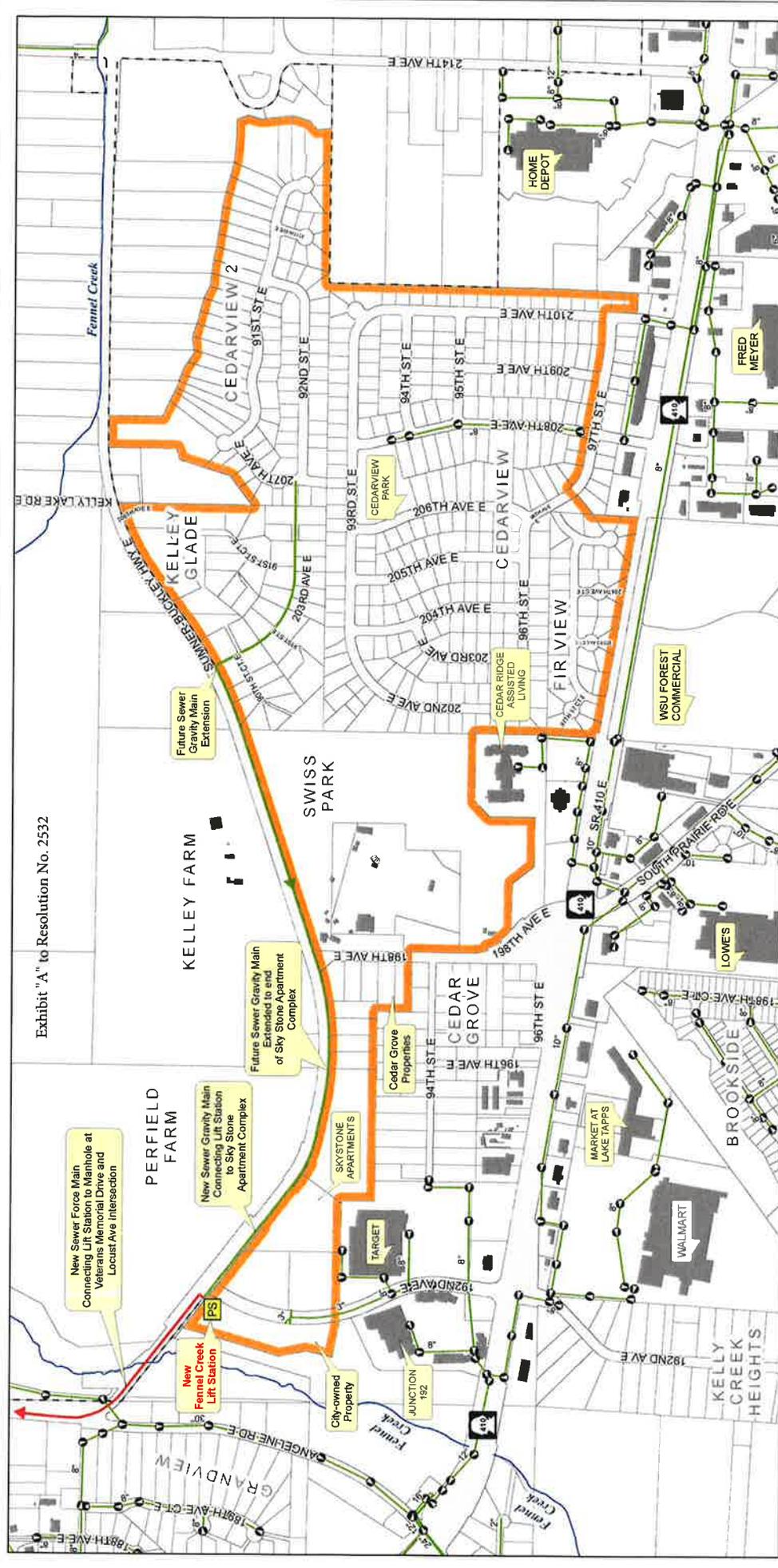


Exhibit "A" to Resolution No. 2532



Fennel Creek Sewer Lift Station Assessment Reimbursement Area



- Fennel Creek Lift Station Assessment Reimbursement Area
- Sewer Manhole with Flow Direction
- Sewer Main
- Bonney Lake City Limits
- Tax Parcel
- Road

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City of Bonney Lake
City Council Agenda Bill (AB)

Department / Staff Member: Finance/Gibson	Meeting/Workshop Date: August 23, 2016	Agenda Bill Number: AB16-95
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D16-95	Councilmember Sponsor: McKibbin

Agenda Subject: Increased Utility Tax on Cable TV

Full Title/Motion:
 An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Section 5.04.030 of the BLMC and the Corresponding Portions of Ordinance 1398 Relating to Utility Tax

Administrative Recommendation: Approve

Background Summary:
 The City approved a Cable Franchise Fee in 2011. At that time, the Council intended to be part of the Rainier Cable Commission and have the revenue remain neutral. As such, that Council reduced the Utility Tax rate to 1.5%. All other external utility taxes are at 6% currently. This Ordinance would bring the cable utility tax current with the other external utilities. It is anticipated that this will create approximately \$275,000 in revenue for the General Fund.

Attachments:

BUDGET INFORMATION				
Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input checked="" type="checkbox"/> General
				<input type="checkbox"/> Utilities
				<input type="checkbox"/> Other

Budget Explanation:

COMMITTEE, BOARD & COMMISSION REVIEW				
Council Committee: Finance Committee		<i>Approvals:</i>	Yes	No
		Chair/Councilmember R. McKibbin	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Committee Date: August 9, 2016		Councilmember T. Watson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Councilmember D. Swatman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forwarded to: Aug. 16 Workshop		Consent Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:				
Hearing Examiner Review:				

COUNCIL ACTION	
Workshop Date(s): August 16, 2016	Public Hearing Date(s):
Meeting Date(s): August 23, 2016	Tabled to:

APPROVALS		
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable)

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ORDINANCE D16-95

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING SECTION 5.04.030 OF THE BONNEY LAKE MUNICIPAL CODE, AND THE CORRESPONDING PORTIONS OF ORDINANCE NO. 1398 RELATING TO UTILITY TAX.

WHEREAS, the Bonney Lake Municipal Code currently imposes taxes on cable television service at a rate of one and one half percent of total gross subscriber revenue; and

WHEREAS, the Code imposes a six percent rate on other utilities such as garbage collection, gas, telephone service, and electricity; and

WHEREAS, the City has determined the cable tax should be imposed at the same rate as these other private utilities.

NOW, THEREFORE, the City Council of the City of Bonney Lake do hereby ordain as follows:

Section 1. Section 5.04.030 and Ordinance No. 1398 is hereby amended to read as follows:

- A. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in furnishing, for a monetary consideration, the city and the inhabitants thereof with electricity and electrical energy for lighting, heating, power, and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber revenues from business and residential electrical power service in the city.
- B. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on a telephone business for hire, including cellular telephone service, within or partly within the corporate limits of the city an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross operation revenues within the city. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

“Telephone business” means the business of providing access to local telephone network, local telephone switching service, toll service, or coin telephone services, or providing telephonic, video, data or similar communication or

transmission for hire, via a local telephone network, toll line or changes, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. "Telephone business" does not include the providing of competitive service.

