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 Center, 9002 Main Street East, Bonney Lake, Washington.

I. Call to Order: Mayor Neil Johnson

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

III. Agenda Items:
A. Council Open Discussion
B. Presentation: AB12-66 – Stormwater Pollution Prevention Art Contest Submissions.
C. Presentation & Discussion: AB12-59 – Ordinance D12-59 – Cross Connection Program.
F. Discussion: AB12-58 – Ordinance D12-58 – Sewer Rate Increase.

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

V. Adjournment

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

Department/Staff Contact: PW / Andrew Fonda
Meeting/Workshop Date: May 1, 2012
Agenda Bill Number: AB12-66

Agenda Subject: 2012 Stormwater Pollution Prevention Art Contest

Full Title/Motion: n/a
Administrative Recommendation:

Background Summary: The City of Bonney Lake’s National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit is a federal permit authorized under the Federal Clean Water Act of 1972 that regulates stormwater discharges to waters of the State. One of the major requirements under the Municipal NPDES Permit is that all affected municipalities create and implement a Stormwater Management Program (SWMP) which addresses five required program elements: 1) Public Education & Outreach, 2) Public Involvement & Participation, 3) Illicit Discharge Detection & Elimination, 4) Construction Site Run-Off, and 5) Operations & Maintenance of Post Construction Stormwater Facilities. While the permit went into effect in February of 2007, the permit phases program implementation requirements through 2012. As a Stormwater Management Program Public Education & Outreach event, the City invited local K-12 students to participate in an art contest depicting the following stormwater pollution prevention and water conservation messages; 1. Pollution / Illegal Dumping Reporting  2. Friendly Vehicle Washing  3. Water Conservation  4. Pet Waste Disposal  5. Used Oil Recycling  6. Household Hazardous Waste Disposal. Two winning drawings from each of the six messages are to be selected at Council Workshop. The selected drawings will be utilized to develop a calendar to promote stormwater pollution prevention and water conservation practices. To encourage student participation, the City will award a $50 cash prize to each of the twelve winning artists. Funding is paid for with an NPDES grant.

Attachments: View full-size images online at www.ci.bonney-lake.wa.us/publicworks.

BUDGET INFORMATION

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Budget Explanation: Professional Engineering 415.000.038.538.10.41.20

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review: Community Development Date: Approval:
Chair/Councilmember
Councilmember
Councilmember

Forward to:

Consent Agenda: [ ] Yes [ ] No

Commission/Board Review:
Hearing Examiner Review:

COUNCIL ACTION

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

APPROVALS

Director: Mayor:

Date Reviewed by City Attorney: (if applicable):

Agenda Packet p. 3 of 74
VOTING FORM

Councilmember ______________

1. Friendly Vehicle Washing (Circle Two)

   a. Drawing 1

   b. Drawing 2

   c. Drawing 3

   d. Drawing 4

   e. Drawing 5

View full size images at www.ci.bonney-lake.wa.us/publicworks
2. Household Hazardous Waste Disposal (Circle Two)  

Councillor ____________________

a. Drawing 6

b. Drawing 7

c. Drawing 8

d. Drawing 9
3. Pet Waste Disposal (Circle Two)

a. Drawing 10

b. Drawing 11

c. Drawing 12

d. Drawing 13

e. Drawing 14

f. Drawing 15

g. Drawing 16

h. Drawing 17

i. Drawing 18

j. Drawing 19

k. Drawing 20

l. Drawing 21

m. Drawing 22

n. Drawing 23

o. Drawing 24

p. Drawing 25

q. Drawing 26

View full size images at www.ci.bonney-lake.wa.us/publicworks
4. Pollution / Illegal Dumping Reporting
(Circle Two)

a. Drawing 27

b. Drawing 28

c. Drawing 29

d. Drawing 30

e. Drawing 31

f. Drawing 32

g. Drawing 33

h. Drawing 34

i. Drawing 35

j. Drawing 36

k. Drawing 37

l. Drawing 38

m. Drawing 39

n. Drawing 40

p. Drawing 41

q. Drawing 42

Councilmember ________

Agenda Packet p. 7 of 74
5. Used Oil Recycling (Circle Two)

