

CITY COUNCIL WORKSHOP

September 19, 2017
6:00 P.M.

AGENDA



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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. **Discussion:** Utility Rates (Ordinance D17-99 Water Rates and Ordinance D17-100 Sewer Rates)

p. 21 B. **Review of Draft Minutes:** September 5, 2017 Workshop and September 12, 2017 Meeting.

C. **Council Open Discussion**

p. 25 D. **Discussion:** Process to Select Councilmembers for Vacant Positions

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.

**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.**

Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: September 13, 2017 (Updated from May 8th)
Re: **Water and Sewer Rate Adjustment**

I have reviewed the current 2017 operating budgets for the water and sewer operating funds through August or 66% of the year (see attached), and find the following:

1. To date, water operating revenues are covering operating expenses plus debt service payments, leaving some funding (+/- 4% of budget) to contribute to the CIP program. This is only the case because staff have been frugal and expenditures are trending below appropriations. Note: The City currently receives more water revenue from non-city customers than it does from City customers. A rate increase is needed to fund the CIP. Many of the CIP projects have been deferred or reduced to lessen the impact on rates.
2. To date, sewer operating revenues are running slightly (3%) above budget estimates. Sewer revenues are sufficient to cover operating expenses, but when you add debt service payments (bonds, PWTF Loans), the fund is running slightly in the red. A rate increase is needed to cover operating expenses, debt services, and fund a reasonable CIP. Think of it this way: You're making enough money to cover your daily expenses and make your mortgage payment, but you don't have quite enough left to make your car payment.

Staff, working with FCSG and RH2, have scaled back and deferred the originally recommended water/sewer capital improvement plan to the point where the scaled back/deferred project version can be funded with annual rate increases of 4% per year through 2022. However, an estimated \$1.4-1.5 million dollars would need to be issued in utility bonds in 2021 to complete the remaining projects unless projected SDC or operating revenues exceed estimates over the next few years.

Needed water projects that have been either scaled back or deferred further into the future to accommodate a lower rate increase include:

- Interlake Island/Inlet Lake Bed Crossing Water Main Replacement - \$250K
- 192nd Water Main Replacement - \$500K
- 12" Water Main Replacement - Myers Road - To City Limits - \$543K
- 16" Water Main Replacement- BPA Alignment - \$1.5M
- Cedar View Water Main Replacement Program - \$1.46M
- 16" Replacement - Summer Buckley Highway - \$870K
- Wholesale 800 to 748 Zones Connection - \$500K

The proposed sewer rate increase would be sufficient to fund the needed sewer capital improvement projects that have been recommended as part of the sewer comprehensive plan. However, if the recent Cedarview sewer project as envisioned by RH2 were to be included, an additional ½% would need to be added to the rate increase (i.e. from 4% per year to 4.5% per year increase).

From May 8th Memo:

I have reviewed the past history of the water and sewer funds, and compiled a number of documents that help show where we have been and where we need to go to assure the financial viability of the utility enterprises.

I have come to a number of conclusions based on my findings. These are my own thoughts and do not necessarily represent the opinions of the finance or public works departments. Some of my key findings and conclusions include:

1. System Development Charges (SDCs) generated a significant amount of the utility's capital revenue, especially in pre-recession times. However, the last two years collections have been among the lowest of the past 14 years, and this trend is not likely to change. Thus, there needs to be more reliance on rate generated capital funding.
2. Bonney Lake is becoming built-out. The supply of available building lots have dwindled from 700+ lots to 100+. With the environmental and development cost challenges in Easttown, it is not anticipated that the supply of residential building lots will increase much. The notable exception will be the future development of the residential portion of the former WSU forest. However, there is no current project planned for the site, as Tarragon chose not to renew their option on the property. Multi-family and commercial development will generate some continued SDC funding, but nowhere like the City experienced in pre-recession times. Knowledgeable officials understood that the day was coming when SDC revenue would wain and rates would need to be increased to fund most of the capital program. That day is now here.
3. For 2015-2016 utility rate revenue was sufficient to cover operating costs and debt service. However, from 2017 forward existing rate revenue will not be sufficient to cover operating costs plus debt service. In the water fund, this includes the many Public Works Trust Fund Loans (PWTFL) and the new public works center (PWC) bond payments. In the sewer fund, this includes PWTFL (mostly for the wastewater treatment plant (WWTP) upgrade) and the sewer share of the new PWC.
4. Capital spending needs are as great as ever. 2016 and 2017 capital spending far outstrips incoming SDC revenues, greatly drawing down on retained earnings (the enterprise fund term for fund balance). The revenue gap will need to be made up through rate increases.
5. In 2012 water rates were reduced to offset increases in sewer rates. This contributed to the current rate increase urgency in the water fund. Officials have a fiduciary responsibility to maintain the integrity of the utility system to assure a safe and reliable utility operation. It is not in the long term public interest to play politics with rates. Utility enterprises are not to be operated that way.

