

**CITY COUNCIL WORKSHOP**

**September 20, 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.*  
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*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:**

- p. 3 A. Presentation: Draft Water Comprehensive Plan - Geoff Dillard, RH2
- B. Council Open Discussion
- p. 13 C. Review of Draft Minutes: September 6, 2016 Workshop and September 13, 2016 Meeting
- p. 27 D. Discussion: AB16-95 – Ordinance D16-95 – Increased Utility Tax on Cable TV
- p. 33 E. Discussion: AB16-104 – Ordinance D16-104 – System Development Charge Surcharge for Fennel Creek Sewer Lift Station

**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.*

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## Agenda Placeholder

For the Council Workshop of September 20, 2016

### III. A. Draft Water Comprehensive Plan – Geoff Dillard, RH2.

*Digital copies of the draft Water Comprehensive Plan  
are available on the City website:*

[www.citybonneylake.org/UserFiles/WaterSystemPlan-Draft.pdf](http://www.citybonneylake.org/UserFiles/WaterSystemPlan-Draft.pdf)

*A printed hard copy will be available for public viewing at the Council  
Meeting and upon request to the City Clerk's office (253-862-8602).*

# ***City of Bonney Lake Water System Plan***

## ***Final Draft***

***May 2016***

### ***Mayor***

*Neil Johnson*

### ***City Council***

*Randy McKibbin (Deputy Mayor)*

*Justin Evans*

*Dan Swatman*

*James Rackley*

*Tom Watson*

*Donn Lewis*

*Katrina Minton-Davis*

### ***Public Works Director***

*Dan Grigsby*

### ***City Engineer***

*John Woodcock*

### ***Prepared by:***



***City of Bonney Lake***  
*Public Works Department*  
*19306 Bonney Lake Blvd*  
*Bonney Lake, WA 98391*

*Contact: Dave Cihak*  
*(253) 447-4312*

***RH2 Engineering, Inc.***  
*950 Pacific Avenue*  
*Suite 1220*  
*Tacoma, WA 98402*

*Contact: Geoff Dillard, P.E.*  
*(425) 951-5322*

# ***EXECUTIVE SUMMARY***



Ascent Gateway – State Route 410

## **PURPOSE OF THE WSP**

The City of Bonney Lake’s (City) water system is a major infrastructure, much of which is invisible to its customers. The water system requires qualified staff to operate and maintain it, and an ongoing capital improvement program to replace old components and meet requirements mandated by federal and state laws. The primary purpose of the City’s Water System Plan (WSP) is to identify and schedule water system improvements that correct existing system deficiencies, and ensure a safe and reliable supply of water for current and future customers. This WSP complies with Washington State Department of Health (DOH) regulations under Washington Administrative Code (WAC) 246-290-100, which requires water purveyors to update their water system plans every 6 years.

## ***Executive Summary***

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### **CHANGES SINCE THE LAST WATER SYSTEM PLAN**

The City's last *Water System Plan* was completed in 2009. Many changes have occurred since the last update that affect water system planning for the City.

- The City has secured additional wholesale water supplies to meet future demands.
- The DOH *Water System Design Manual* was updated in December, 2009. The revisions primarily addressed water demand requirements and water system physical capacity analysis.
- Drinking water regulations are continually evolving to ensure that water purveyors are providing a safe and reliable water supply to their customers. Additional water quality monitoring requirements and revisions to existing regulations, such as the Groundwater Rule, and Stage 1 and 2 Disinfectants/Disinfection Byproducts Rules, have been implemented since the 2009 *Water System Plan* was completed.

### **SUMMARY OF KEY ELEMENTS**

This WSP presents a description of the existing water system and service area, a forecast of future water demands, policies and design criteria for water system operation and improvements, an overview of the operations and maintenance program, staffing requirements, a schedule of improvements, and a brief financial summary. The WSP also includes several ancillary elements, which include a Water Use Efficiency Program, a Water Quality Monitoring Plan, a Wellhead Protection Plan, and an Emergency Response Plan. A summary of the key issues related to the system is provided in the following sections.

#### **Water Service Area**

By the end of 2014, the City provided water service to approximately 13,253 customer accounts, or an estimated population of 38,195. The City's water service area (WSA) extends well beyond the City's corporate limits, encompassing approximately 21 square miles (not including water bodies) or most of the Bonney Lake Plateau. The City is responsible for providing public water service, utility management, and system development within its WSA. The WSA is clearly defined by means of an interlocal agreement between the City and Pierce County as part of the state-mandated coordinated water system process. The City needs to be prepared to provide service to all properties within its WSA. For this WSP, the WSA, the City's retail service area, and the area of use for water rights purposes are all considered the same area.

## **Historic Water Usage and Conservation**

The City has experienced a trend of decreasing water demands per equivalent residential unit (ERU) over the last several decades. This trend has been seen statewide and is attributed to water conservation efforts, low flow fixtures, less irrigation-intensive landscaping, smaller yards, tiered water rates, and less distribution system leakage. The City's per capita demand and water system leakage levels are fairly standard for the Puget Sound area. The City's per capita demand in 2014 was approximately 79 gallons per capita per day. This equates to approximately 218 gallons of water per day per household as averaged over 1 year. In 2014, the average amount of distribution system leakage (DSL) in the City's system was 10.5 percent.