"Cellular telephone service" means a two-way voice and data telephone/telecommunications system based in whole or substantially in part on wireless radio communications, which are not subject to regulation by the Washington State Utilities and Transportation Commission (WUTC). This includes cellular mobile service. The definition of cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes a purpose similar to cellular mobile service. Cellular telephone service is included within the definition of "telephone business" for the purposes of this chapter.

"Competitive telephone service" means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulations as telephone companies under RCW Title 80 and for which a separate charge is made.

- C. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in furnishing, for a monetary consideration, natural gas or manufactured gas for lighting, heating, power, and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber revenue from business and residential gas service, both natural and manufactured, in the city.
- D. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing water for domestic or industrial consumption, or sewer service, within or partly within the corporate limits of the city, a tax equal to eight percent of the total gross income from such business in the city. Effective January 1, 2015, the tax rate shall be equal to 10 percent of the total gross income from such business in the city. Effective January 1, 2016, the tax rate shall be equal to 12 percent of the total gross income from such business in the city.
- E. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing garbage service, including recyclables and yard waste, within or partly within the corporate limits of the city, a tax equal to six percent of the total gross income from such business in the city.

- F. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing cable television service, for domestic or commercial consumption, within or partly within the corporate limits of the city, a tax equal to six percent of the total gross subscriber revenue from such service.
- G. There is levied upon and there shall be collected from every person, firm or corporation engaged in carrying on the business of selling or furnishing stormwater service, within or partly within the corporate limits of the city, a fee or tax equal to eight percent of the total gross revenues from such business in the city. Effective January 1, 2015, the tax rate shall be equal to 10 percent of the total gross income from such business in the city. Effective January 1, 2016, the tax rate shall be equal to 12 percent of the total gross income from such business in the city.

Section 2. This Ordinance shall take effect and be in force 5 days after passage and publication, as required by law.

PASSED by the City Council and approved by the Mayor this ____ day of August, 2016.

Neil Johnson, Jr. Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

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

Department/Staff Contact: Exec / Gary Leaf	Meeting/Workshop Date: 6 September 2016	Agenda Bill Number: AB16-99
Agenda Item Type: Resolution	Ordinance/Resolution Number: 2548	Councilmember Sponsor: Dan Swatman

Agenda Subject: Master Plan for Allan Yorke Park

Full Title/Motion: A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Allan Yorke Park Master Plan..

Administrative Recommendation: Approve

Background Summary: On July 19th Bruce Dees & Associates presented recommendations for the Allan Yorke Park Master Plan following numerous public meetings and discussions with the Parks Commission. There are a couple minor changes in the plan due to public comments recently received. The main change is relocation of the community garden to an area with better sun exposure adjacent to the boat trailer parking area. At this time the Administration is asking Council to formally approve the master plan so that the Administration can rely on the plan for phased budgeting purposes.

Attachments: Resolution 2548

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
\$0	\$0	\$	\$0
Budget Explanation: TBD			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>	Yes	No
Date:	Chair/Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Forward to:	Consent		
	Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review: 11 July 2016 - Park Commission			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): 19 July 2016	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director: <i>Don Morrison</i>	Mayor: <i>Neil Johnson Jr.</i>	Date Reviewed by City Attorney: (if applicable):

RESOLUTION NO. 2548

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, APPROVING THE ALLAN YORKE PARK MASTER PLAN.

WHEREAS, on March 8, 2016 Council authorized an agreement with Bruce Dees & Associates to develop a master plan for Allan Yorke Park; and

WHEREAS, following numerous public meetings the Parks Commission recommended approval of the Allan Yorke Master Plan on July 11, 2016, with revisions; and

WHEREAS, Bruce Dees & Associates presented the amended plan to Council on July 19, 2016, and there was discussion regarding a proposal for design services from Bruce Dees & Associates for Phase 1 features; and

WHEREAS, some public comment received after the latest draft of the Allan Yorke Park Master Plan has led to some minor adjustments incorporated into the Master Plan document;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, WASHINGTON HEREBY RESOLVES AS FOLLOWS:

That the City of Bonney Lake Council hereby approves the amended Allan Yorke Master Plan attached hereto.

PASSED BY THE CITY COUNCIL this 13th day of September, 2016.

Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

City of Bonney Lake
Allan Yorke Park

MASTER PLAN SUMMARY REPORT

August 5, 2016



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INTRODUCTION

PUBLIC INVOLVEMENT PROCESS

MASTER PLAN

- North Park
- Central Park
- South Park
- East Park
- Field Development
- Parking
- Fennel Creek Trail Head
- Other Amenities
- Utilities
- Construction Cost Estimate & Phasing Plan

INTERAGENCY COORDINATION AND PERMITS

APPENDIX

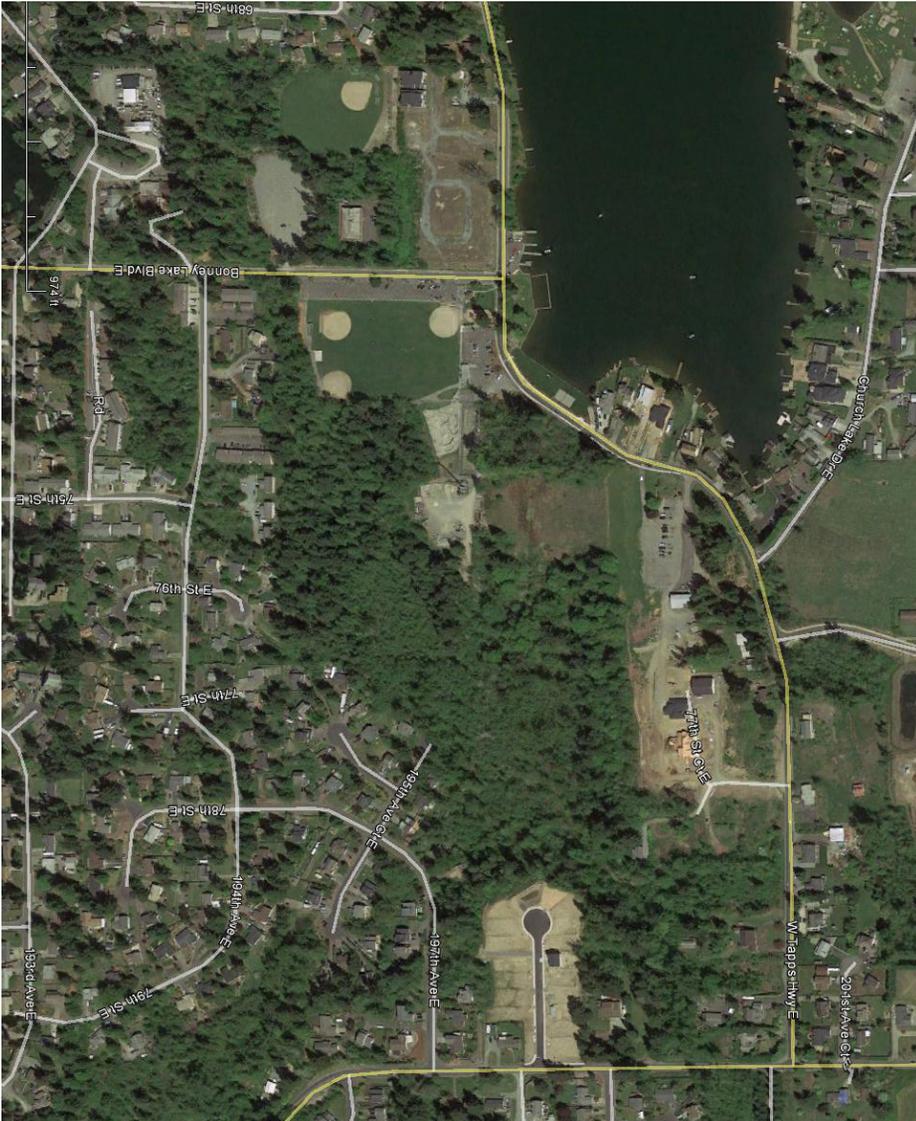
- Meeting Minutes
- Phased Cost Estimate

Introduction

Allan Yorke Park is a 45 acre City of Bonney Lake park located at the intersection of Bonney Lake Boulevard and West Tapps Highway (at the south end of Lake Tapps). Developed in 1974, Allan Yorke Park has served the city well: it hosts the annual Bonney Lake Days – a summer celebration that includes a parade, kids’ activities, and stage shows – which draws visitors from around the entire region.