6. Immediate and continued rate increases are needed in both water and sewer because:
 - A. The City needs to be able to make the debt payments that have been incurred to date for the improvements to the systems.
 - B. The City needs to enhance operations by adding an increased preventive maintenance component to both the water and sewer operations.
 - C. The City needs to continue to invest in capital improvements to keep the system functional as identified in the comprehensive plan and the WA Department of Health (DOH) review.
7. The City retained RH2, which thoroughly understands our utility systems, to develop comprehensive plans that meet the City's needs for both operations and capital improvements. The proposed CIP is based on years of understanding and expertise with our specific system. Some of those projects could possibly be moved around to temporarily affect revenue demands, but in the end will need to be funded.
8. The City retained the Financial Consulting Services Group (FCSG), the most knowledgeable rate and SDC consultants in the Northwest, to evaluate our cost of operations, capital and other needs, and recommend a series of rate adjustments that would both maintain the financial viability of the utilities as well as fund needed capital improvements. FCSG works with lots of city councils and understands the fiscal and political constraints councils work under. This was taken into account when they reviewed needed rate adjustments as well as the comp plan CIP list. For example, FCSG used only 8% of annual operating expenses (current budget policy) to figure the needed operating reserve amount, when the DOH and AWWA recommend 25%.
9. If SDC charges are reduced, there needs to be a corresponding increase in rates above what FCSG recommended. To reduce SDC charges and not add another increment to the rates would be robbing Peter but not paying Paul.

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 19 September 2017	Agenda Bill Number: AB17-99
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D17-99	Councilmember Sponsor: Lewis

Agenda Subject: Water Rate Adjustment

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.04 Of The Bonney Lake And The Corresponding Portions Of Ordinance Nos. 1277, 1356, 1374, 1429, 1465, 1476, 1541, AND 1576 Relating To An Increase In Water Rates And Charges..

Administrative Recommendation: Approve

Background Summary: The City completed updated comprehensive plans for the water and sewer systems; and had a comprehensive utility rate study completed by the Financial Consulting Services Group. Also, the Washington Department of Health, which has jurisdiction over public water systems, has imposed a number of system improvements as a condition to state approval of the City’s Water Plan, which is still pending - awaiting Council action on rates. The City Council implemented a 2017 rate increase and determined to further review the increases needed for 2018- 2022 in order to assure consumers a continued safe and reliable water system and fund necessary capital improvements. Staff has worked with FCSG and RH2 to revise the needed capital improvement plan (CIP) in order to accommodate a lower rate increase of four percent (4%) per year through 2022 as opposed to 9% for 2018, 8% for 2019, 8% for 2020, 6% for 2021, and 5% for 2022 as originally recommended in the rate study.

Attachments: Ord D17-99, Administrator's Memo

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

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	Other	<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): 4/18/17, 5/2/17, 5/9/17	Public Hearing Date(s):
Meeting Date(s): 5/23/17	Tabled to Date:

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

ORDINANCE NO. D17-99

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 13.04 OF THE BONNEY LAKE AND THE CORRESPONDING PORTIONS OF ORDINANCE NOS. 1277, 1356, 1374, 1429, 1465, 1476, 1541, AND 1576 RELATING TO AN INCREASE IN WATER RATES AND CHARGES.