a. Drawing 43

b. Drawing 44

c. Drawing 45

d. Drawing 46

e. Drawing 47

f. Drawing 48

g. Drawing 49

h. Drawing 50

i. Drawing 51

j. Drawing 52

k. Drawing 53

l. Drawing 54

m. Drawing 55

n. Drawing 56

o. Drawing 57

p. Drawing 58

q. Drawing 59

r. Drawing 60

s. Drawing 61

t. Drawing 62

u. Drawing 63

v. Drawing 64

w. Drawing 65

x. Drawing 66

y. Drawing 67

z. Drawing 68

View full size images at www.ci.bonney-lake.wa.us/publicworks
6. Water Conservation (Circle Two)

a. Drawing 69

b. Drawing 70

c. Drawing 71

d. Drawing 72

e. Drawing 73

f. Drawing 74

g. Drawing 75

h. Drawing 76

i. Drawing 77

j. Drawing 78

k. Drawing 79

l. Drawing 80

m. Drawing 81

o. Drawing 82

p. Drawing 83

q. Drawing 84
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City of Bonney Lake, Washington

City Council Agenda Bill (AB)

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**Agenda Subject:** WATER SYSTEM CROSS CONNECTION PROGRAM MODIFICATION

**Full Title/Motion:** An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Approve Modification Of The Cross Connection Program.

**Administrative Recommendation:** City Administrator Morrison supports this initiative.

**Background Summary:** CDC has requested that this initiative be discussed with the full council prior to moving forward with adoption of this ordinance. The City is required by WAC 246-290-490 to prevent the backflow of contaminants into the City water distribution system. Each year an annual recertification of cross connection devices is required. Individual property owners currently have this responsibility. City staff has determined that the cost of this annual testing for recertification and any necessary repairs could be accomplished more cost-effectively by the City. This ordinance will transfer responsibility for the annual testing and recertification (BLMC 13.04.200) from 1,289 residential property owners to the City. Commercial cross connection device recertification will remain the responsibility of the property owner. If approved, this program modification would be effective January 1, 2013.

**Attachments:** PW Point Paper, CFO E-mail, BLMC 13.04.170, WAC 246-290-490, RCW 43.20.050, RCW 80.28.40

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**BUDGET INFORMATION**

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**Budget Explanation:**

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**COMMITTEE, BOARD & COMMISSION REVIEW**

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<td>Councilmember Katrina Minton-Davis</td>
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**Forward to:** Council Workshop on May 1, 2012

**Consent Agenda:** Yes No

**Commission/Board Review:**

**Hearing Examiner Review:**

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**COUNCIL ACTION**

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**APPROVALS**

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<td>Dan Grigsby</td>
<td>Neil Johnson Jr.</td>
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*Agenda Packet p. 11 of 74*
March 20, 2012

To: Community Development Committee

Ref: (a) RCW 43.20.050
     (b) WAC 246-290-490
     (c) BLMC Chapter 13.04, Article IV

Subject: Cross Connection Control Program

The City of Bonney Lake is required to ensure the safety of its drinking water supply in accordance with reference (a). As part of that effort, cross connection control is mandated by reference (b). Bonney Lake has codified that requirement as reference (c).

The Cross Connection program involves testing of all back flow devices connected to the City water system annually. These devices ensure that contaminants are not inadvertently added to the city water supply making the water unsafe to drink. The cross connection program for the City was established in 1986 to meet the state and federal requirements of the Clean Water Act. Public Works is looking to revamp how its cross connection program operates.

Currently, all customers are required to individually have their back flow devices tested and proof of completions submitted to the Public Works Department. Further details on the current program will be explained in this report. Public Works staff is recommending a revision of the cross connection program that would lower the cost to our customers, assure that testing is done in a timely and efficient manner. Staff will also improve the City’s’ web site to provide a better understanding of the new program and explanation of why the program is needed.

Definitions:

1. “Cross-connection” means any actual or potential physical connection between a public water system or the consumer’s water system and any source of non-potable liquid, solid, or gas that could contaminate the potable water supply by backflow.

2. “Backflow” means the undesirable reversal of flow of water or other substances through a cross connection into the public water system or consumer’s potable water system. Backflow may be due to either: Backsiphonage; or Back pressure.