Existing park facilities include ballfields, a boat launch, a fishing dock, play areas, a skateboard park, swimming beach, tennis courts, a sand volleyball court, and approximately 1,000 feet of trails in the southwest corner of the park. Support facilities include a snack bar, restrooms, and parking. Located within the park are a senior center and the former city hall which now hosts the historical society. Also located at the site are Bonney Lake Public Works maintenance shops and yard. Recent land acquisition at the southeast side of the site includes the Moriarty property which will be a 5.2 acre addition to the park.

In 2015, an ad hoc committee consisting of representatives from the City Council and the Park Commission proposed improvements to the park to address demand for more facilities for youth in the city. Bruce Dees & Associates, a landscape architecture firm that specializes in park design, was retained to work with the Park Commission on the development of a master plan for the park. The goal of the planning process was simply to develop the optimum plan for the park, addressing needs and concerns expressed by the entire community.



AERIAL IMAGE OF ALAN YORKE PARK (GOOGLE MAPS)

Public Involvement Process

Five public meetings were held to gather design input and feedback as the master plan evolved.

Meeting #1 (April 11, 2016)

This meeting was held to introduce the project to the Park Commission and public, to explain the intent and process of the project, and to gather input prior to beginning design.

Meeting #2 (April 25, 2016)

A second meeting was then held in order to consider all potential program elements for inclusion in the plan. This meeting allowed the public to see that all interests were being identified and that needs and concerns would be addressed. Information presented at this meeting included a program compiled by the ad hoc committee in 2015, survey results collected from students and Bonney Lake residents, and recreation needs identified in the City's Comprehensive Plan. A needs assessment was then presented followed by a summary of program elements common among the following four sources: the ad hoc committee, student survey, Bonney Lake resident survey, and needs assessment from the Comprehensive Plan. Alternative designs were then developed to address the program.

Meeting #3 (May 9, 2016)

The purpose of this meeting was to review alternative plans. In order to clarify discussion, the park was divided into four areas (hereafter referred to as "North Park," "Central Park," "South Park," and "East Park". Comments were received from Park Commission members as well as from general public members in attendance.

Meeting #4 (June 13, 2016)

The fourth meeting was held to review the preliminary master plan developed from selected alternatives presented at the previous meeting. It also included review of associated preliminary costs and potential phasing. There was general consensus for the preliminary master plan.

Meeting #5 (July 19, 2016)

The fifth meeting was held to present the final master plan and to review the phasing plan and associated costs. There was general consensus for the final master plan.



PREFERRED ALTERNATIVE PLAN



PRELIMINARY MASTER PLAN



FINAL MASTER PLAN

Agenda Packet p. 83 of 104

Master Plan



MASTER PLAN PARK AREA ENLARGEMENT MAP

NORTH PARK



Restroom/Concession/ Storage Building

The restroom/concession/storage building located between the two fields is intended to serve the two fields as well as the entire North Park.

Dog Park

An off leash dog park will be divided into two fully fenced sections: large and/or more playful dogs and small and/or shyer dogs. The intent is to leave existing vegetation in place in both areas, allowing the dogs to naturally create their own trails. Entries to both sections will include enclosed spaces where owners can leash or unleash their dogs prior to leaving or entering the dog park.

Fields

Primary elements will include a 330' x 195' multi-use field with an overlapping little league field (200' outfield) located in the southwest corner, thereby keeping it as far away from the residential areas to the north and west as practical. The entire multi-use field will be enclosed with a 4' high chain link fence with slide gates for easy maintenance access. Thirty feet high screens at each end of the field will contain errant soccer balls. A second little league field will be located at the site of the existing parking lot. This field will be natural grass, oriented to the southeast, and will have a 200' outfield. It, too, will be circumscribed with a 4' high chain link fence beyond the backstop and will have sliding gates for maintenance access.

Master Plan

NORTH PARK CONTINUED

Community Campus

The existing Senior Center and former city hall will remain. The latter will continue to host the historical society. ADA-compliant parking will be adjacent to the buildings.

Parking

In the general vicinity of Public Works' current maintenance shop (to be relocated to another site) will be a 130 stall parking lot. This proposed lot is intended to serve the entire North Park and all overflow parking for the entire park. Adjacent to the little league fields will be a small, ADA-compliant parking lot for convenient ADA access to the two fields. Both lots will be gated.

Trails

There will be continuous trails circumscribing the fields and off leash dog parks. Some portions of the trails will be soft surface while other portions will take advantage of the sidewalks along the parking lot and the service road connecting the parking lot and multi-use fields.



EXISTING SENIOR CENTER



TRAIL AT ALLAN YORKE PARK

CENTRAL PARK



Existing Concession / Storage Building

No improvements are proposed for the existing concession and storage building.

Existing Parking

The 104 existing parking stalls in Central Park will remain. The parking lot along Bonney Lake Boulevard will be restriped to provide additional ADA parking.

Picnic Area

The existing picnic area at the southeast corner of Central Park will be expanded with a new large picnic shelter and associated tables and pads.

Fields

At 360' x 225', this synthetic turf multi-use field will be larger than the others. It will have two overlapping little league fields each with 200' outfields.

Children's Play Area

A new children's play area will be built at the site of the existing stage which will be displaced and likely replaced at Midtown Park. The existing children's play area at the west side of the field will be upgraded using accessible play equipment and, possibly, a net structure to protect it from stray balls.



EXAMPLE SYNTHETIC MULTI-USE FIELD

Master Plan

SOUTH PARK



BMX Course

The new BMX course will include a full-size dirt BMX track, staging area, restrooms, bleachers, and a 43 stall parking lot.

Mountain Bike Trail

A $\frac{3}{4}$ mile trail will be woven around the existing wetlands, crossing the wetlands at one bridged location. The mountain bike trail will be accessed both from the new 43 stall parking lot and the BMX course staging area.

Loop Trail

A loop trail will circumscribe South Park. Most of this trail will be soft surfaced and will follow major portions of existing soft-surface trails. The loop will be created by connecting to portions of the concrete sidewalk along West Tapps Highway, Bonney Lake Boulevard, and the multi-use field.