WHEREAS, the City completed updated comprehensive plans for the water and sewer systems; and

WHEREAS, the City has a comprehensive utility rate study completed by the Financial Consulting Services Group; and

WHEREAS, the Washington Department of Health, which has jurisdiction over public water systems, has imposed a number of system improvements as a condition to state approval of the City's Water Plan; and

WHEREAS, the City Council implemented a 2017 rate increase and determined to further review the increases needed for 2018- 2022 in order to assure consumers a continued safe and reliable water system and fund necessary capital improvements; and

WHEREAS, the consultants have revised the needed capital improvement project (CIP) schedule in order to accommodate a lower rate increase of four percent (4%) per year through 2022 as opposed to 9% for 2018, 8% for 2019, 8% for 2020, 6% for 2021, and 5% for 2022 as originally recommended in the rate study;

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

Section 1. BLMC Section 13.04.100 and corresponding portions of ordinance Nos. 1277, 1356, 1374, 1429, 1465, 1476, and 1541 are hereby amended to read as follows:

13.04.100 Water rates.

Effective January 1, 2018, the following rates shall apply:

A. Discount for Senior Citizens and Disabled Persons. Owners of single-family residences who have qualified for real estate property tax exemption through the Pierce County assessor-treasurer's office on the basis of age and/or disability, and who present proof thereof to the appropriate authority of the city, shall qualify and be entitled to a reduced water rate as may, from time to time, be set by the city council and established as a 50 percent reduction from the water availability charge.

B. Monthly Water Rates – Within City Limits.

Water Availability Charge

Meter Size	Charge
5/8" – 3/4"	\$16.61 <u>\$17.27</u>
Qualified Senior, 5/8" – 3/4"	See subsection (A)
1" with Fire Sprinkler System	\$16.61 <u>\$17.27</u>
1" without Fire Sprinkler System	\$30.23 <u>\$34.28</u>
1-1/4"	\$65.44 <u>\$68.06</u>
1-1/2"	\$65.44 <u>\$68.06</u>
2"	\$104.73 <u>\$108.92</u>
3"	\$196.25 <u>\$204.09</u>
4"	\$326.87 <u>\$339.94</u>
6"	\$654.48 <u>\$680.66</u>

In addition, the consumption charge per 100 cubic feet (CCF), or any part thereof used, shall be as follows:

Winter (October 1st through May 31st)	Charge
0 – 10 CCF per month	\$1.37 <u>\$1.43</u>
Over 10 CCF per month	\$2.71 <u>\$2.82</u>
Summer (June 1st through September 30th)	
0 – 10 CCF per month	\$1.37 <u>\$1.43</u>
11 – 20 CCF per month	\$2.96 <u>\$3.08</u>
21 – 30 CCF per month	\$4.15 <u>\$4.32</u>
31 or more CCF per month	\$5.33 <u>\$5.54</u>

C. Monthly Water Rates – Outside City Limits.

Water Availability Charge

Meter Size	Charge
5/8" – 3/4"	\$25.64 <u>\$26.67</u>
Qualified Senior, 5/8" – 3/4"	See subsection (A)
1"	\$42.68 <u>\$44.39</u>
1-1/4"	\$85.05 <u>\$88.52</u>
1-1/2"	\$85.05 <u>\$88.52</u>
2"	\$135.99 <u>\$141.43</u>

Water Availability Charge

Meter Size	Charge
3"	\$255.10 <u>\$265.30</u>
4"	\$425.20 <u>\$255.01</u>
6"	\$829.12 <u>\$862.29</u>

In addition, the consumption charge per 100 cubic feet (CCF), or any part thereof used, shall be as follows:

Winter (November 1st through June 30th)	Charge
0 – 10 CCF per month	\$1.98 <u>\$2.06</u>
Over 10 CCF per month	\$3.95 <u>\$4.11</u>
Summer (July 1st through October 31st)	
0 – 10 CCF per month	\$1.98 <u>\$2.06</u>
10 – 20 CCF per month	\$4.15 <u>\$4.32</u>
20 – 30 CCF per month	\$5.82 <u>\$6.05</u>
30 or more CCF per month	\$8.13 <u>\$8.46</u>

D. Multiple Residential Units.

1. The water availability charge for a connection serving multiple (three or more) residential units shall be the availability charge set forth above, multiplied by the number of dwelling units connected to the meter, as follows:

- a. Each duplex unit as defined in BLMC 13.04.030(H) will be billed as though separately connected to the water main, based on five-eighths- or three-quarters-inch meter rates.
- b. Any detached accessory dwelling unit (ADU) as defined in BLMC 13.04.030(F) will be billed as though separately connected to the water main, based on five-eighths- or three-quarters-inch meter rates.
- c. In the case of apartment/trailer courts having one meter, each unit will be billed as though separately connected to the water main, occupied or not, based on five-eighths- or three-quarters-inch meter rates.
- d. In the case of building lots which have been granted a conditional use permit to allow more than one dwelling on one service meter, each dwelling unit will be billed as though separately connected to the water main, based on five-eighths- or three-quarters-inch meter rates.