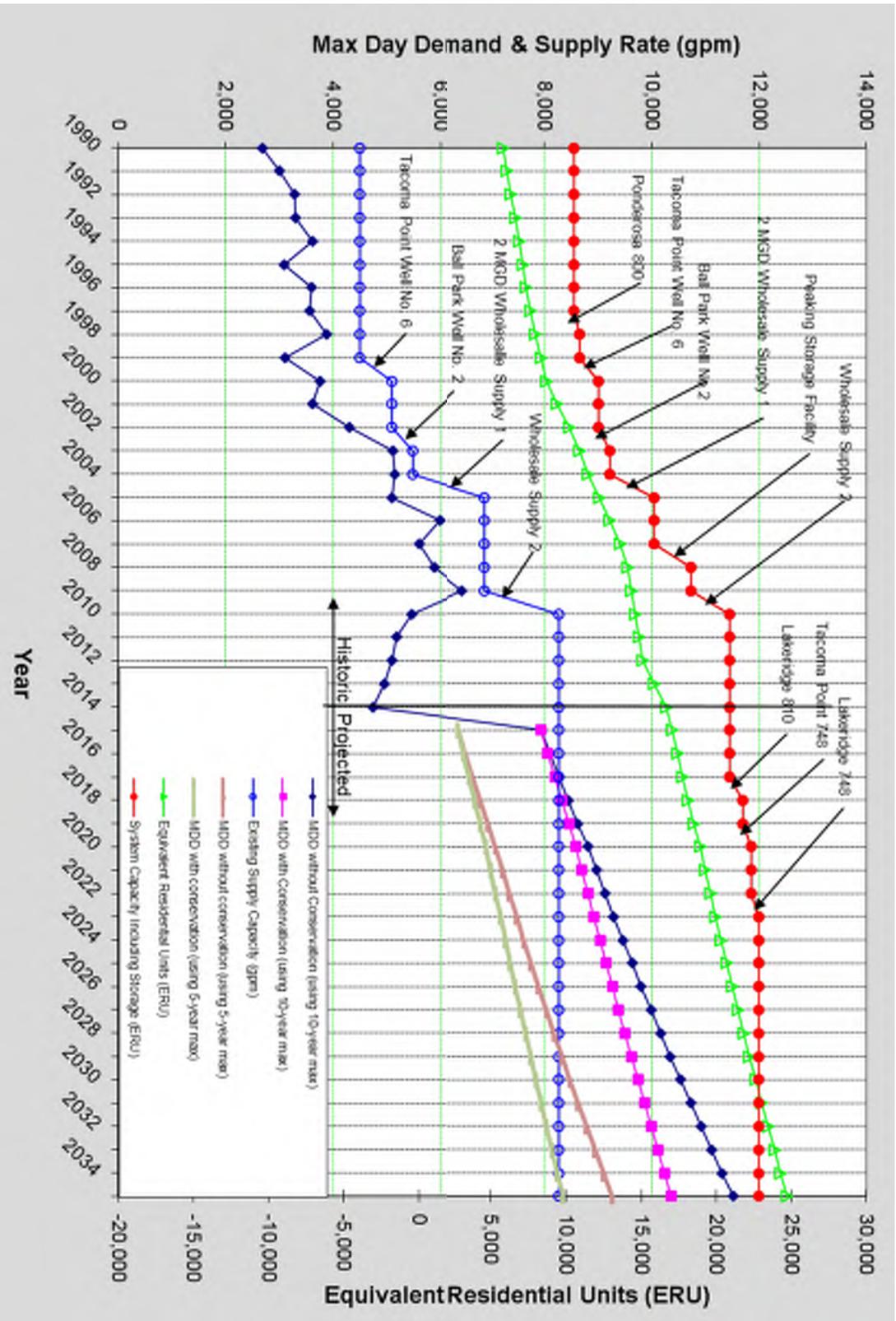
## **Future Water Supply and Demand**

Overall water demand within the City's system is expected to increase approximately 11 percent within the next 6 years, and 43 percent within the next 20 years, based on growth and depending on the amount of future water use reductions from the City's Water Use Efficiency Program.

In 2005, the City entered into a wholesale water agreement to purchase up to 2.0 million gallons per day (MGD) of maximum day demand wholesale water supply from Tacoma Public Utilities (TPU). In 2011, the City entered into a second wholesale water agreement to purchase an additional 2 MGD of maximum day demand water from TPU through the Cascade Water Alliance's TPU allocation. This water will be used to augment both annual and peak water supply capacities for the City. It is now estimated that the City has sufficient water supply from its groundwater wells, springs and wholesale water supply to meet the demand requirements of the system through approximately 2030, as shown in **Chart ES-1 – Water System Capacity**.

The City should evaluate and develop additional supply alternatives and aggressively pursue programs that protect its aquifers. In addition, the City should ensure that all of its sources are able to produce an optimum capacity of consistently high-quality water.

Chart ES-1 – Water System Capacity



## **WATER SYSTEM EVALUATION**

### **Distribution System**

The water system has been growing steadily since it was formed in 1949. The distribution system is comprised of over 199 miles of water main ranging in size from 2-inch to 16-inch diameter pipes; however, most of the system consists of 8-inch diameter and smaller pipes. Currently, the City's WSA is divided into 15 pressure zones, but developments along the western slopes of the Bonney Lake Plateau will require that at least 6 more pressure zones be established as these areas develop. A map of the City's existing water system is shown on **Figure 2 – Existing Water System**, located at the end of this WSP.

While the water distribution system is adequate to provide domestic supply, the hydraulic computer model indicates that there are several areas within the system that cannot provide adequate fire flows. These general areas are shown on the node diagram included in **Appendix J – Hydraulic Model Results**. These deficiencies are due mainly to inadequate transmission capacity and long dead-end lines. A combination of replacing undersized water mains with larger diameter mains and increasing looping will provide the best approach to correcting system deficiencies.

### **Storage**

Storage is provided by four steel water reservoirs with a total storage capacity of approximately 5.7 million gallons (MG). Based on current pressure zone configurations, these reservoirs provide approximately 3.5 MG of effective or usable storage to the system. The efficient operation of the storage facilities is adversely impacted by the fact that three of the storage facilities are in the same pressure zone (748 Zone) with slightly different overflow elevations. It is recommended that the City build additional storage in its higher Lakeridge 810 Zone to improve system efficiency and reliability and correct the overflow elevation discrepancies. In addition, the City will need to provide additional storage facilities as the system continues to expand. The existing 15 MG Peaking Storage Reservoir is used to augment supply during peak periods. Therefore, it is not included in the system's storage capacity calculations.

### **Sources of Supply**

The system is supplied by five municipal groundwater wells, two spring sources, and wholesale supplies from TPU. The City's potable water supply comes from several underground aquifers that are replenished from rainwater that falls on the plateau and from Lake Tapps seepage. The optimal production capacity of the City-owned sources of supply is approximately 5,869 gallons per minute (gpm), which is slightly less than the City's total instantaneous withdrawal water right for these sources of 6,254 gpm. However, the City's spring sources experience seasonal fluctuations that are a limiting factor in the system's ability to accommodate additional customers. Therefore, the reliable summer season supply capacity for the City-owned sources is based on their 10-year average low flow, which equals 5,480 gpm.

## ***Executive Summary***

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Additional sources of supply have been added to the City-owned sources to increase the City's overall reliable supply capacity. These include the 4 MGD wholesale supply and the supply from the City's Peaking Storage Facility. The City's total reliable capacity is 9,420 gpm when including these additional supplies

The City will need to develop both additional sources of supply and storage capacity to meet state requirements and accommodate new customers through WSA build-out. The City's existing sources need to be protected from contamination and decreases in capacity due to loss of natural recharge areas.

Currently, the City has the right to pursue additional water supply using interruptible water rights purchased from the Cascade Water Alliance. Further investigation of these rights may lead to a reliable source of supply that can be used by the City to meet future demands. In addition, the City will strive to use its existing water sources efficiently by continuing its current water conservation measures, leaky main replacements, and water rate incentives, and implementing other proposed measures as outlined in the City's Water Use Efficiency Program, which is included in **Appendix C – *Water Use Efficiency Program***.

### **Water Quality**

The quality of the City's raw water supply has been good and has met or exceeded all drinking water standards, except for slightly higher than allowable levels of manganese at the Ball Park source and slightly low pH at the Tacoma Point and Grainger Springs sources. The drinking water regulations are constantly changing and will require additional monitoring and reporting in the future in an effort to ensure safe drinking water for the public. Therefore, it is imperative that the City stays abreast of the regulations to maintain compliance.

In addition, the City should continue to protect its sources from nitrate contamination from septic systems through the monitoring of nitrates in the groundwater and by prohibiting septic systems in the recharge areas of the City's sources. This is an ongoing concern in the Falling Waters Development and Victor Falls Elementary School areas.

### **Operations and Maintenance**

The City's operations and maintenance (O&M) organization is staffed by well-qualified, technically trained personnel. City staff regularly participates in safety and training programs to keep abreast of the latest changes in the water industry and ensure a smooth and safe operation of the water system. The current staff of supervisory personnel and field crew, many of which are responsible for the water system and other utilities, have effectively operated the water system in the past. However, in times of rapid growth, general maintenance of the water system has not kept up with the level recommended. In order to properly maintain the system and handle water system expansion in the future, additional staff will be required. The City should plan to add staff to meet the increased requirements from system expansion. This is discussed in more detail in **Chapter 8 – *Operations and Maintenance***.

The City has taken several steps to prepare for emergency situations. An emergency response plan and vulnerability assessment have been developed. The City should continue to assess the vulnerability of its major water system facilities for a number of emergency events.