Community Garden

The community garden will consist of forty-two 4' x 24' raised beds that can be divided into individual plots. This area has good sun exposure and is adjacent to the boat trailer parking lot. Gardens will be for general community use with the potential for some produce to be used to supplement the local food bank which may be located within the North Park Community Campus in the future.



https://upload.wikimedia.org/wikipedia/commons/f/f6/BMX_racing_action_photo.jpg

EXAMPLE OF BMX COURSE



<http://www.kokean.com/mountain-bike-trail-wallpaper-full-hd.jpg>

EXAMPLE OF MOUNTAIN BIKE TRAIL

EAST PARK



Plaza, Restroom, & Play Area

A large plaza area next to the little league field backstop will include a restroom and children's play area. Picnic tables and shade structures might be added at a later date.

Parking Lot

Access to the gated 97 stall parking lot will be available from two locations on West Tapps Highway.

Boat Trailer Parking

A gated, twenty-two car and trailer stall parking area will be provided on the west side of East Park. Access will be from West Tapps Highway. This lot will include two-way traffic on either side. During winter when the boat launch is not in use and no trailer parking is needed, the lot will provide parking for 44 cars.

Fields

The East Park multi-use field will be 330' x 195' with an overlapping 200' outfield little league field. This field, oriented to the southeast, will be fully enclosed by a chain link fence with slide gates for maintenance access. A paved walk around the field will provide access from the parking lot.

In response to concerns expressed by neighbors immediately to the south of the field, the field will be set approximately 10' lower than the south end grade in order to minimize noise impacts to the neighbors. The little league field at the north end of the multi-use field will also provide more physical separation from the neighbors.

Loop Trail

East Park will also be circumscribed by a loop trail, most of which will be soft surface although one portion will use the paved walk around the field. Circulation currently provided by the existing soft surface trail along West Tapps Highway will be maintained as a part of the trail system.

Master Plan

FIELD DEVELOPMENT

Each multi-use field will be fully under-drained and covered with synthetic turf. As such, the fields will be playable on a year-round basis without the need for the rest periods required by natural turf fields. The multi-use fields will likely be permanently lined for soccer but will be able to accommodate a variety of field sports including youth football and lacrosse. Only the multi-use field in Central Park will be able to accommodate a full-size football field. That field will also be able to accommodate adult softball with a 300' outfield on each of the two fields. The individual little league field in North Park will be natural grass and will be under-drained. All fields are intended to have state-of-the-art LED floodlighting which will provide optimum and safe lighting levels for the fields. While the lights will be visible from those surrounding residences with direct line of sight to the fields, glare like that produced by conventional metal halide lights will not be present.



EXAMPLE BALLFIELD

PARKING

Currently, Allan Yorke Park has 221 car stalls and 32 boat trailer stalls. Although some of the proposed improvements in the master plan will displace existing parking, the addition of several new lots and the expansion of others will bring the total parking count for the site to 404 regular stalls and 22 boat trailer stalls. The boat trailer parking can be used as car parking in the winter, bringing the total car parking count to 448 stalls for the entire park.

FENNEL CREEK TRAIL HEAD

The north terminus of the Fennel Creek Trail system is Allan Yorke Park. Trail users will be able to use any of the parking lots at Allan Yorke as trail heads for Fennel Creek Trail access. Fennel Creek Trail will intersect the south park loop trail. Signs in each area of Allan Yorke Park will include a map of the park trails and indicate access points to Fennel Creek Trail.



ALLAN YORKE PARK TRAIL

OTHER AMENITIES

Picnic tables and benches will be incorporated throughout the park and along trails. Though not currently shown, a location for a horse shoe pit could easily be sited within the park if desired.

UTILITIES

Existing sewer and water utilities are located in Bonney Lake Boulevard and West Tapps Highway and within the park itself. It is anticipated that the utility connections for North Park restroom/concession/storage building will be made at Bonney Lake Boulevard while the connections for East Park maintenance building and the restroom/concession/storage building will be made at West Tapps Highway. South Park restroom building will connect to existing sewer and waterlines that extend within the site. Further research is necessary for determining ownership of the utilities as well as implications of connecting to these existing utility systems.

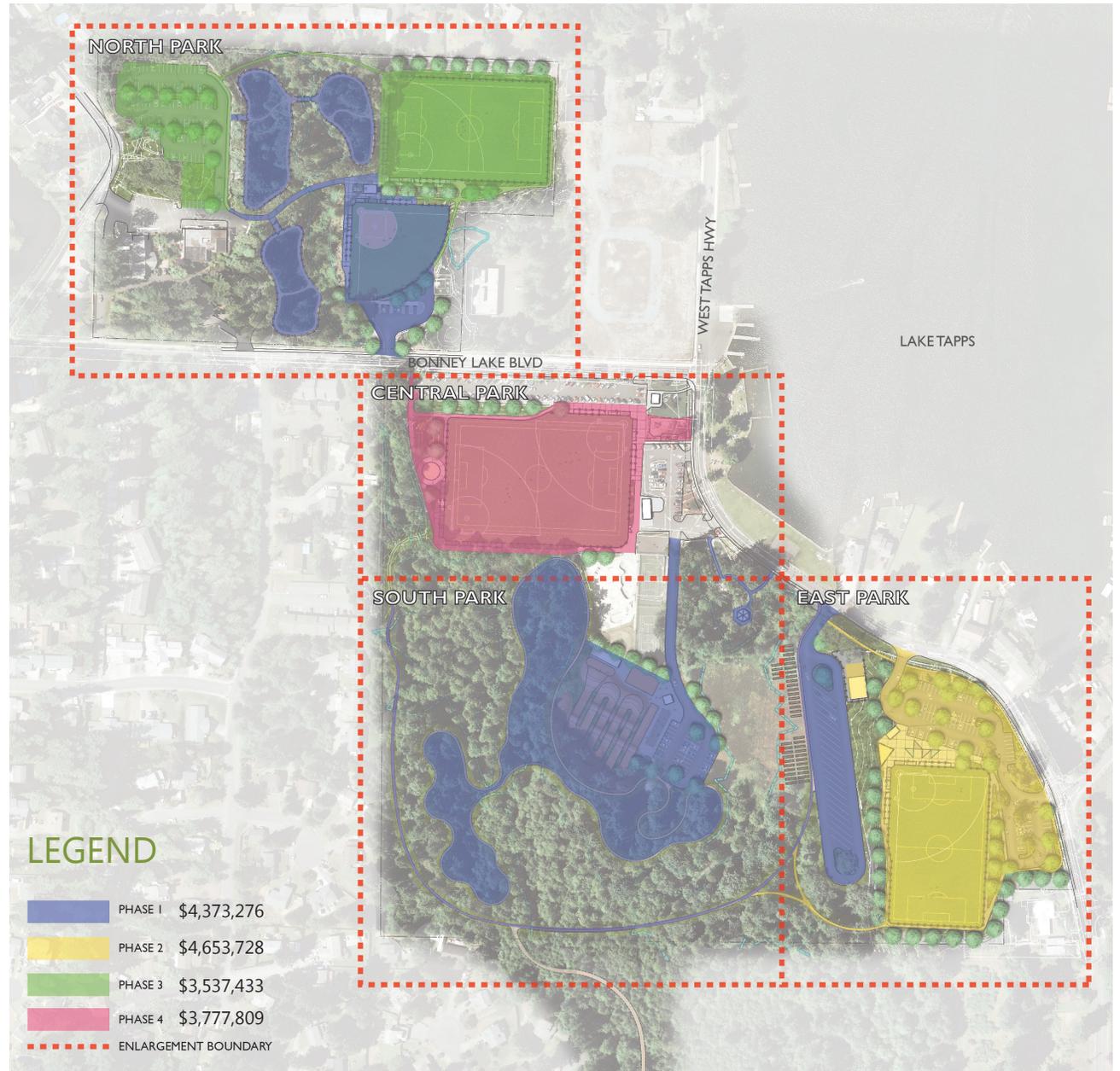


CONCEPTUAL UTILITY PLAN

Master Plan

CONSTRUCTION COST ESTIMATE & PHASING PLAN

Estimated costs for the entire master plan are based on 2016 construction prices and will need to be adjusted annually to account for rates of inflation. Estimated costs for the design and construction contingency, engineering, inspection, testing, administration, and sales tax are incorporated. Precise quantities of the various construction items cannot be determined until final design for construction is completed; therefore, the contingency covers unknowns inherent at the master plan stage. Sales tax (which is included in the cost) could change over time. City administration fees must be added to this estimate. See the appendix for a more detailed breakdown of costs.