2. The consumption charge provided for in this section shall be applied to multiple residential units as provided for above, except that the lower consumption charge rate shall be applied to the first “X” CCF per month, where “X” is the number of units served by the connection multiplied by 10. All consumption greater than that threshold will be charged the higher consumption charge rate.

3. There shall be only one water meter for each building housing more than two residential units.

E. Multiple Commercial and Industrial Buildings. Where all commercial or industrial buildings connected to a single service are used in the same business under single management, billing shall be made as for a single building.

F. Demand Charge.

1. Private fire hydrants, stand pipes, fire sprinkler systems, etc., shall have a monthly charge of ~~\$3.85~~ \$4.00.

2. Special purpose use of water from fire hydrants or stand pipes shall be ~~\$12.82~~ \$13.33 plus ~~\$1.29~~ \$1.34 per 100 cubic feet for all water used inside the city limits and ~~\$17.95~~ \$18.67 plus ~~\$1.84~~ \$1.91 for all water used outside the city limits.

3. Where the water meters are shut off, the monthly charge will be ~~\$6.41~~ \$6.67 within the city limits and ~~\$8.84~~ \$9.19 outside the city limits.

4. Where unusual circumstances prevent a meter reading, water consumption will be estimated at an average of 1,000 cubic feet per month.

G. Leakage – Rate Reduction.

1. In the event that there is a water leak that is determined to have been undetectable by the water utility, after the service line is repaired by the owner and upon written request by the property owner, the city finance department may make an adjustment in the water bill. The maintenance of plumbing fixtures inside a structure is the responsibility of the property owner. No leak adjustments shall be made for water leaks due to faulty equipment or fixtures inside the structure, including leaky toilets, faucets, etc.

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

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

4. Should a customer who was granted a leak adjustment request a subsequent leak adjustment within 24 months of the previous adjustment due to an additional line break or leak, documentation, such as a receipt from a plumber, must again be provided to reasonably demonstrate that the leak has been repaired and that the repair is expected to be permanent.

5. No leak adjustments shall be authorized in the following situations:

a. The leak was caused by a third party from whom the customer is able to recover their costs.

Examples include, but are not limited to, theft, vandalism, negligence and construction damage, unoccupied or vacant properties.

b. The meter at said property has been accessed, tampered with, or turned on/off by anyone other than a City of Bonney Lake employee and that action results in loss of water.

c. The leaky line is subject to a valid warranty.

d. The current property occupant has already been granted two leak adjustments in the previous five years from the date of the current leak adjustment request.

H. Irrigation Meters.

1. New multifamily (three or more units) and nonresidential connections shall be required to install a separate meter for irrigation use, effective January 1, 2005.

2. Existing multifamily (three or more units) and nonresidential connections shall be required to install a separate meter for irrigation use no later than January 1, 2007.

3. There shall be no availability charge applicable to irrigation meters. The commodity charge shall be 25 percent greater than the applicable commodity charge for non-irrigation usage that exceeds 10 CCF per month (the “tail-block”).

	Charge
Winter – In city	\$3.39 <u>\$3.53</u>
Summer – In city	\$3.71 <u>\$3.86</u>
Winter – Outside city	\$4.94 <u>\$5.14</u>
Summer – Outside city	\$5.19 <u>\$5.40</u>

13.04.105 Annual rate adjustment.

Effective January 1st of each year, beginning on January 1, ~~2009-2019~~ through January 1, 2022, the water rates listed in BLMC 13.04.100 shall be adjusted by four percent (4%) plus/minus the annual change in the most recent Seattle-Bremerton-Tacoma Consumer Price Index (Urban Consumers) published by the U.S. Department of Labor.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 3. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its passage, approval, and publication as required by law, but no earlier than January 1, 2018.

PASSED by the City Council and approved by the Mayor this ____ of _____, 2017.

Neil Johnson, Jr. Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

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

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 13 September 2017	Agenda Bill Number: AB17-100
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D17-100	Councilmember Sponsor: Lewis

Agenda Subject: Sewer Rate Adjustment

Full Title/Motion: An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.12 Of The Bonney Lake Municipal Code And The Corresponding Portions Of Ordinance Nos. 1465, 1565, And 1577 Relating To Sewer Rates And Charges..