### **Proposed Water System Improvements and Financing Plan**

Improvements to the water system are necessary to resolve existing system deficiencies and accommodate the increase in water demands from future growth. Improvements identified for the first 6 years of the capital improvement program (2015 through 2020) are estimated to cost approximately \$38.2 million, which results in an average expenditure of approximately \$6.4 million per year. Improvements in the following 14 years (2021 through 2034) are estimated to cost approximately \$34.0 million, which results in an average expenditure of approximately \$2.4 million per year.

The first 6 years of capital improvements can be funded from a combination of sources that include connection charges, commodity rates, reserves, and other funding sources if available. The fate of the successful Public Works Trust Fund (PWTF) loan application is uncertain. Therefore, the City should conduct another rate analysis to ensure that City-controlled funding sources (i.e., connection charges and commodity rates) are adequate to ensure the utility is in good financial standing.

### **SUMMARY OF MAJOR RECOMMENDATIONS**

The existing water system was evaluated to determine its ability to meet the policies and design criteria of the City and those mandated by DOH. The results of the evaluation are summarized below.

- The City has sufficient water supply to meet the demands of water customers through 2030.
- Additional water supply may be needed after 2030 to meet the projected demands of the system based on the forecasted population growth and to improve system reliability during dry hot summers. This is based on demand factors without adjustments for proposed water use efficiency measures. Proposed conservation could extend system capacity further.
- Additional storage is needed for system redundancy and future storage requirements related to growth. Without additional storage the system only has capacity through 2025.
- The City should continue its effort to identify and replace leaking water mains in an effort to increase supply capacity and reduce distribution system leakage.
- Several areas of the system require the replacement of existing water mains to resolve deficiencies related to low fire flows, aging water main, and substandard water main materials.
- Additional pressure zones, pressure reducing stations, and pressure relief valves are needed to accommodate growth along the west side of the Bonney Lake Plateau.

## ***Executive Summary***

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- The existing remote telemetry units are linked to the master telemetry unit with leased telephone lines and should be upgraded to a radio based, cellular data based, or digital subscriber line data based telemetry system.
- Another rate study should be conducted to evaluate the City's future need to fund improvements and an adequate O&M program.

CITY COUNCIL WORKSHOP

September 6, 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 local accountable, accessible and efficient government services.*

DRAFT MINUTES

*"Where Dreams Can Soar"*

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**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 6:02 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, Assistant Chief of Police Kurt Alfano, Chief Financial Officer Cherie Gibson, City Administrator Don Morrison, City Attorney Kathleen Haggard, Public Services Director John Vodopich and Administrative Specialist II Renee Cameron.

**III. AGENDA ITEMS:**

**A. Presentation:** Recognition of Bonney Lake Little League U11 Softball State Champions.

Mayor Johnson recognized the U11 Softball State Champions and congratulated them on bringing the title home to Bonney Lake. Coach Tim Jones spoke about the fun season the with the girls, the friendships they have formed, and that it was an honor for him and the other coaches to serve a team with a “never give up” attitude. The Mayor took a picture with the team and the coaches sporting their division championship flag and their trophy, and encouraged them to go back and win the championship again next year. This item was for presentation purposes only.

**B. Presentation:** Proposed Visconsi Development Agreement(s).

Public Services Director Vodopich summarized the agenda bill and supporting documents for this item. He stated that the Visconsi Companies, Ltd. has been working for the past year and a half on a commercial development proposal for the WSU commercial forest property behind Albertsons, past the MultiCare medical building off of 204th. He reminded Council of the First Amendment to the Development Agreement between the City and Washington State University (WSU) that authorized the City's support of a new fully signalized intersection at SR410 and 204<sup>th</sup>. He said Visconsi has been working diligently with Washington State Department of Transportation (WSDOT) through the plan for approval process and getting a construction package ready for the planned improvements along SR410. He said there will be some necessary amendments to the development agreement to fully implement the plan. He outlined the plan

included in the agenda packet, which would have Costco as the anchor tenant for the development. Visconsi would fully construct the 204<sup>th</sup> Street Extension and turn it over the City at completion of the project. In recognition of Visconsi constructing the 204<sup>th</sup> Street Extension at their expense, the City would provide \$2.5 million in transportation impact fee credits that could be allocated throughout the site by Visconsi. He spoke regarding the bid package and the timeline of the planned road and site improvements, to include the frontage improvements along SR410, installation of a signal at SR410 and 204<sup>th</sup>, and as required by the WSDOT the synchronization of the traffic signals from 192<sup>nd</sup> to 204<sup>th</sup>. He advised upon bid package approval, and Costco receipt of a written site plan approval, the City would put the project out to bid. After Visconsi closes on the land purchase and Costco purchases the land from Visconsi then the City would permit the project and allow for construction.

Brad Goldberg, Visconsi Vice President of Development stated they have the full property under contract to sell a portion of the site to Costco. He presented an outline of the development project/site plan and advised there are many issues to still work out. He also said the plans are merely preliminary, and that they have been working diligently with WSDOT for the proposed project. He advised that the Costco deal has been solidified and Visconsi and Costco are now working on other tenants/restaurants to come into the development.

Brian Whelan, Sr. Vice President with Northwest Atlantic, whose firms does all of the site selection work for Costco, spoke and differentiated Costco from other supermarkets and retailers. Mr. Whelan stated their business model is much different than standard retailers, and summarized how Costco began. He said though Costco is continuing to grow, they remember that from the beginning they are geared toward small business owners.

Peter Kahn, Assistant Vice President of Real Estate Development for Costco, presented the site plan for the development, and believes they will quickly make permitting application to the City. He advised that it will be a state of the art Costco, which will be slightly larger than the Puyallup Costco, and will include a fueling station. Councilmember Rackley asked if electrical car chargers will be included and Mr. Kahn advised that they are open to that option, but still determining whether that will be included. He advised that the signal at SR 410 and 204<sup>th</sup> Avenue E will be essential, as it will be the main ingress and egress, and that the road improvements will drive the scheduling of the project. Councilmember Swatman asked what type of other retailers may be included and Mr. Goldberg and Mr. Whalen stated there are certain stores that are competitive that they would not have included (e.g. tire stores, membership retailers). Mr. Kahn said once the site is graded to the subgrade and the pad is set, the contractor has 110 days to erect the building, on the 110<sup>th</sup> day they have the opening party, and the next day the Mayor will cut the ribbon. Mr. Goldberg advised that the project will move very quickly.

Director Vodopich said he understands Visconsi will have one contractor bidding for all of the civil onsite work, including the 204<sup>th</sup> extension. He said in talking with the engineers, they estimate the time for the road construction to be within six to eight months, depending on the time of the year. Mr. Goldberg advised that the plan is to have the road improvements and building completed at roughly the same time. Director Vodopich advised that there are ongoing discussions regarding the project, and that a developer agreement amendment will require a public hearing. Councilmember Swatman asked for a timeline to see what the payout amount for the public investment will be, and Mayor Johnson agreed that a timeline will be helpful. Mr. Goldberg said they are all looking forward to working with the City on this project.

**C. Review of Minutes:** August 9, 2016 Council Meeting, August 16, 2016 Workshop, and August 23, 2016 Meeting.

The minutes were forwarded to the September 13, 2016 Meeting for approval, with minor corrections.