TENTATIVE PHASING PLAN

Interagency Coordination and Permits

SEPA

The City of Bonney Lake will be the lead agency for the State Environmental Policy Act (SEPA) determination. SEPA requires that an environmental checklist be filled out for all construction projects in order to determine their environmental impacts. When impacts are not significant, reviewing agencies issue a "Declaration of Non-Significance" or a "Mitigated Determination of Non-Significance," ending the SEPA review process and allowing other permit reviews to begin. However, when a project is found to have significant environmental impacts, the applicant must prepare an "Environmental Impact Statement."

WETLANDS

A wetland delineation report has been prepared for the site. With development of the plan, it will be necessary to ascertain the extent of mitigation required as much of the proposed development is within wetland buffer boundaries and because some trails will bridge the wetlands.

The mitigation plan must include:

- a baseline study that analyzes the existing functional values and the system's functional values after mitigation
- specification of how lost function of values will be replaced
- specification of when mitigation will occur relative to project construction and to the requirements of permits required by other jurisdictions
- provisions for long-term monitoring of the mitigation area in order to determine whether or not the plan was successful

- provisions for a bond or series of bonds in order to ensure that the work is completed in accordance with the plan and that restoration or rehabilitation is performed if any portion of the mitigation project fails within three years of implementation
- description of the need for – and, when appropriate, determination of – the width of buffers adjacent to any altered wetland edge

Mitigation plans must be approved prior to any development activity.

SITE DEVELOPMENT/CONSTRUCTION PERMIT

This permit covers storm drainage, access roads, and erosion control.

BUILDING PERMIT

A building permit will be required for all structures, including restrooms, picnic shelters, and fencing over 6' high (i.e. backstops).

FEDERAL COORDINATION

Two permits will likely be required for impacts to the wetlands:

- Section 401: Water Quality Certification
- Section 404: Wetland Permit for Filling and/or Dredging

TRAFFIC MITIGATION

Traffic impact mitigation fees may be assessed due to the increase of onsite parking. Final determination must be negotiated with the Bonney Lake Planning Department.

Interagency Coordination and Permits

PRIORITY HABITAT REVIEW

- a site inventory survey regarding species' habitats, occurrences, identifications, and mapping.
- impact analysis for priority species and habitat due to site development

Mitigation measures and the report will need to be drafted in cooperation with - and with review by - the Washington State Department of Fish and Wildlife.

NPDES PERMIT

The Washington State Department of Ecology issues this permit to regulate stormwater discharge from construction sites that disturb five acres or more.

ADDITIONAL COORDINATION

- Water Availability Certificate
- Resolution of Sanitary Sewer Fees
- Puget Sound Energy (PSE) Service Agreement
- Resolution of Traffic Mitigation Requirements
- Potential for Onsite Utility Line Easement
- Wetland Buffer Impact Mitigation

Appendix

MEETING #1

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #1
April 11, 2016

Bruce Dees & Associates
Job No. 117-08-02

PRESENT (P)

City of Bonney Lake
(P) Gary Leaf

Consultants

(P) Bruce Dees, Bruce Dees & Associates
(P) Rachel Lingard, Bruce Dees & Associates

Park Commission members and several local citizens were also in attendance.

PURPOSE

The purpose of this meeting was to reintroduce Allan Yorke Park to the Park Commission as well as to determine if the program previously developed for the concept plan is still relevant and if any additional elements should be considered as we move forward into the master plan.

DISCUSSION

Bruce reviewed the preliminary concept plan that BDA produced along with background information for the site, including newly acquired topographic survey and wetland information. The following is a summary of comments made by attendees:

Ball Fields

- Multi-use ball fields, including soccer and baseball, are a priority.
 - Synthetic fields are preferable as they allow for year round use.
- The orientation and size of the fields should be evaluated to minimize the impact on the existing topography and wetlands.
 - The exact dimensions of each desired field was not determined at this time.
- Lighting should be included to maximize play time and safety.

Buildings

- As the existing structure will be removed, a new location for the maintenance building needs to be included in the master plan.
- The existing concession building should remain.
- Additional restroom facilities should be located throughout the site to improve access.

Mountain Bike Trail/ BMX Course

- Based on the feedback from one resident, the mountain bike trail seems to be very important to the culture of the community.

Beach Access

- No person in attendance felt strongly that there should be a beach access component incorporated into the master plan.

Off Leash Dog Park

- The location of the dog park should not overlap the wetlands.
- Consider an appropriate footprint.

Walking Trails/Paths

- The park master plan should show walking paths and connections.
 - The master plan must show where the Fennel Creek Trail connects to the park.
- A loop trail is desirable.

Picnic Areas

- Picnic tables should be located throughout the site.
- The existing picnic area should be updated and improved.

Events Lawn

- The existing middle field is currently used as an event lawn which would preclude it being converted into synthetic turf.
 - There was some discussion about the possibility of moving the events held there to another park in the city but no clear decision was made.
 - If events are continued in this space, this area should be sod.

Playground

- A large playground footprint is desired.
- The playground should be inclusive and accessible to children of all abilities.

Parking

- Opportunities to share parking on adjacent properties should be evaluated.
 - There is existing parking to the west of Ball Field 4.
- Parking areas can be developed now that we have the survey and wetland information.

Heritage Rhododendron Garden

- The existing Heritage Rhododendron Garden should be kept.
 - Either leave it where it is or relocate it to another area of the site.

Action Items

- No action items at this time.

NEXT MEETING

The next Park Commission meeting is scheduled for Monday, May 9, 2016 at 6:00 p.m. A public meeting is scheduled for April 25, 2016.

These are the minutes as we understand them. If there are any additions or corrections, please contact Bruce Dees & Associates immediately.

MEETING #2

City of Bonney Lake – Allan Yorke Park Master Plan
Public Meeting #1
April 25, 2016

Bruce Dees & Associates
Job No. 117-08-02

PRESENT (P)

City of Bonney Lake
(P) Gary Leaf

Consultants

(P) Bruce Dees, Bruce Dees & Associates
(P) Rachel Lingard, Bruce Dees & Associates

For a list of public meeting attendees, please see the attached sign-in sheet.

PURPOSE

The purpose of this meeting was to explain the intent and process of the project to the public and to gather their input prior to beginning design. It was to show the general public that all interests are being identified and that needs and concerns will be addressed.