Administrative Recommendation: Approve

Background Summary: The City had a utility rate and system development charge study completed by the Financial Consulting Services Group. The City Council determined that as a result of these comprehensive studies sewer rates need to be modified in order to assure continuance of a reliable sewer collection and transmission system through 2022. The Council implemented a rate increase effective July 1, 2017 but deferred future rate increases needed in order to further review and reduce the capital improvement plan so that the recommended rate adjustment could be lowered. City staff have worked with FCSG and RH2 to revise the needed capital improvement project (CIP) schedule in order to accommodate an initial lower flat rate increase of four percent (4%) per year through 2022; as opposed to an increase of 5.5% for 2018, 5.0% for 2019, 4.0% for 2020, 4% for 2021, and 3% for 2022 as originally recommended in the rate study. Sewer SDC charges would be increased \$1,101 per residential equivalent unit (RE) per FCSG's recommendation.

Attachments: Ord D17-100; Administrator's Memo

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

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	Other	<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): April 18, 2017, 5/2/17	Public Hearing Date(s):
Meeting Date(s): 5/9/17, 5/23/17	Tabled to Date:

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

ORDINANCE NO. D17-100

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 13.12 OF THE BONNEY LAKE MUNICIPAL CODE AND THE CORRESPONDING PORTIONS OF ORDINANCE NOS. 1465, 1565, AND 1577 RELATING TO SEWER RATES AND CHARGES.

WHEREAS, the City completed updated comprehensive plans for the water and sewer systems of the City; and

WHEREAS, the City had a utility rate and system development charge study completed by the Financial Consulting Services Group; and

WHEREAS, the City Council determined that as a result of these comprehensive studies sewer rates need to be modified in order to assure continuance of a reliable sewer collection and transmission system through 2022; and

WHEREAS, the City Council implemented a rate increase effective July 1, 2017 but deferred future rate increases needed in order to further review and reduce the capital improvement plan so that the recommended rate adjustment could be lowered; and

WHEREAS, the consultants have revised the needed capital improvement project (CIP) schedule in order to accommodate an initial lower flat rate increase of four percent (4%) per year through 2022; as opposed to an increase of 5.5% for 2018, 5.0% for 2019, 4.0% for 2020, 4% for 2021, and 3% for 2022 as originally recommended in the rate study;

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

Section 1. BLMC Section 13.12.082 and the corresponding sections of Ordinance Nos. 1465, 1565, and 1577 are hereby amended to read as follows:

13.12.082 Sewer charges.

A. Each single-family resident not requiring or using a city-owned grinder pump shall pay the following monthly fees for sewer services, effective on January 1, 2018 as follows:

Charge	January 1, 2018
Sewer availability charge	\$61.06 <u>\$63.50</u>
Volumetric charge per 100 cubic feet (CCF) of monthly water consumption	\$3.80 <u>\$3.95</u>

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

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

Charge	January 1, 2018
Sewer availability charge	\$73.26 \$76.19
Volumetric charge per 100 cubic feet (CCF) of monthly water consumption	\$3.80 \$3.95

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

C. Discount for Senior Citizens and Disabled Persons. Owners of single-family residences who have qualified for real estate property tax exemption through the Pierce County assessor-treasurer’s office on the basis of age and/or disability, and who present proof thereof to the appropriate authority of the city, shall qualify and be entitled to a reduced sewer rate as may from time to time be set by the city council and as established as a 20 percent reduction from the sewer availability charge.

D. Sewer Service Charges for Customers Other than Single-Family Residential.

1. Multifamily and duplex customers on a single water meter shall pay the single-family sewer availability charge (no grinder pump) for each unit. The volumetric charge shall be capped at eight CCF per unit per month for multifamily customers.

2. Mobile home park customers shall be charged at the single-family rate. Where multiple mobile home units use one water meter, each unit shall pay the single-family sewer availability charge (no grinder pump). The volumetric charge shall be capped at 10 CCF per unit per month.

3. Nonresidential customers, including commercial, retail, office, recreational vehicle parks, industrial, and churches, shall pay one single-family sewer availability charge (no grinder pump) per installed water meter. There shall be no volumetric cap for nonresidential customers.

4. Sewer charges for customers other than single-family residential shall be billed monthly.

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

13.12.085 Annual rate adjustment.

Effective January 1st of ~~2016~~ 2019 through January 1, 2022, the sanitary sewer rates listed in BLMC 13.12.082 shall be ~~adjusted~~ increased by four percent (4%) plus/minus the annual change in the most

recent Seattle-Bremerton-Tacoma Consumer Price Index (Urban Consumers) published by the U.S. Department of Labor.