**D. Council Open Discussion.**

Angeline Road Frontage Gravity Main/Sewer Manhole. Director Vodopich spoke regarding a latecomer agreement tied to a single family resident property located off of Angeline Road, which has a force main running down the frontage of the property, with a gravity sewer line located approximately 113' from property corner to the north. He said since 2001, Bonney Lake Municipal Code requires connection to a public sewer for properties still on septic, when the property sells. He stated there is a latecomer agreement and through the realtor's due diligence they are trying to assist the seller with the requirements of connection. The code provision, as written, would require the property owner to pay for construction of a sewer connector and manhole cover in order for the property owner to sell their home. He does not believe it is Council's intent to burden a single family homeowner with a 200-250 sewer main extension to sell their home. He asked if Council would like the Community Development Committee (CDC) to review the code as written, and make any recommendations to the full Council.

Councilmember Rackley agreed that it was not the Council's intent for a single family property owner to do a complete extension, it was meant to alleviate some of the problems with connecting to sewer. He believes Council can find a reasonable solution to this specific issue. Councilmember Lewis stated he too believes there is a remedy for this specific property and would like the Council to reconsider the language. Director Vodopich said he has been working with legal as to how to proceed, and believes there are other properties that eventually will be in this situation when it comes time to hook up to sewer. Councilmember Swatman said there are details that need to be worked out, and that the City should compromise with the property owner(s). Councilmember Watson asked about the line between where the City does and does not compromise. Mayor Johnson said he spoke with the property owner and she understands the issue. City Attorney Haggard said if the Council

wants to make a change in light of the hardships created by this type of issue, then it would allow the Mayor the authority to work with staff on enforcement. She said a possible resolution would be an agreement with the property owner stating they agree to connect to sewer once it is available.

Director Vodopich asked if there is general consensus that this was not the Council's intention to require the property owner to do the sewer main extension, but to require them to connect to sewer at a future date. Councilmember Lewis and City Attorney Haggard discussed taking the item to CDC, with a recommendation to full Council. City Attorney Haggard spoke about the options of what would trigger connection to the sewer that has a sewer main placed on the frontage of the property; the trigger could be either the sale of the property, or a failed septic tank that would require connection. She stated that the only trigger then to decommission a septic would be connection to the sewer. She also asked about whether it is realistic to rely on the sale of a property as the trigger time to connect to sewer, as the City is not always aware of property sales. Council consensus was to take this issue back to the Community Development Committee on September 20th.

Families First Coalition. Councilmember Watson said City Administrator Morrison and Councilmember Swatman attended the Families First Coalition Meeting at the YMCA in Sumner, and there was a great presentation by Don Morrison and David Wells about the City of Bonney Lake. They spoke regarding back to school and did some giveaways. Councilmember Swatman said they did express concerns about growth, but need to educate citizens to understand impact fees in Bonney Lake, as they pay for street improvements.

Puget Sound Regional Council Meeting. Councilmember Evans stated on September 1<sup>st</sup> he attended the Puget Sound Regional Council (PSRC) meeting discussing conditional limitations on cities and counties. He said three other cities came forward with their concerns and suggestions regarding PSRC controlling limited conditional approvals. He believes PSRC will be reviewing their rules and be making changes or clarifications. He said the City of Puyallup did a great presentation about age friendly cities.

Councilmember Swatman asked about the authority for comprehensive plan approvals that has been given to PSRC. Councilmember Evans said some issues may not grant PSRC the authority, and depending on where the funds are coming from, the authority would either be at the County or the State level. Councilmember Evans said Senior Planner Jason Sullivan presented the City's viewpoint a few months ago, and Pierce County also made comments. He said PSRC is now receiving comments from Snohomish County cities.

Veterans Memorial Committee. Councilmember Swatman asked about the Committee lead for the Veterans Memorial Committee. Mayor Johnson and City Administrator Morrison said they are helping the Veterans Memorial Committee, as they received a bid proposal, but it was cost prohibitive. Councilmember Swatman

said in speaking with David Colbeth that they have funding and resources, but they don't have a Committee lead to put it all together. He understands that the Veterans Memorial Committee is a separate entity, but they are obviously connected to the City too. Mayor Johnson reminded Council that the City does have an interlocal agreement with the Veterans Memorial Committee to work together.

Deferral Impact Fees. Councilmember Minton-Davis asked what the repercussions and implications are for the City not enacting the ordinance and by violating state law. City Attorney Haggard advised that if/when the City gets audited by WCIA for land use issues there could be issues regarding liability coverage, and there is the possibility of losing out on grants because the City is not in compliance. Director Vodopich stated they could apply for a deferral and proceed. City Attorney Haggard compared impact fees with system development charges. Mayor Johnson said it may be feasible to ask the Attorney General legislature for clarification. Councilmember Minton-Davis stated this is not a fight she wants to fight and would like to see the failed ordinance come back before Council with the higher proposed fee amount. Councilmember Rackley agreed and said he would support reconsideration of the ordinance. This issue will be brought back to Council at the September 13<sup>th</sup> Council Meeting for action.

Sumner School District. Councilmember Lewis stated the Sumner School District has seen a large increase in student numbers, largely due to growth at Tehaleh. He said he was not happy to see the rival game between Sumner and Bonney Lake occur before school started. However, he is looking forward to the Panthers having a great season.

Myers Road and SR410 Intersection Follow up. Councilmember Watson thanked staff and WSDOT for getting the striping and the right turn lane only sign installed. He believes that traffic violation enforcement can now occur for improper turning.

These issues were for discussion purposes only, and no action was taken.

- E. Discussion/Action:** AB16-100 – Ordinance 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. *(1<sup>st</sup> reading of proposed ordinance held on August 23, 2016; this is the 2<sup>nd</sup> reading of the ordinance and possible action)*

City Administrator Morrison summarized the agenda bill and ordinance and said this bond has been almost ten years in the making. Councilmember Swatman wanted to confirm that this bond would include all of the water and sewer mains

associated with the project. City Administrator Morrison confirmed that this bond is for the entire development of the new Public Works Center. Councilmember Lewis confirmed that this reading of the ordinance is the required second reading of the ordinance, therefore allowing the Council to take action. Mayor Johnson advised that is correct.

**Councilmember Lewis moved to approve Ordinance 1554 [D16-100].  
Councilmember Watson seconded the motion.**

**Ordinance 1554 approved 7 – 0.**

- 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)

Director Vodopich summarized the agenda bill and resolution, stating that rather than forming an assessment reimbursement area they would instead enact a sewer system development surcharge. He stated staff would calculate the cost per equivalent residential units (REs/ERUs), identify the boundary of the basin served by the lift station and then enact an ordinance implementing the surcharge. He stated that when properties utilize the sewage lift station they would pay their regular sewer system development charge (SDC), as well as a surcharge.

Director Vodopich advised that City Administrator Morrison reached out to the FSC Group, as noted in the agenda bill, to confirm that there is a component of the existing SDC charges that is allocated to capital improvement projects and that this lift station is identified as one of those projects which could be attributed to the cost of this lift station. He said he spoke with Dave Lawrence from the Kelley Glade subdivision who supported the SDC surcharge, rather than the assessment reimbursement area (ARA). He stated Kelley Glade's concern is how the City would get the easement through Kelley Glade subdivision and the terms of required connection, as it relates to the 250' rule as is currently in the code. He stated correspondence had been received early today and distributed to the Council from William Lynn, Esq. from Gordon, Thomas and Honeywell, LLP, who represents Skystone Development, who are proposing a multi-family development. He stated Skystone Development are agreeable to the SDC surcharge option, however, they are concerned with the number of REs/ERUs of 495, versus the 670 number for the ultimate capacity number.