PRESENTATION

Bruce explained the process of producing a final master plan. He then went over the existing conditions of Allan Yorke Park before reviewing the program that was compiled by an ad hoc committee in 2015. Rachel then explained the survey results collected from students and Bonney Lake residents that were found in the comprehensive plan. The needs assessment based upon projected population growth was then presented, followed by a summary of the common elements found from all four sources (i.e. ad hoc committee, students, Bonney Lake residents, and the needs assessment).

PROGRAM

The final slide of the presentation showed a list of the elements common to each of the four sources (see attached). The slide showed the elements listed in order of priority and indicated whether they exist at the park or are needed as per the comprehensive plan. The items shown in yellow are the only ones not currently in existence at the site and are in the lowest priority category. Bruce suggested that this list, minus the yellow items, could be our program for the site. He then opened the floor up for public comments. The following is a summary of public responses to the program:

DISCUSSION

Chris Verhasselt

- He suggested that the fields could be concentrated to the north end of the property in order to minimize disturbance to the neighbors south of the Moriarty property.
 - He strongly supports the incorporation of synthetic fields as a means of improving drainage and maximizing play time.
- The existing boat parking at the Moriarty property might be reconfigured to improve maneuverability.
- He felt that Allan Yorke Park is a more desirable location for the amphitheater and events lawn due to its proximity to Lake Tapps.
- He would like to see the stage remain at the park but would not be opposed to it being relocated (perhaps by skate park) within the park.

David Wells

- David noted that relocating the stage to where Field 3 is currently would better orient the stage, eliminating glare from the setting sun for spectators looking toward the stage.

- Dave voiced concerns about using synthetic turf in event areas as he felt that people would prefer to sit on natural grass rather than synthetic turf.
 - He suggested doing fields that are half turf half natural grass as a compromise.
 - In the summer months, major events are held at the park three days a week.

Terry Reid

- Consider Allan Yorke Park as the new location for the community garden.
 - The current community garden has approximately 61 plots (8' x 6' or 10' x 6'); however, a growth plan would be good.
 - Terry suggested the southeast side of the site (i.e. where the nursery is located currently) as a possible location for a community garden.

Justin Evans

- Justin expressed concerns about providing sufficient parking to support all the planned facilities.
- He would like to see LID tactics used: namely, pervious concrete in parking areas.
- Just would like to see the incorporation of sidewalks and safe pedestrian routes in the master plan.
- He suggested relocating the senior center and using that space for something else.
 - Gary Leaf noted that the senior center might be repurposed as a community center.

Lynne Shannon

- Given previous issues with theft and privacy at existing connections between the trail and surrounding neighborhood, Lynne expressed concern regarding safety issues at the connection points.
 - She would like to see safer trails with better visibility to minimize crime.

OTHER DISCUSSION TOPICS

Bonney Lake Blvd Closure

- The road has been closed for special events in the past, but there was not support for permanent closure.
 - Someone suggested that a bridge might be a good alternative for improving access from the north side to the south side of the park.

BMX

- Consider access for emergency vehicles.
- Consider parking needs, especially if the facility will be used for competitions.

SUMMARY OF PUBLIC SENTIMENT REGARDING THE PROGRAM

Aside from the comments listed above regarding program elements, the public was in agreement that the existing features of Allan Yorke Park should remain, including the existing number of fields. This includes Field 3 which is used primarily for T-ball. The public supports the incorporation of the new elements listed on the list of common elements (see attached). The following are specific elements that the public would like incorporated into the park program:

- Sidewalks/Safe Routes
- Community Garden
- Amphitheater (included on list but initially considered a low priority)
- Pedestrian Bridge over Bonney Lake Blvd.

ACTION ITEMS

- There are no action items at this time.

Appendix

MEETING #2 CONTINUED

NEXT MEETING

The next ad hoc meeting has yet to be scheduled; however, the next park commission meeting is scheduled for May 9, 2016.

These are the minutes as we understand them. If there are any additions or corrections, please contact Bruce Dees & Associates immediately.

MEETING #3

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #2
May 9, 2016

Bruce Dees & Associates
Job No. 117-08-02

PRESENT (P)

City of Bonney Lake Park Commissioners
(P) Jim Bouchard, Chair
(P) Scott Anderson, Vice Chair
(P) Tom Edwards
(P) Todd Haueter
(P) Carlee Losnegard
(P) Pablo Monroy
(P) Nick Thiel

Public
(P) David Wells
(P) Wenona Jacobson
(P) Fred Jacobson
(P) Rick Wilson
(P) Janet Wilson
(P) Cody Thiel
(P) Chris Verhasselt

City of Bonney Lake
(P) Gary Leaf

Consultants
(P) Bruce Dees, Bruce Dees & Associates
(P) Rachel Lingard, Bruce Dees & Associates

PURPOSE

The purpose of this meeting was to present the design criteria and refined program, review the alternative plans, and select one or portions of each for further refinement (see attached concepts).

DISCUSSION

Bruce went over the process for developing a prioritized program for the park, which included reviewing the information that presented and collected at the first park commission and public meetings. He then discussed how that information was used to develop a prioritized program for the site, after which he went over the alternative concepts. Below is a summary of what was discussed:

North Park (Concepts 1, 2, and 3)

- There was consensus that North Park 3 was the preferred alternative with the following modifications:
 - Align the two ball fields by moving the northern one slightly to the west.
 - Provide ADA parking off of Bonney Lake Blvd on the south side of the southernmost field.
 - Shared bleachers are desirable between the backstops.
 - Netting between backstops to protect spectators from fly balls is desirable.
 - Locate the community garden near the senior center.
 - Incorporate lighting on each of the fields.
- Scott Anderson recommended contacting the mayor to learn the plans for the old City Hall so that we may incorporate them into our master plan.

Central Park (Concept 1)

- There was consensus that Central Park 1 was satisfactory with the following modifications:
 - Designate more ADA stalls in the existing parking lot.
 - The stage could be relocated to another park within the city.
 - If it remains at Allan Yorke Park, then the preference is for the events lawn to remain as grass.
 - In order to maximize use, synthetic turf is preferred over natural grass.
 - Adequate field drainage should be incorporated.

South Park (Concept 1)

- There was consensus that South Park 1 was satisfactory with the following modification:
 - Incorporate bleacher seating.

East Park (Concepts 1, 2, & 3)

- There was consensus that East Park 3 was the preferred alternative with the following modifications:
 - Include hoods on the backstops to protect adjacent parked cars from being hit by errant balls.
 - Consider ways to protect parked cars from balls.

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #2

1 of 2

May 9, 2016

- Incorporate tall fencing along the south property line to protect neighbors from errant balls.
- If possible, one ball field should be sized to accommodate an adult league (men's baseball).

Post Meeting Comments

- The following comments were received from Chris Verhasselt on May 10, 2016:
 - Multipurpose Fields: I strongly believe that two dedicated multipurpose fields need to be incorporated into the final design (preferably in the north park area). The plans presented yesterday all had dual use fields (softball/baseball/soccer etc.) which is okay, but there needs to be at least one and, if possible, two dedicated fields that can be used solely for soccer, lacrosse, rugby, and even, possibly, flag football. I am going to work on a field layout that can be presented showing the dimensions. I also believe that having two dedicated fields would allow for the main park area to still remain grass for Tunes at Tapps. The main park area, if going with a grass option, should still be re-graded to allow for proper drainage and a grass used that can hold up to excessive use.
 - Dog Parks: I don't remember a discussion for having two separate off-leash dog parks. When I explained it to my wife last night, she actually brought up a good point: if you have two dogs, one small and one large, having two separate parks presents an issue for owners. I would suggest that only a single dog park be incorporated into the design with possibly a fence separating the large dog/small dog areas. (In all honesty, I think a single dog park is all that is needed with no distinction between the size of the animals. Owners will need to be made aware that they are responsible for the actions and conduct of their animals at all times.)
 - Additionally, I think having a booth at the weekly Tunes at Tapps might be a great way to present the redesign plans to the public on a larger scale.