13.12.090 Grinder pump service charges.

For every building using a domestic grinder lift pump utilizing electric power furnished by the city or maintained by the city, there shall be an additional monthly charge of ~~\$20.00~~ \$20.80 to reimburse the city for the cost of the electric power and/or for maintenance or service on the pump

Section 2. BLMC Section 13.12.100 and the corresponding sections of Ordinance Nos. 1465, 1565, and 1577 are 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~~ \$11,606 effective January 1, ~~2014~~ 2018.

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~~ \$11,606 effective January 1, ~~2014~~ 2018.

3. The SDC for each unit of a duplex shall be the charge applicable to one residential equivalent (RE) unit, ~~\$10,505~~ \$11,606 effective January 1, ~~2014~~ 2018.

4. In addition to the SDC provided in this subsection, there shall be a surcharge of \$2,568 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.

5. 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.

Section 3. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 4. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this legislation.

Section 5. Effective Date. This Ordinance shall take effect thirty (30) days after its passage, approval, and publication as required by law, but no earlier than ~~July 1, 2017~~ January 1, 2018.

PASSED by the City Council and approved by the Mayor this _____ day of _____, 2017.

Neil Johnson, Jr. Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

CITY COUNCIL WORKSHOP

September 5, 2017
6:00 P.M.



www.ci.bonney-lake.wa.us

DRAFT MINUTES

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 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, Management Analyst Leslie Harris, and Deputy City Clerk Susan Haigh. Planning Commissioner Chair Grant Sulham was also in attendance.

III. AGENDA ITEMS:

A. Presentation: South Sound 911 – Executive Director Andrew Neiditz.

Executive Director Andrew Neiditz, Deputy Director of Law Enforcement Services Mark Mears, and Information Technology Program Manager Tony Berger provided an overview of South Sound 911's (SS911) history, budget, current projects, and relationship with Bonney Lake. They responded to Council questions about dispatch times, response rates, and operations procedures. Councilmembers expressed concern with data from the recent study of the Bonney Lake Police Department that indicates long times for dispatch calls and response times. The representatives from SS911 described their work to develop reporting processes and offered to provide more information.

B. Council Open Discussion:

In the Community: Councilmember Watson invited the Council to attend the next Communities for Families meeting on September 7, 2017 at 3:00 p.m. at the Sumner YMCA with Mayor Johnson presenting. Councilmember Watson informed staff that a mirror has been attached to the speed zone sign on 74th St on Lake Bonney. Councilmember Watson reported that a trailer has been parked on Locust Ave for some time and asked whether it has been checked. He thanked Public Works operations staff for their work to improve the intersection at 78th St E & 181st Ave E.

Councilmember Lewis said he attended the White River Communities for Families meeting on August 28, 2017 with Buckley Mayor Pat Johnson presenting. Councilmember Lewis also spoke about the Sumner/Bonney Lake School District academic year and said he attended the convocation event.

Councilmember Evans invited all to attend the Victor Falls Grand Opening on September 9, 2017 and Beautify Bonney Lake's event on September 16, 2017.

Historical Society: Councilmember Swatman asked for an update on the future home of the Greater Bonney Lake Historical Society. He said the Council needs to think about where space can be provided for community groups like the Historical Society and others.

Councilmember Minton-Davis asked for updates on the Greater Bonney Lake Veterans Memorial group, which has raised funds toward building a monument. She suggested a monument could be included in the Parks element of the Comprehensive Plan.

Councilmember Evans said he saw the Ellis family monument is being installed.

- C. **Review of Council Minutes:** August 15, 2017 Workshop and August 22, 2017 Council Meeting.

The minutes were forwarded to the September 12, 2017 Meeting for action with minor corrections.

- D. **Discussion:** AB17-72 – Ordinance D17-72 – Amending Land Use Matrix Codified in Section 18.08.020 of the Bonney Lake Municipal Code Related to the Regulation of Preschools and Child Care Facilities.

Planning & Building Supervisor Jason Sullivan and Planning Commission Chair Grant Sulham explained the proposed ordinance and agenda documents and responded to Council questions. Councilmember Minton-Davis noted this mixed-use zone could include residential or other non-commercial uses. Councilmember Swatman asked about possible impacts and whether it makes sense to change the zoning. Mr. Sullivan said only the Downtown Core and Downtown Mixed zones currently preclude preschools and child care facilities; the proposed ordinance adds these uses in the Downtown Mixed zone. He said if the Council is uncertain about the proposed ordinance, they could wait and consider changes when they review the overall Centers Plan for the Downtown area later in the year.