City Administrator said he believes the better option is to drop the previous ARA option and move forward with the cleaner sewer development charge surcharges, revise the resolution and bring it back to Council, with the lower number of ERUs. Councilmember Minton-Davis asked if this new SDC surcharge had a time limit. City Administrator Morrison confirmed there would be no time limit. Council agreed this option is cleaner and simpler than the ARA approach. City Attorney Haggard spoke regarding case law and calculating equitable amounts.

Councilmember Evans asked about the purchase cost of the larger pump now, versus the cost of a pump purchased in twenty years, and the life expectancy of a pump. Attorney Haggard advised that Council cannot go above the maximum amount allowed, however, they can reduce the number.

Council consensus was to bring a proposed action item with a \$3,000 SDC surcharge to the next Council meeting for consideration. The item was forwarded to the September 13, 2016 Meeting for action.

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

Chief Financial Officer Gibson summarized the redline version of the ordinance showing the increase from 1.5% to 6%, she advised that Council discussed this during the Council Budget Retreat, which is why this proposed ordinance is coming forward. Councilmember Rackley asked if this increase was scheduled to occur all at once, and if so, was not agreeable to it. Mayor Johnson suggested slow increases of 0.5%. Deputy Mayor McKibbin said he supports the proposed increase, as it is merely the City catching up. Councilmember Minton-Davis would like to see a higher increase than just 0.5%, and she would support an increase to 3%, which would help to generate revenue for park plan improvements. Councilmember Watson said this increase to the general fund revenue could be applied toward more lights, sidewalks, and street improvements. After much discussion, Council consensus was to increase the utility tax on cable TV to 2.5%, a 1% increase. This item was forwarded to the September 13, 2016 Meeting for action.

**H. Discussion:** AB16-99 – Resolution 2548 – Approval of the Allan Yorke Park Master Plan and Phase 1 Design Contract.

Mayor Johnson summarized the agenda bill and resolution and said he wanted to bring it to Council one last time before taking it forward to council for approval. Councilmember Watson stated his concern regarding the lack of progress for the Midtown Park. Councilmember Minton-Davis agreed that she would like to see progress at Midtown Park. Mayor Johnson reassured the Council that Midtown Park progress will be forthcoming as well. This item was forwarded to the September 13, 2016 Meeting for action.

**I. Tour:** Community Gardens – Meeting will be adjourned from Community Gardens at the conclusion of the tour.

The tour of the Community Garden began at 7:55 p.m. and was conducted at 18421 89<sup>th</sup> Avenue E.

**IV. EXECUTIVE/CLOSED SESSION:** None.

**V. ADJOURNMENT:**

**At 8:10 p.m. the Workshop was adjourned by common consent of the Council.**

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Harwood Edvalson, MMC  
City Clerk

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Neil Johnson, Jr.  
Mayor

Items presented to Council at the September 6, 2016 Workshop:

- William T. Lynn, Esq., Gordon Thomas Honeywell LLP, *Correspondence dated September 6, 2016 Re: AB16-96-Ordinance D16-96 and AB16-70 Resolution 2532 (Fennel Creek Lift Station).*
- Administrative Services Director/City Clerk Edvalson, *Revised Ordinance for AB16—96, Ordinance D16-95, September 6, 2016.*

*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

September 13, 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.*  
[www.ci.bonney-lake.wa.us](http://www.ci.bonney-lake.wa.us)

*"Where Dreams Can Soar"*

DRAFT MINUTES

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

**Councilmember Rackley moved to excuse Deputy Mayor McKibbin's absence. Councilmember Watson seconded the motion.**

**Motion approved 6 – 0.**

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, City Attorney Kathleen Haggard, and Deputy City Clerk Susan Haigh.

- C. Agenda Modifications: None.
- D. Announcements, Appointments and Presentations:
  - 1. Announcements: None.
  - 2. Appointments: None.
  - 3. Presentations:
    - a. **Proclamation:** Beautify Bonney Lake Day – September 17, 2016.  
Mayor Johnson read the proclamation aloud and presented it to Beautify Bonney Lake Board Member Lillian McGinnis, who thanked the Council. Mayor Johnson recognized Councilmembers Watson and Evans for their involvement. Councilmember Watson thanked the Board and volunteers.
    - b. **Proclamation:** National Arts Month – October 2016.  
Mayor Johnson read the proclamation aloud and recognized members of

the Arts Commission for their hard work over the past year. Councilmember Watson said members of the Arts Commission are participating in Beautify Bonney Lake, with an ‘adopt-a-can’ garbage can decoration project. Lillian McGinnis noted the Arts Commission was instrumental in getting the Eastown welcome sign and mosaic installed.

## II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings: None.

B. Citizen Comments:

Terry Reid, 6208 213th Ave Ct E, Bonney Lake, spoke as a member of the Bonney Lake Community Garden leadership team. He said the group had a very productive year, thanks to partnerships with volunteers, Pierce County, and the City. He noted their next meeting is on October 17, 2016 at 6:00 p.m. at the Justice & Municipal Center where they will get feedback and plan for next year. He asked the Council to consider keeping registration fees at \$10 next year. Members of the Garden presented the Council with a basket of vegetables harvested from the garden, and said the garden was one of the best in Pierce County this past year.

Laurie Dent, Sumner School District Superintendent, spoke about School District accomplishments including being ranked 19th of over 300 districts in the State, with growing enrollment at just over 9,400 this year. She highlighted upcoming events that recognize local students and thanked Councilmembers for their support of and partnership with the District.

C. Correspondence:

Administrative Services Director/City Clerk Edvalson noted for the record that the City Council received correspondence from William T. Lynn of Gordon Thomas Honeywell on behalf of Skystone LLC in regards to proposed Fennel Creek Lift Station System Development Charges (Ordinance D16-104).

## III. COUNCIL COMMITTEE REPORTS:

A. Finance Committee: Councilmember Swatman said the Committee meeting was cancelled.

B. Community Development Committee: Councilmember Lewis said the Committee met on September 6 and forwarded one item to the current Consent Agenda. The Committee is reviewing items for a future Council meeting and will review an issue sent from last week’s workshop. Councilmember Lewis will be absent at the next meeting, and Councilmember Watson will chair the meeting.

C. Economic Development Committee: Councilmember Minton-Davis said the Committee met earlier in the afternoon and discussed the International Council of Shopping Centers (ICSC) conference in Portland, the regional Economic Development Commission, and the upcoming Chamber of Commerce luncheon

on September 15, 2016 at Mazatlan Restaurant.

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**: August 9, 2016 Council Meeting, August 16, 2016 Workshop, and August 23, 2016 Meeting.

B. **Approval of Accounts Payable and Utilities Checks/Vouchers and Refunds**:  
Accounts Payable checks/vouchers #74569-74605 (including wire transfer number 20160805) in the amount of \$33,818.34.  
Accounts Payable checks/vouchers #74606-74607 in the amount of \$2,800.00.  
Accounts Payable checks/vouchers #74608-74652 (including wire transfer number 18787768) in the amount of \$802,664.40.  
Accounts Payable checks/vouchers #74653-74721 in the amount of \$477,322.58.

**VOIDS:**

Check #74623 – multiple page remittance; Check #74624 – multiple page remittance; Check #74625 – multiple page remittance.

C. **Approval of Payroll**: August 16th-30th, 2016 for checks #33126-33145 including Direct Deposits and Electronic Transfers is \$ 647,281.48.

D. **AB16-97** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The Phase 2 – SCADA System Upgrades With Northeast Electric, LLC.