Action Items

- BDA will reach out to the mayor of Bonney Lake to discuss future plans for the senior center and the old City Hall building.

NEXT MEETING

The next Park Commission meeting is scheduled for Monday, June 13, 2016 at 6:00 p.m.

These are the minutes as we understand them. If there are any additions or corrections, please contact Bruce Dees & Associates immediately.

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #2

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May 9, 2016

Appendix

MEETING #4

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #3
June 13, 2016

Bruce Dees & Associates
Job No. 117-08-02

PRESENT (P)

City of Bonney Lake Park Commissioners

- () Jim Bouchard, Chair
- (P) Scott Anderson, Vice Chair
- (P) Tom Edwards
- (P) Todd Haueter
- (P) Carlee Losnegard
- (P) Pablo Monroy
- (P) Nick Thiel

Public

- () David Wells
- (P) Wenona Jacobson
- (P) Fred Jacobson
- (P) Rick Wilson
- (P) Janet Wilson
- (P) Cody Thiel
- () Chris Verhasselt

City of Bonney Lake

- (P) Gary Leaf

Consultants

- (P) Bruce Dees, Bruce Dees & Associates (BDA)
- (P) Rachel Lingard, BDA

Several additional citizens were in attendance but names were not recorded and are not listed above.

PURPOSE

The purpose of this meeting was to review the preliminary master plan and associated costs and to discuss phasing.

PRE-PRESENTATION CITIZEN COMMENT

Prior to BDA's presentation, the Park Commission opened the floor up for comments from citizens in attendance. Only Janet Wilson came forward. The following is a summary of her comments:

- Janet's property is located just south of the "East Park" portion of Allan York Park. She and her fellow neighbors are concerned about what impacts the new fields will have on them and their properties.
- Janet is also concerned about the lack of available parking.
 - She noted that recently, on a warm weekend day, several cars had to be towed out of the boat trailer parking area because they were double parked, preventing people from leaving.
 - She counted 150 cars in that area on that particular day.

DISCUSSION

Bruce began BDA's presentation by reviewing the information that was presented and collected at all previous meetings. He focused particularly on the feedback received at Park Commission Meeting #2 where alternative concepts for the park were presented.

Bruce then presented the preliminary master plan to the group, showing how citizens' comments were incorporated and their concerns addressed in the plan (see attached). Below is a summary of what was discussed:

North Park

- Consensus was for the preliminary master plan for North Park.
 - Concern was expressed about whether or not ADA viewing areas would be provided at the fields.
 - Bruce assured everyone that ADA-accessible viewing spaces are a federal requirement and will definitely be provided.
 - Lighting should be incorporated on pathways leading from parking areas to fields.
 - Apparently, there has been some discussion that one of the existing portable buildings to the north of the senior center could be used as the future food bank.
 - BDA will verify if this is the case. If so, BDA will accommodate the structure and reconfigure parking around it.

Central Park

- Consensus was for the preliminary master plan for Central Park.
 - If possible, show striping for an adult softball field (300' outfield) on the final master plan.

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #3

1 of 2

June 13, 2016

South Park

- Consensus was for the preliminary master plan for South Park.

East Park

- Consensus was for the preliminary master plan for East Park.

COST ESTIMATE AND PRIORITY PHASING PLAN

Following discussion of the preliminary master plan, Rachel presented preliminary cost estimates for the park, explaining that the estimate included costs for tax, design, inspection, testing, construction contingency, and permits. The development priority was based on the background information that was collected at the beginning of the project (see attached estimate and priority phasing plan). No final decision was made regarding phasing breakdown.

ACTION ITEMS

- BDA will verify if one of the existing portable buildings on the north end of the site should be designated as the future food bank.
- The City Council workshop meeting scheduled for June 21, 2016 has been cancelled. Gary Leaf will determine a new date and time for the final presentation of the master plan at a City Council workshop.

NEXT MEETING

A date for the presentation of the final master plan to City Council has yet to be decided.

These are the minutes as we understand them. If there are any additions or corrections, please contact Bruce Dees & Associates immediately.

City of Bonney Lake – Allan Yorke Park Master Plan
Park Commission Meeting #3

2 of 2

June 13, 2016

MEETING #5

City of Bonney Lake – Allan Yorke Park Master Plan
City Council Meeting #1
July 19, 2016

Bruce Dees & Associates
Job No. 117-08-06

PRESENT (P)

City of Bonney Lake City Council Members

(P) Randy McKibbin
(P) Dan Swatman
(P) Tom Watson
(P) James Rackley
(P) Justin Evans
(P) Katrina Minton-Davis
(P) Donn Lewis

City of Bonney Lake

(P) Neil Johnson, Mayor
(P) Gary Leaf

Consultants

(P) Bruce Dees, Bruce Dees & Associates (BDA)
(P) Rachel Lingard, BDA

Several members of the public were in attendance but names were not recorded and are not listed above.

PURPOSE

The purpose of this meeting was to review the final master plan, costs, and phases.

DISCUSSION

Bruce began BDA's presentation by reviewing the information that was presented and collected at all previous meetings. He then presented the final master plan (see attached PowerPoint slides). The plan was well received and there was consensus that it was satisfactory. The following is a summary of comments made in response to the final master plan:

North Park

- One council member expressed concern that the community garden location might not be sunny enough.
 - Bruce explained that the proposed location should have sufficient sun exposure for a successful garden and that close proximity to the senior center and parking was also a consideration for the location.

Central Park

- One public attendee had e-mailed a park commissioner prior to the meeting asking that the field at Central Park be kept as natural turf, a more desirable surface for concerts.
 - It is likely that the field will remain as natural turf until another site (possibly Midtown) is developed for concerts.

South Park

- Concern was expressed for there not being enough space in the BMX parking lot for bike trailers.
 - Bruce explained that it would be possible for visitors to leave trailers with their bikes in the staging area.

East Park

- No comments were made in regard to East Park.

COST ESTIMATE AND PRIORITY PHASING PLAN

Following discussion of the final master plan, Rachel presented the phased cost estimates for the park, explaining that the estimates included costs for tax, design, inspection, testing, construction contingency, and permits. The phasing was based on the background information collected at the beginning of the project as well as on input from the mayor and several City Council members. No final decision was made regarding phasing breakdown. Below is a summary of comments made in response to the cost estimates and phasing plan:

Cost Estimate

- One council member asked if BDA had incorporated the city's LED light rebate into the estimate.
 - BDA did not include the rebate in the cost estimate.
 - It is anticipated that this will be a source of savings for the project and will be explored in a later phase of the project.

Phasing Plan

- In general, the phasing plan was satisfactory; however, there likely will be further breakdown of improvements within each phase in order to meet budgetary restrictions.
- Relocation of the materials yard may hinder implementation of the BMX course in the first part of Phase 1.
 - Phase 1 will most likely include implementation of the trails and little league field in North Park.
 - The BMX area and dog parks would come later as more funding becomes available and as a new location for the materials yard is found.
 - Final approval of Phase I needs to be confirmed.