3. “B acksiphonage” means backflow due to a reduction in system pressure in the purveyor’s distribution system and/or consumer’s water system.

4. “Backpressure” means a pressure (caused by a pump, elevated tank or piping, boiler, or other means) on the consumer’s side of the service connection that is greater than the pressure provided by the public water system and which may cause backflow.
Current Program:
Currently Public Works has identified 564 commercial and 1289 residential backflow devices for a total of 1853 units. Public Works has divided these customers into 12 groups, one for each month, to allow testing throughout the year. Public Works uses a software package “Tokay” that assists in tracking backflow devices, testing of units and customers.

At the beginning of each month we provide notification to each customer that their backflow unit is due for testing. Also provided is a list of qualified testers that have registered with Public Works. These testers are not required to be used by our customers; however, we require documentation from any tester on their certifications and equipment certification.

The property owner, commercial or residential, will contact a cross connection tester to make arrangements for the backflow test. The customer is responsible for the cost of the testing of the backflow, an average of $50 per unit. If customers use a certified plumber to do the testing it will average over $100 a test.

On a passing completion of the test the backflow tester will fill out a test report and submit it to the customer and the Public Works Department. For those backflows that fail, the customer is responsible for the repairs or replacement of the backflow device. For those customers who fail to comply with the testing or fail to repair a backflow device, the City has the ability to shut off the water service. Customer failure to comply with this requirement has been rare and normally, one letter notifying the customer of this problem resolves the issue.

All information is documented by the tester and submitted to the customer and the Public Works Department. All test sheets are reviewed by Public Works staff for completion and accuracy. On completion of review the information is keyed into the Tokay system. All hard copies are filed for 5 years and then destroyed.

Proposed Program:
The City will advertise for and hire one company to make all residential backflow tests using a city administered contract. The cost of these tests will reduce the cost to the resident; basically, we will obtain a volume discount by having one company perform all the tests. The City of Bonney Lake would also serve notice to the residence that the City will take ownership of the backflow device and be responsible for all maintenance and replacement. This would assure that all devices are tested and repaired in a timely manner. This would be mandatory for all residential backflow customers. Testing of Commercial customers will remain the responsibility of those customers however a yearly fee would be assessed for the tracking program of those backflows.

The purpose of revamping the program is to provide a cost effective program for our backflow customers. This program will also create an administrative revenue stream to help offset the costs of providing this program; similar to the sewer grinder program. Currently there is no charge to any backflow customer for administering this program. The cost to modify this program will actually be less than what the cost to our overall customers is currently.
The proposed program will not increase the work load for Public Works staff other than the cost of advertising a contract for the tester and writing the SOP. The Finance staff will need to set up the billing fee for each customer and audit the current Eden cross connection customers versus what is currently used in Tokay. For those customers that are not in the Eden system for cross connection, Finance will need to set them up in Eden. This program will eliminate the efforts by the customer to find a certified tester, coordinate the test, and ensure that testing documentation is submitted to the City in a timely manner. The cost of the program for the backflow customers would be handled similar to the sewer grinder pump fee but an annual fee for this service would be charge in January to the water bill of those customers with backflow devices.

**Steps required by the City**

1. City would contract with outside vendor for testing backflow January 1, 2013.
   Note: Public Works discussions with other water districts with similar programs have contracted for an average of $30 per backflow unit tested. An average of $50 per unit is currently paid by our customers. This fee does not include any backflow device repairs or replacement that may be required. An average repair cost to a customer for repairs is $20.

2. This would not be offered to commercial businesses because of the complexity of their backflow devices, fire systems and the ability to get into closed areas. The majority of commercial businesses have contracts through corporate offices or facility management offices.

3. Public Works notifies customers on this new procedure.

4. Public Works provides contract vendor a list of customers that are to be tested for the month. All testing will be completed in the month due.

5. Public Works will receive notification from tester when a customer is not complying.

6. If repairs or replacement of device is needed, the tester will contact Public Works staff for authorization prior to repairs or replacement.

7. Testing forms will be submitted back to Public Works with testing results and notes.

8. Testing results will be reviewed by Public Works water group for compliance.

9. Results will be entered to Tokay software and hard copy will be filed for 5 years.

10. City Public Works staff will review submitted billing for payment on a monthly basis.

**Steps required by backflow tester:**

1. Vendor receives a City list of devices needing to be tested each month from Public Works backflow administration staff.