**Councilmember Watson moved to approve the Consent Agenda.**

**Councilmember Lewis seconded the motion.**

**Consent Agenda approved 6 – 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:**

A. **AB16-113 – Ordinance 1555 [D16-113]** – 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. (*Listed in agenda as AB16-28, Ordinance D16-28.*)

City Clerk Edvalson noted for the record that this item was listed on the original agenda as AB16-28, and the Clerk's office issued a new agenda bill and draft ordinance number in order to maintain a clean record on the action item.

**Councilmember Watson moved to approve Ordinance 1555. Councilmember Rackley seconded the motion.**

Councilmember Minton-Davis asked whether a motion to reconsider was required to take action since the original Ordinance D16-28 failed previously. City Attorney Haggard said based on discussion and consensus of the Council at the Workshop, it was not necessary to make a separate motion of reconsideration. Councilmembers confirmed that action on the new ordinance number could move forward with a simple motion to approve.

**Ordinance 1555 approved 6 – 0.**

- B. **AB16-95 – Ordinance D16-95** – An Ordinance 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.

**Councilmember Rackley moved to approve Ordinance D16-95. Councilmember Watson seconded the motion.**

Councilmember Watson said he feels additional discussion is needed to determine appropriate rates. Councilmember Minton-Davis agreed and noted that utility tax rates are currently set at 6% for gas and phone, and higher for water and sewer utilities. She said her understanding was that the cable franchise fee was previously increased, but the utility tax rate was decreased to make the change revenue-neutral. She said an increase could help the general fund and she doesn't support the ordinance as proposed.

Councilmember Lewis said this item came from Council budget retreat, to review rates to ensure they are appropriate and in line with other cities. He spoke in favor of a 6% tax rate and supported tabling it to Workshop for discussion. Councilmember Rackley said sales tax revenues are increasing and he does not see the need to raise rates precipitously. He said citizens should not be punished and spoke in favor of incremental increases over several years to bring the rate up to 6%. Councilmember Evans agreed, noting the Council did not support an increased car tab which would have cost less than a 6% cable tax increase.

**Councilmember Watson moved to table proposed Ordinance D16-95 to the September 20, 2016 Workshop for discussion. Councilmember Swatman seconded the motion.**

**Motion to table Ordinance D16-95  
to Workshop approved 5 – 1.  
Councilmember Rackley voted no.**

- C. **AB16-104 – Ordinance D16-104** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Section 13.02.100 Of The Bonney Lake Municipal Code And Corresponding Sections Of Ordinance No. 1477 Relating To Sewer System Development Charges.

**Councilmember Watson moved to approve Ordinance D16-104.  
Councilmember Lewis seconded the motion.**

Mayor Johnson said this topic has been discussed several times, and staff came up with a good proposal. Councilmember Swatman spoke in favor of the proposed ordinance and said it allocates costs to appropriate users of the facility. He said the City is in ongoing discussions with homeowners in Kelley Glade. Councilmember Lewis said he also supports the proposed ordinance.

Councilmember Minton-Davis said she does not support the rate presented, and has questions about how rates were calculated by staff and consultants (FCS Group), as well as how much the City has collected for Transportation Improvement Projects over the years. Councilmember Rackley said revenues from SDC charges over the years do not match the millions spent by the City on sewer system improvements in the years he has been on the Council.

Councilmember Morrison agreed with Councilmember Minton-Davis that the City does not know exactly how much SDC funds have been paid, but he feels confident that the portion paid to date does not begin to cover the cost of the project in today's dollars, plus the cost of the force main that is in this calculation.

Councilmember Minton-Davis asked if action on the proposed ordinance is urgent. City Administrator Morrison said there are no applications currently in process; Mayor Johnson said delay could have an impact. Councilmember Swatman said he is comfortable moving forward with the ordinance, but proposed it be taken back to Workshop to provide time for Councilmember Minton-Davis to get the information she seeks. Councilmembers discussed the time frame and information needed from staff.

**Councilmember Watson moved to table Ordinance D16-104 to the  
September 20, 2016 Workshop for discussion. Councilmember Minton-Davis  
seconded the motion.**

**Motion to table Ordinance D16-104  
to Workshop approved 6 – 0.**

- D. **AB16-99 – Resolution 2548** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Allan Yorke Park Master Plan.

**Councilmember Rackley moved to approve Resolution 2548. Councilmember Lewis seconded the motion.**

Councilmember Swatman said he supports the proposed plan and thanked all who were involved in this over many years, including the public and members of the Park Commission. He noted that parks were a major issue when Mayor Johnson first took office. Councilmembers Lewis, Watson, and Minton-Davis spoke in favor of the proposed plan. Councilmember Watson stressed the need for a variety of recreation options such as trails and activities for young children and seniors, not just ball fields. Councilmember Rackley said he wants to move ahead with planning for the Midtown (WSU forest) property as well.

**Resolution 2548 approved 6 – 0.**

- E. **AB16-105 – Resolution 2551** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Post Bond Issuance Compliance Policies And Procedures.

**Councilmember Rackley moved to approve Resolution 2551. Councilmember Lewis seconded the motion.**

City Administrator Morrison said this administrative policy is required and was recommended to be sent to Council for approval by the City’s Bond Attorney.

**Resolution 2551 approved 6 – 0.**

**X. EXECUTIVE/CLOSED SESSION:** None.

**XI. ADJOURNMENT:**

**At 6:37 p.m. the Meeting was adjourned by common consent of the City Council.**

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Harwood Edvalson, MMC  
City Clerk

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Neil Johnson, Jr.  
Mayor

Items presented to Council at the September 13, 2016 Meeting:

- William T. Lynn, Gordon Thomas Honeywell on behalf of Skystone LLC – *Letter re: proposed Fennel Creek Lift Station System Development Charges (Ordinance D16-104).*

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

<b>Department / Staff Member:</b> Finance/Gibson	<b>Meeting/Workshop Date:</b> 20 September 2016	<b>Agenda Bill Number:</b> AB16-95
<b>Agenda Item Type:</b> Ordinance	<b>Ordinance/Resolution Number:</b> D16-95	<b>Councilmember Sponsor:</b> 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 amend the cable utility tax to 2.5%. It is anticipated that this will create approximately \$45,000 in revenue for the General Fund.

According to MRSC, Cable TV may not be ‘unduly discriminatory’ (i.e., must be imposed at the same or similar rate as imposed on other Utilities). Cable Communications Policy Act of 1984, 47 U.S.C. §542(g)(2)(A).

**Attachments:** Proposed Ordinance D-16-95

**BUDGET INFORMATION**

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

**Budget Explanation:**

**COMMITTEE, BOARD & COMMISSION REVIEW**

<b>Council Committee:</b> Finance Committee	<i>Approvals:</i>		<b>Yes</b>	<b>No</b>
	Chair/Councilmember R. McKibbin		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Committee Date:</b> August 9, 2016	Councilmember T. Watson		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Councilmember D. Swatman		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Forwarded to:</b> Aug. 16 Workshop	<b>Consent Agenda:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			

**Commission/Board Review:**

**Hearing Examiner Review:**

**COUNCIL ACTION**

Workshop Date(s): 8/16/2016, 9/6/2016      Public Hearing Date(s):  
 Meeting Date(s): 8/23/2016, 9/13/2016      Tabled to:

**APPROVALS**

**Director:** \_\_\_\_\_      **Mayor:** \_\_\_\_\_      **Date Reviewed by**  
**City Attorney:** \_\_\_\_\_  
 (if applicable)

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**ORDINANCE D16-95**

**AN ORDINANCE OF THE CITY 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 charges, 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 ~~one and one-half~~ two and one-half 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 \_\_\_\_\_, 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)**

<b>Department/Staff Contact:</b> Exec / Morrison	<b>Meeting/Workshop Date:</b> 20 September 2016	<b>Agenda Bill Number:</b> AB16-104
<b>Agenda Item Type:</b> Ordinance	<b>Ordinance/Resolution Number:</b> D16-104	<b>Councilmember Sponsor:</b> Donn Lewis

**Agenda Subject:** Fennel Creek Sewer Lift Station Cost Reimbursement Options

**Full Title/Motion:** An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Section 13.02.100 Of The Bonney Lake Municipal Code And Corresponding Sections Of Ordinance No. 1477 Relating To Sewer System Development Charges..