ACTION ITEMS

- BDA will confirm the scope of work for Phase 1 with the city.
- BDA will finalize the Master Plan Summary Report, phasing plan, and cost estimate and will provide mounted boards of the Master Plan to the city in time for Bonney Lake Days on August 19, 2016.

NEXT MEETING

No additional meetings have been scheduled for the master plan. The next City Council workshop is scheduled for August 16, 2016, at which time the scope of work for Phase 1 of Allan Yorke Park will be discussed.

These are the minutes as we understand them. If there are any additions or corrections, please contact Bruce Dees & Associates immediately.

POST MEETING DECISIONS

Feedback from members of the public was provided to BDA regarding the location of the community garden in North Park after this meeting was conducted. It was decided that the community garden should be relocated to South Park, and adjacent to the boat parking lot. This location will provide more room for raised beds and will have adequate sun exposure.

Appendix

PHASED COST ESTIMATE

In developing costs for each of the four park areas, elements were divided into "priority" and "secondary" elements. Priority elements (shown in blue) included all aspects of construction necessary for completing the priority items. Secondary items (shown in green) were divided into separate elements, suggesting that they could be built in steps or phases. Unlike secondary elements, the priority elements must be completed in a single phase or step. For example, field construction must include all necessary preparation work (e.g. drainage, fencing, etc.) but a parking lot can be constructed in phases (e.g. an initial phase done in gravel with paving waiting until the ultimate phase).

ITEM	PRIORITY	SECONDARY	TOTAL
PHASE 1			
South Field (North Park)			
• Turf and Associated Improvements	\$ 623,248		
• LED Lighting		\$ 575,960	
Sub-Total	\$ 623,248	\$ 575,960	\$ 1,199,208
East Parking Lot (North Park)			
• Site Prep, Demo, Grading		\$ 19,268	
• Gravel Surfacing		\$ 63,423	
• Asphalt Surfacing, Curb and Gutter, Striping		\$ 147,954	
• Lighting		\$ 27,104	
Sub-Total	\$ -	\$ 257,749	\$ 257,749
BMX AREA (South Park)			
• Site Prep, Demo	\$ 37,321		
• Restroom/ Concessions	\$ 238,414		
• Starting Gate, Officials Box, Track Grading, Fencing	\$ 340,026		
Parking Lot			
- Site Prep, Demo, Grading	\$ 22,878		
- Gravel	\$ 141,056		
- Asphalt Surfacing, Curb and Gutter, Striping		\$ 336,633	
- Lighting		\$ 67,760	
Sub-Total	\$ 779,695	\$ 404,393	\$ 1,184,088
Boat Trailer Parking Lot (East Park)			
• Site Prep, Demo, Grading	\$ 55,419		
• Gravel Surfacing	\$ 236,318		
• Asphalt Surfacing, Curb and Gutter, Striping		\$ 532,882	
• Lighting		\$ 67,760	
Sub-Total	\$ 291,737	\$ 600,642	\$ 892,380
Trails (South Park)			
• Mountain Bike Trail		\$ 47,046	
• Trails		\$ 138,197	
Sub-Total	\$ -	\$ 185,242	\$ 185,242
Amenities (South Park)			
•Picnic Shelter		\$ 128,127	
Sub-Total	\$ -	\$ 128,127	\$ 128,127
Amenities (East Park)			
•Trails & Paths		\$ 4,055	
Sub-Total	\$ -	\$ 4,055	\$ 4,055
Amenities (North Park)			
•Asphalt Paths		\$ 66,364	
•Restroom/ Concessions	\$ 361,725		
•Large Dog Park		\$ 64,188	
•Small Dog Park		\$ 30,150	
Sub-Total	\$ 361,725	\$ 160,702	\$ 522,427
PHASE 1 TOTAL	\$ 2,056,405	\$ 2,316,871	\$ 4,373,276

PHASED COST ESTIMATE CONTINUED

ITEM	PRIORITY	SECONDARY	TOTAL
PHASE 2			
Field (East Park)			
• Turf and Associated Improvements	\$ 1,982,006		
• LED Lighting		\$ 575,960	
Sub-Total	\$ 1,982,006	\$ 575,960	\$ 2,557,966
Parking Lot (East Park)			
• Site Prep, Demo, Grading	\$ 67,562		
• Gravel Surfacing	\$ 256,677		
• Asphalt Surfacing, Curb and Gutter, Striping		\$ 601,655	
• Lighting		\$ 40,656	
Sub-Total	\$ 324,239	\$ 642,311	\$ 966,550
Amenities (East Park)			
• Restroom/ Concessions	\$ 259,575		
• Trails & Paths		\$ 17,031	
• Play Area		\$ 149,036	
• Maintenance Building		\$ 703,569	
Sub-Total	\$ 259,575	\$ 869,636	\$ 1,129,211
PHASE 2 TOTAL	\$ 2,565,820	\$ 2,087,908	\$ 4,653,728

ITEM	PRIORITY	SECONDARY	TOTAL
PHASE 3			
North Field (North Park)			
• Turf and Associated Improvements	\$ 1,833,444		
• LED Lighting		\$ 575,960	
Sub-Total	\$ 1,833,444	\$ 575,960	\$ 2,409,404
West Parking Lot (North Park)			
• Site Prep, Demo, Grading		\$ 101,673	
• Gravel Surfacing		\$ 227,237	
• Asphalt Surfacing, Curb and Gutter, Striping		\$ 537,394	
• Lighting		\$ 101,640	
Sub-Total	\$ -	\$ 967,943	\$ 967,943
Amenities (North Park)			
• Trails & Paths		\$ 33,209	
• Community Garden		\$ 24,018	
• Planting Areas		\$ 102,858	
Sub-Total	\$ -	\$ 160,085	\$ 160,085
PHASE 3 TOTAL	\$ 1,833,444	\$ 1,703,989	\$ 3,537,433

ITEM	PRIORITY	SECONDARY	TOTAL
PHASE 4			
Field (Central Park)			
• Natural Grass and Associated Improvements	\$ 1,765,104		
• LED Lighting		\$ 575,960	
• Synthetic Turf (additional cost to switch from natural turf)		\$ 1,058,606	
Sub-Total	\$ 1,765,104	\$ 1,634,566	\$ 3,399,670
Amenities (Central Park)			
• Asphalt Paths		\$ 52,944	
• Netting Over Existing Play Area		\$ 84,700	
• Play Area		\$ 202,590	
• Planting Areas		\$ 37,906	
Sub-Total	\$ -	\$ 378,139	\$ 378,139
PHASE 4 TOTAL	\$ 1,765,104	\$ 2,012,705	\$ 3,777,809

ALLAN YORK PARK GRAND TOTAL	\$ 8,220,773	\$ 8,121,473	\$ 16,342,246
cost in 10 years with average annual inflation rate of 1.77%	\$ 9,797,390	\$ 9,679,046	\$ 19,476,436
cost in 20 years with average annual inflation rate of 1.77%	\$ 11,676,377	\$ 11,535,337	\$ 23,211,715

**NOTE: Average inflation rate calculated using annual CPI averages from 2006-2016

NOT INCLUDED

SITE

- Demolition of Existing Buildings