2. The list of customers testing must be completed by end of month.

3. Access to backflow devices that require special entrance into a backyard or other enclosed area will be coordinated by backflow tester.

4. If a backflow device fails, tester will provide the Public Works Department with a quote for repairs prior to any further work done.

5. After repairs are made, a retest is required with no charge.

6. If unit continues to fail tests and needs to be replaced, tester will provide a quote for replacement to Public Works.

7. Tester will submit all documentation to Public Works on test results.

8. If there are additional repairs needed beyond the regular scheduled testing, the Public Works Department will pay the tester an hourly rate of $_______ plus parts.
9. Tester will provide a billing each month for all tested unites for that month to the Public Works Department.

**Cost of Program**

The over-all saving for a residential customer for the cross connection test program would be on an average of $12 per test. Commercial would be assessed a new fee of $8 per year for the cross connection program tracking. Savings would vary depending on the customer and who they contract with to perform the backflow testing. A random sample of our testers on the City list charge from $30 up depending on the number of customers they have in the area. With a registered plumber who has a cross connection certification it can go as high as $120 a test.

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<td><strong>Staff Time Per Year Average</strong></td>
<td><strong>Residential Fee</strong></td>
<td><strong>Commercial Fee</strong></td>
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<td>OR</td>
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Respectfully,
Charlie
Charlie Simpson

From: Al Juarez
Sent: Tuesday, March 20, 2012 1:46 PM
To: Charlie Simpson
Cc: Dan Grigsby; Don Morrison
Subject: RE: Cross connection program

Charlie,

I have additional comments pertinent to your first paragraph on page #3. In this paragraph you discuss work effort specific to Public Works and also efforts that will be required by Finance staff. Following are my comments:

- At the moment and for the past two plus years we (Finance) have been operating absent one staff person. As you are aware, our vacant staff position has been frozen for this entire time and we have no definite direction on when we may be able to fill the position.
- Because of the above impact, we have numerous tasks and projects that have been either left unattended or programmed to be completed sometime in the future. A number of these projects/tasks are specific to financial compliance that the State Auditor reviews; and, has negatively commented on for the past couple years.
- We would be glad to assist your cross connection program, but doing so will impact some of the duties and customer service we currently provide. So if the City decides to embark upon this cross connection program we will definitely need to address these points before committing finance department resources that are so scarce.
- In your memo you quantify the number of utility accounts that will need updating to include a monthly fee. The number is in excess of 1,800 and thus will be very time consuming.
- In your memo you also discuss comparing EDEN utility customers with TOKAY information. You have listed this as a finance related task to be completed. This cross reference effort will also be quite time consuming.
- Example: If a utility billing tech could update one account every two minutes then 30 accounts would be updated in one hour. 1800 accounts divided by 30 = 60 hours to complete all the updating. This is strictly a guess on how many accounts could be updated in one hour. At any rate I believe you get the point I am trying to make. If it takes more than 2 minutes to update a single account then obviously the time involved would be greater than the 60 hours illustrated.
- We need to also calculate the amount of time it would take to do the comparison between the EDEN utility billing system and the TOKAY system.

The bottom line is that the work effort required by the Finance staff will be great and should be taken into account as you proceed with your brainstorming...

Sincerely,
Al

Al Juarez, MBA
Chief Financial Officer
City of Bonney Lake
19306 Bonney Lake Blvd.
Bonney Lake, WA 98391
juarez@ci.bonney-lake.wa.us
253/447-4314

From: Charlie Simpson
Sent: Tuesday, March 20, 2012 10:19 AM
To: Don Morrison
Cc: Dan Grigsby; Al Juarez
Subject: Cross connection program

Don,
Attached is the final version of the cross connection program. Would you please review this and allow me to move forward to CDC on April 7th.

Charlie

Charles E. Simpson
City of Bonney Lake
Assistant Public Works Director
253-447-4323
simpsonc@ci.bonney-lake.wa.us
Article IV. Water Service Cross-Connections

13.04.170 Inspection and right of access.
Authorized employees of the city water system with proper identification shall have free access at reasonable hours of the day, to all parts of a premises or within buildings to which water is supplied. Water service may be refused or terminated to any premises for failure to allow necessary inspections. (Ord. 577 § 5, 1986).