**Administrative Recommendation:** Approve

**Background Summary:** On May 24, 2016, the City Council authorized award of the construction contract for the Fennel Creek sewer lift station which is an authorized expenditure in the current 2015-16 biennial budget. The Comprehensive Sewer System Plan also identifies the necessity for a lift station to serve the surrounding area. The Lift Station uniquely benefits property owners in the basin by enabling sewer connections for undeveloped commercial/multifamily parcels and developed single family parcels that are currently on septic systems. Due to this unique benefit, the City Council explored whether to establish an Assessment Reimbursement Area (ARA) pursuant to RCW 35.91.060, but found the process to be procedurally cumbersome and more undesirable for affected property owners. In discussions with City staff, it appeared affected property owners preferred adding a surcharge to the sewer system development charge (SDC) rather than the direct assessment. RCW 35.92.025 authorizes the City to charge property owners seeking to connect to the sewer system of the city such reasonable connection charges as the City Council shall determine proper in order that such property owners shall bear their equitable share of the cost of such system improvement. The City Council has considered extensive input not only from the public, but also from City staff and the contracted financial consultants who calculated the City's current SDCs. After reconsidering all of the options, it appears that an equitable share of the cost of the Lift Station is best derived by dividing the cost of the Lift Station by the residential equivalent (RE) service units the Lift Station will be capable of serving. The potential RE share ranged from around \$2,568 to \$3,500 less a \$138 credit for the share of the lift station previously built into the SDC base rate. At the September 6<sup>th</sup> Workshop, council agreed on a rate of \$3,000 which is what is listed in the accompanying ordinance.

**Attachments:** Ordinance, Exhibit (Map)

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

<b>COMMITTEE, BOARD &amp; COMMISSION REVIEW</b>				
<b>Council Committee Review:</b>	Community Development Date: 17 May 2016	<i>Approvals:</i>	<b>Yes</b>	<b>No</b>
		Chair/Councilmember Donn Lewis	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Councilmember Jim Rackley	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Councilmember Dan Swatman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Forward to:	<b>Consent Agenda:</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>Commission/Board Review:</b>				
<b>Hearing Examiner Review:</b>				

**COUNCIL ACTION**

Workshop Date(s): 6/7/2016; 9/6/2016

Public Hearing Date(s): 24 May 2016

Meeting Date(s): 6/14/2016; 8/9/2016; 9/13/2016

Tabled to Date:

**APPROVALS**

**Director:**

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**Mayor:**

*Neil Johnson Jr.*

**Date Reviewed**

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

**ORDINANCE NO. D16-104**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING SECTION 13.02.100 OF THE BONNEY LAKE MUNICIPAL CODE AND CORRESPONDING SECTIONS OF ORDINANCE NO. 1477 RELATING TO SEWER SYSTEM DEVELOPMENT CHARGES.**

**WHEREAS**, on May 24, 2016, the City Council authorized award of the construction contract for the Fennel Creek sewer lift station to Award Construction, Inc.; and

**WHEREAS**, the Lift Station is an authorized expenditure in the 2015-16 biennial budget, and the Comprehensive Sewer System Plan identifies the necessity for a lift station to serve the surrounding area; and

**WHEREAS**, the Lift Station uniquely benefits property owners in the basin by enabling sewer connections for undeveloped commercial/multifamily parcels and developed single family parcels that are currently on septic systems; and

**WHEREAS**, due to this unique benefit, the City Council explored whether to establish an Assessment Reimbursement Area (ARA) pursuant to RCW 35.91.060, but found the process to be procedurally cumbersome and undesirable for affected property owners; and

**WHEREAS**, in discussions with City staff, affected property owners indicated that adding a surcharge to the sewer system development charge (SDC) would be a preferable way for the City to recapture its expenditure on the lift station; and

**WHEREAS**, RCW 35.92.025 authorizes the City to charge property owners seeking to connect to the sewer system of the city such reasonable connection charges as the City Council shall determine proper in order that such property owners shall bear their equitable share of the cost of such system improvement; and

**WHEREAS**, the City Council has considered extensive input not only from the public, but also from City staff and the contracted financial consultants who calculated the City's current SDCs; and

**WHEREAS**, the City Council finds that an equitable share of the cost of the Lift Station is best derived by dividing the cost of the Lift Station by the residential equivalent (RE) service units the Lift Station will be capable of serving; and

**WHEREAS**, the City Council finds that the SDC surcharge should be adjusted downwards to account for inclusion of a pre-existing cost component for the Lift Station in the City's base SDC, and to avoid discouraging the development of vacant parcels or connection to the sewer system.

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

**Section 1.** BLMC Section 13.12.100 is hereby amended to read as follows:

**13.12.100 Sewer service applications and connection charges.**

A. All applications for sewer service shall be made by the property owner or authorized agent. The records of the Pierce County auditor shall be prima facie proof of property ownership. The applicant shall furnish the city such information as may be required on the city's application form. The applicant shall agree to conform to the rules and regulations for the operation of the city's sewer system as set forth in this chapter. Applications for sewer service shall expire in 180 days if no sewer permit has been issued. A 180-day extension may be granted for justifiable cause, including but not limited to extension of the related building permit application for 180 days.

B. No connection shall be made to the city's sewer system without a sewer permit having been issued. Sewer permits shall expire if no connection has been made within 180 days of issuance. A 180-day extension may be granted for justifiable cause, including but not limited to extension of the related building permit for 180 days.

C. Charges to connect to the city sewer system shall be due and payable upon issuance of a permit for connection to the city sewer system and shall be charged at the rate in effect at the time of application for sewer service pursuant to this chapter.

D. Residential System Development Charges (SDC).

1. The SDC for a single-family residence (new construction) shall be the charge applicable to one residential equivalent (RE), \$10,505 effective January 1, 2014.

2. The SDC for an existing single-family residence served by an on-site septic disposal system shall be the charge applicable to one residential equivalent (RE), \$10,505 effective January 1, 2014.

3. The SDC for each unit of a duplex shall be the charge applicable to one residential equivalent (RE) unit, \$10,505 effective January 1, 2014.

4. In addition to the SDC provided in this subsection, there shall be a surcharge of three thousand dollars (\$3,000) for each residential equivalent (RE) connection to the sewer system within the Fennel Creek Sewer Lift Station service area, as shown on Exhibit "A" attached to the ordinance codified in this section and on file in the office of the City Clerk.

45. The SDC for multifamily residential buildings with more than two units shall be as follows, effective January 1, 2014:

- a. Eighty percent of the SDC applicable to one residential equivalent (RE) per dwelling unit for three or more bed/bonus room units;
- b. Seventy percent of the SDC applicable to one residential equivalent (RE) per dwelling unit for two bed/bonus room units;
- c. Sixty percent of the SDC applicable to one residential equivalent (RE) per dwelling unit for one bed/bonus room unit;
- d. Fifty percent of the SDC applicable to one residential equivalent (RE) per dwelling unit for studio/efficiency units.