Council consensus was to table the proposed ordinance and include the topic in future discussions of the overall Centers Plan.

- E. **Action: AB17-81 – Resolution 2611** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing A Limited Public Works Contract With Tony Lind Paving, LLC For The Grinding And Patching Of City Streets.

Councilmember Lewis moved to approve Resolution 2611. Councilmember Rackley seconded the motion.

Councilmember Lewis said this item and Resolution 2613 were brought to the Community Development Committee earlier in the evening. He said staff would like to move forward as soon as possible and the Committee recommended approval. Director Vodopich said when responses to the initial request for bids came in high. The project was rebid and lower bids were received, possibly due to the timing being after the regular busy season.

Motion approved 7 – 0.

- F. **Action: AB17-84 – Resolution 2613** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing A Limited Public Works Contract With Looker Asphalt, Inc. For The Cul-De-Sac Re-Construction Project.

Councilmember Lewis moved to approve Resolution 2613. Councilmember Watson seconded the motion.

Councilmembers Watson asked why this project was not being completed internally. Director Vodopich said City staff have been doing preparation work but always intended to go out to bid for the paving contract. In response to a question from Councilmember Minton-Davis, Director Vodopich said this item was high on the Operations priority list and was approved in the 2017-18 budget.

**Motion approved 6 – 1.
Councilmember Minton-Davis voted no.**

IV. EXECUTIVE/CLOSED SESSION: None.

V. ADJOURNMENT:

At 7:54 p.m., Mayor Johnson adjourned the Workshop.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the September 5, 2017 Workshop:

- Andrew Neiditz, South Sound 911 – *Council Workshop Presentation.*

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.

Memo

To: Mayor and Council
From: Don Morrison, City Administrator
Date: September 14, 2017
Re: **Process for Filling a Council Vacancy**

Summary

There are no specific state regulations regarding how the Council fills a council seat once the position becomes vacant. The only requirement is that the vacancy must be filled by a majority vote of the council. State law does not require that notice or advertising procedures be followed. The method for filling vacancies is a policy decision for the council and has been established as part of the Council Rules. In the case of a tie, the mayor would have a vote as he does for other matters.

RCW 42.30.110(h) allows council to consider and discussion candidate qualifications in executive session.

RCW 42.30.060 prohibits secret ballots, so I assume the vote would be taken by standard voice vote.

The Council Rules of Procedure do contain a provision for filling a vacancy. A copy of the applicable rules are attached and briefly summarized below:

1. The appointment must be made within 90 days of Katrina's official resignation (which creates the vacancy).
2. The vacancy must be widely advertised, including publishing in the official paper, in city newsletter(s), on the city website, and posted along with other official notices.
3. ALL candidates (applicants) must be interviewed in a public meeting.

RECOMMENDATION

It is recommended the Council ask the City Clerk's Office and Human Resources Manager to post and advertise the position for not less than 30 days, with a specific application deadline.

Council should determine whether candidates should complete the regular City employee application form or use the Commission application form, or develop a specific councilmember application form. The application form would include the eligibility requirements.

The advertisement would be:

1. Posted in the 3 places we normally post public notices.
2. Posted on the City web site
3. Advertised in the Mayor's weekly Inside-Out Newsletter
4. Included in the October edition of the Bonney Lake Reporter
5. Advertised on the City's Blog, Facebook and Twitter pages
6. Sent to our normal media outlets in the form of a press release

Since by council rule all applicants are to be interviewed, there would be no advance screening of the candidates. However, City staff would review the applicants to assure eligibility (see RCW 35A.12.030).

Candidates would be interviewed in open public session (preferably at Workshop), preferably all on a single night. Staff would work with Council to determine the interview questions. Upon completion, council would recess to executive session to discuss the results of the interviews.

Staff would do background checks on the top finalist(s) if desired by the Council, and report back before a vote is taken.

Bonney Lake Municipal Code (Council Rules of Procedure)

2.04.980 Vacancy in council seat.

If a council vacancy occurs, the council will follow the procedures outlined in RCW 35A.12.050 and 42.12.070. If the council fails to appoint a qualified person to fill a vacancy within 90 days of the occurrence of the vacancy, the authority of the governing body shall cease and the Pierce County council shall appoint a qualified person to fill the vacancy. In order to fill the vacancy with the most qualified person available until an election is held, the council will direct the city clerk to distribute and publish a notice of the vacancy and deadline for applying for the position. (Ord. 1474 § 1 (Att. A), 2013).