Water service to any premises shall be contingent upon the customer providing cross-connection control in a manner approved by the city water system. (Ord. 577 § 3, 1986).

13.04.190 Prohibited.
The installation or maintenance of any cross-connection which would endanger the water supply of the city water system is prohibited. Any such cross-connection now existing or hereafter installed is declared unlawful and shall be adapted immediately. (Ord. 577 § 1, 1986).

13.04.200 Citation of specific standards.
The control or elimination of cross-connections shall be in accordance with WAC 246-290-19. The policies, procedures and criteria for determining appropriate levels of protection shall be in accordance with the Accepted Procedures and Practice in Cross Connection Control Manual-Pacific Northwest Section-American Waterworks Association, Third Edition, or any superseding edition. (Ord. 577 § 2, 1986).

Backflow devices required to be installed shall be a model approved by the State Department of Social and Health Services. (Ord. 577 § 4, 1986).

Article V. Enforcement

Any person, firm or corporation willfully violating any of the provisions of Articles I, II and III of this chapter is guilty of a misdemeanor. Said person, firm or corporation shall also be subject to the provisions of RCW 80.28.240 providing for civil damages. (Ord. 588 § 16, 1987).
WAC 246-290-490
Cross-connection control.

(1) Applicability, purpose, and responsibility.

(a) All community water systems shall comply with the cross-connection control requirements specified in this section.

(b) All noncommunity water systems shall apply the principles and provisions of this section, including subsection (4)(b) of this section, as applicable to protect the public water system from contamination via cross-connections. Noncommunity systems that comply with subsection (4)(b) of this section and the provisions of WAC 51-56-0800 of the UPC (which addresses the installation of backflow preventors at points of water use within the potable water system) shall be considered in compliance with the requirements of this section.

(c) The purpose of the purveyor's cross-connection control program shall be to protect the public water system, as defined in WAC 246-290-010, from contamination via cross-connections.

(d) The purveyor's responsibility for cross-connection control shall begin at the source of supply, include all the public water treatment, storage, and distribution facilities, and extend to the point of delivery to the consumer's water system, which begins at the downstream end of the service connection or water meter located on the public right of way or utility-held easement.

(e) Under this section, purveyors are not responsible for eliminating or controlling cross-connections within the consumer's water system. Under chapter 19.27 RCW, the responsibility for cross-connection control within the consumer's water system, i.e., within the property lines of the consumer's premises, lies with the authority having jurisdiction.

(2) General program requirements.

(a) The purveyor shall develop and implement a cross-connection control program that meets the requirements of this section, but may establish a more stringent program through local ordinances, resolutions, codes, bylaws, or operating rules.

(b) Purveyors shall ensure that good engineering and public health protection practices are used in the development and implementation of cross-connection control programs. Department publications and the most recently published editions of references, such as, but not limited to, those listed below, may be used as guidance for cross-connection program development and implementation:

(i) Manual of Cross-Connection Control published by the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California (USC Manual);

(ii) Cross-Connection Control Manual, Accepted Procedure and Practice published by the Pacific Northwest Section of the American Water Works Association (PNWS-AWWA Manual); or


(c) The purveyor may implement the cross-connection control program, or any portion thereof, directly or by means of a contract with another agency or party acceptable to the department.

(d) The purveyor shall coordinate with the authority having jurisdiction in all matters concerning cross-connection control. The purveyor shall document and describe the coordination, including delineation of responsibilities, in the written cross-connection control program required in (e) of this subsection.

(e) The purveyor shall include a written description of the cross-connection control program in the water system plan required under WAC 246-290-100 or the small water system management program required under WAC 246-290-105. The cross-connection control program shall include the minimum program elements described in subsection (3) of this section.

(f) The purveyor shall ensure that cross-connections between the distribution system and a consumer's water system are eliminated or controlled by the installation of an approved backflow preventer commensurate with the degree of hazard. This can be accomplished by implementation of a cross-connection program that relies on:

(i) Premises isolation as defined in WAC 246-290-010; or

(ii) Premises isolation and in-premises protection as defined in WAC 246-290-010.