E. Sewer SDCs shall not be applicable to an accessory dwelling unit (ADU) permitted pursuant to BLMC 18.22.090, so long as a second connection to the city's sewer system is not required by applicable codes or requested by the owner. If an ADU is platted, sold independently, or otherwise segregated from the property, and no SDC had been paid for the ADU, the owner of the ADU shall pay the SDC applicable at the time of sale or segregation. If a reduced SDC was paid for the ADU, the owner of the ADU shall pay the difference between that reduced SDC and the SDC applicable at the time of segregation.

F. Nonresidential SDCs.

1. SDCs shall be levied for each new sewer service connection to the city sewer system and for service upgrades generating additional flow or loading.
2. SDCs for existing nonresidential uses that convert from septic to sewer shall be based on the most recent 12 months of water use records. The following formula shall be used to determine the number of REs an existing building is equivalent to: (average daily water use plus 113 gallons per day) divided by 275 gallons per day.
3. Connection charges for new nonresidential construction shall be the calculated residential equivalents based on the residential equivalent value given in Schedule A, Nonresidential Sewer Equivalents, which is hereby incorporated by reference as now or hereafter amended.
4. Sewer connection charges for new tenant improvements shall be the calculated residential equivalents based on the residential equivalent value listed in Schedule A. If a former tenant or building owner paid a connection charge for the space a new tenant is occupying, the new tenant shall be charged only that portion of the connection charge which reflects the increased use over the previous tenant(s), based upon the business types of the new and previous tenant found in Schedule A; provided, however, that once a connection charge has been paid for the original connection and the first and second tenant improvements in the same space, there shall be no additional connection charges assessed thereafter for subsequent tenant improvements. Connection charges shall not be charged for tenant improvements which are accessory to the primary use of the structure, less than 2,000 square feet in size, and have an occupancy load of less than 50 occupants.

5. The calculation of residential equivalents given in Schedule A, Nonresidential Sewer Equivalents, and attached to the ordinance codified in this section, shall be updated annually as needed.

6. In addition to the connection fee for nonresidential uses provided in this subsection, there shall be a surcharge of three thousand dollars (\$3,000) for each residential equivalent (RE) connection to the sewer system within the Fennel Creek Sewer Lift Station service area, as shown on Exhibit "A" attached to the ordinance codified in this section and on file in the office of the City Clerk.

~~6.~~ 7. Sewer SDC Exemptions for City Facilities.

a. Existing City Facilities. New sewer connections installed by the city in existing city parks and other existing city facilities shall be exempt from paying SDCs.

b. New or Expanded City Facilities. Facilities built to provide sewer system services shall be exempt from paying sewer SDCs.

G. Sewer Availability Certificate. The following fee schedule applies to complete sewer availability forms for submission to Pierce County or other entities or jurisdictions.

1. No modeling or analysis required: \$100.00.

2. Sewer flow modeling or analysis: \$700.00.

**Section 2.** The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the intent of this ordinance.

**Section 3.** This Ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication, as required by law.

**PASSED** by the City Council and approved by the Mayor this 13th day of September, 2016.

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Neil Johnson, Jr., Mayor

AUTHENTICATED:

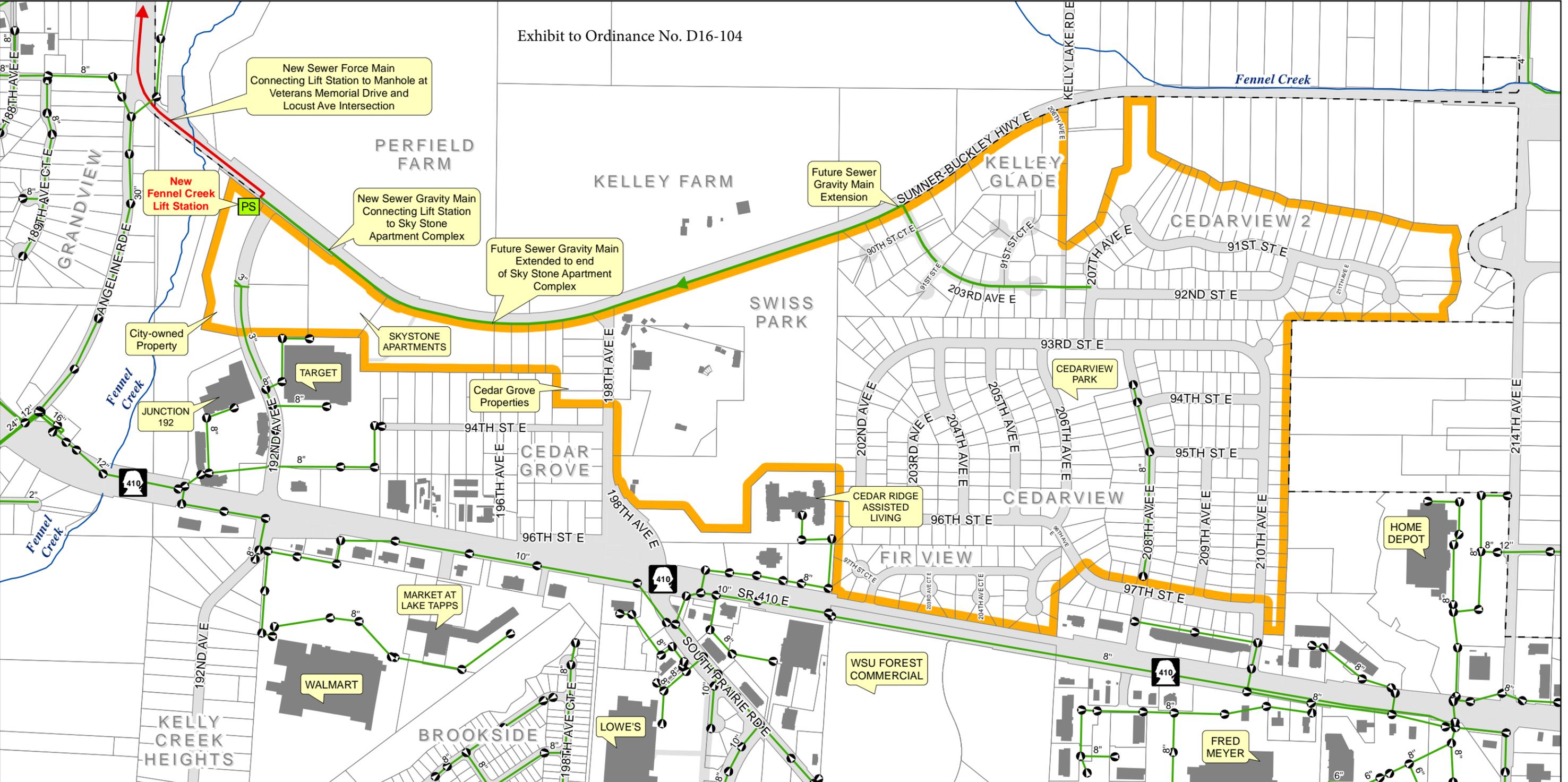
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Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

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Kathleen Haggard, City Attorney



-  Fennel Creek Lift Station System Development Charge (SDC) Surcharge Area
-  Sewer Manhole with Flow Direction
-  Sewer Main
-  Bonney Lake City Limits
-  Tax Parcel
-  Road

# Fennel Creek Sewer Lift Station SDC Surcharge Area