2.04.990 Notice.

The notice of the vacancy shall be widely distributed and published in the city's official newspaper, the city newsletter when possible, on the city website, at the Justice and Municipal Center, and such other places or by such other means as to reasonably provide information to the public, including the procedure and deadline for applying for the position. (Ord. 1474 § 1 (Att. A), 2013).

2.04.1000 Application and interview procedure.

The council during a regular or special council meeting open to the public will interview all candidates who submit an application by the deadline for the advertised council vacancy. Council applicants will be asked to remain outside the council chambers while other applicants are being interviewed. Applicants will be asked to answer questions submitted to them in advance of the interview and questions posed by each councilmember during the interview process. The councilmembers will ask the same questions of each candidate. Each candidate will be allowed two minutes for closing comments. (Ord. 1474 § 1 (Att. A), 2013).

2.04.1010 Selection of new councilmember.

The council may recess into executive session to discuss the qualifications of all candidates. Nominations, voting and selection of a person to fill the vacancy shall be conducted during an open public meeting. (Ord. 1474 § 1 (Att. A), 2013).

Filling a Council Vacancy

Must a city advertise to fill a city council vacancy?

MRSC Reviewed: 12/13

No. The vacancy must be filled by a majority vote of the council, but state law does not require that notice or advertising procedures be followed. The method for filling vacancies is a policy decision for the council.

If the city council advertised to fill a vacant position on the council and there were only two applicants, must the council choose one of the two applicants?

MRSC Reviewed: 09/13

No. The council would not be required to choose one of these two candidates. State law does not establish a specific procedure that cities and towns must follow when filling a vacancy on the council except to indicate that the remaining councilmembers must vote to fill it. If the council is not satisfied for any reason with the applicants, they could re-advertise and extend the application period. The council can also directly contact persons they know and encourage them to apply.

Is a person appointed to a vacancy in an elected office considered to be an elected official?

MRSC Reviewed: 12/13

Yes, a person appointed to fill a vacancy in an elected office is considered an elected official. For example, RCW 42.17A.005(16) defines "elected official" as "any person elected at a general or special election to any public office, and any person appointed to fill a vacancy in any such office."

RCW 35A.12.030

Eligibility to hold elective office.

No person shall be eligible to hold elective office under the mayor-council plan unless the person is a registered voter of the city at the time of filing his or her declaration of candidacy and has been a resident of the city for a period of at least one year next preceding his or her election. Residence and voting within the limits of any territory which has been included in, annexed to, or consolidated with such city is construed to have been residence within the city. A mayor or councilmember shall hold within the city government no other public office or employment except as permitted under the provisions of chapter 42.23 RCW.

RCW 35A.12.050

Vacancies.

The office of a mayor or councilmember shall become vacant if the person who is elected or appointed to that position fails to qualify as provided by law, fails to enter upon the duties of that office at the time fixed by law without a justifiable reason, or as provided in RCW 35A.12.060 or 42.12.010. A vacancy in the office of mayor or in the council shall be filled as provided in chapter 42.12 RCW. An incumbent councilmember is eligible to be appointed to fill a vacancy in the office of mayor.

RCW 42.12.010

Causes of vacancy.

Every elective office shall become vacant on the happening of any of the following events:

- (1) The death of the incumbent;
- (2) His or her resignation. A vacancy caused by resignation shall be deemed to occur upon the effective date of the resignation;
- (3) His or her removal;
- (4) Except as provided in RCW * 3.46.067 and 3.50.057, his or her ceasing to be a legally registered voter of the district, county, city, town, or other municipal or quasi municipal corporation from which he or she shall have been elected or appointed, including where applicable the council district, commissioner district, or ward from which he or she shall have been elected or appointed;
- (5) His or her conviction of a felony, or of any offense involving a violation of his or her official oath;
- (6) His or her refusal or neglect to take his or her oath of office, or to give or renew his or her official bond, or to deposit such oath or bond within the time prescribed by law;
- (7) The decision of a competent tribunal declaring void his or her election or appointment; or
- (8) Whenever a judgment shall be obtained against that incumbent for breach of the condition of his or her official bond.