(g) Purveyors with cross-connection control programs that rely both on premises isolation and in-premises protection:

(i) Shall comply with the premises isolation requirements specified in subsection (4)(b) of this section; and

(ii) May reduce premises isolation requirements and rely on in-premises protection for premises other than the type addressed in subsection (4)(b) of this section, only if the following conditions are met:
(A) The in-premises backflow preventers provide a level of protection commensurate with the purveyor's assessed degree of hazard;

(B) Backflow preventers which provide the in-premises backflow protection meet the definition of approved backflow preventers as described in WAC 246-290-010;

(C) The approved backflow preventers are installed, inspected, tested (if applicable), maintained, and repaired in accordance with subsections (6) and (7) of this section;

(D) Records of the backflow preventers are maintained in accordance with subsections (3)(j) and (8) of this section; and

(E) The purveyor has reasonable access to the consumer's premises to conduct an initial hazard evaluation and periodic reevaluations to determine whether the in-premises protection is adequate to protect the purveyor's distribution system.

(h) The purveyor shall take appropriate corrective action as authorized by the legal instrument required by subsection (3)(b) of this section, when:

(i) A cross-connection exists that is not controlled commensurate to the degree of hazard assessed by the purveyor; or

(ii) A consumer fails to comply with the purveyor's requirements regarding the installation, inspection, testing, maintenance or repair of approved backflow preventers required by this chapter.

(i) The purveyor's corrective action may include, but is not limited to:

(ii) Denying or discontinuing water service to a consumer's premises until the cross-connection hazard is eliminated or controlled to the satisfaction of the purveyor;

(ii) Requiring the consumer to install an approved backflow preventer for premises isolation commensurate with the degree of hazard; or

(iii) The purveyor installing an approved backflow preventer for premises isolation commensurate with the degree of hazard.

(j) Except in the event of an emergency, purveyors shall notify the authority having jurisdiction prior to denying or discontinuing water service to a consumer’s premises for one or more of the reasons listed in (h) of this subsection.

(k) The purveyor shall prohibit the intentional return of used water to the purveyor's distribution system. Used water includes, but is not limited to, water used for heating, cooling, or other purposes within the consumer's water system.

(3) Minimum elements of a cross-connection control program.

(a) To be acceptable to the department, the purveyor's cross-connection control program shall include the minimum elements identified in this subsection.

(b) Element 1: The purveyor shall adopt a local ordinance, resolution, code, bylaw, or other written legal instrument that:

(i) Establishes the purveyor's legal authority to implement a cross-connection control program;

(ii) Describes the operating policies and technical provisions of the purveyor's cross-connection control program; and

(iii) Describes the corrective actions used to ensure that consumers comply with the purveyor's cross-connection control requirements.

(c) Element 2: The purveyor shall develop and implement procedures and schedules for evaluating new and existing service connections to assess the degree of hazard posed by the consumer’s premises to the purveyor's distribution system and notifying the consumer within a reasonable time frame of the hazard evaluation results. At a minimum, the program shall meet the following:

(i) For connections made on or after April 9, 1999, procedures shall ensure that an initial evaluation is conducted before water service is provided;

(ii) For all other connections, procedures shall ensure that an initial evaluation is conducted in accordance with a schedule acceptable to the department; and

(iii) For all service connections, once an initial evaluation has been conducted, procedures shall ensure that periodic reevaluations are conducted in accordance with a schedule acceptable to the department and whenever there is a change in the use of the premises.
(d) Element 3: The purveyor shall develop and implement procedures and schedules for ensuring that:

(i) Cross-connections are eliminated whenever possible;

(ii) When cross-connections cannot be eliminated, they are controlled by installation of approved backflow preventers commensurate with the degree of hazard; and

(iii) Approved backflow preventers are installed in accordance with the requirements of subsection (e) of this section.

(e) Element 4: The purveyor shall ensure that personnel, including at least one person certified as a CCS, are provided to develop and implement the cross-connection control program.

(f) Element 5: The purveyor shall develop and implement procedures to ensure that approved backflow preventers relied upon to protect the public water system are inspected and/or tested (as applicable) under subsection (f) of this section.

(g) Element 6: The purveyor shall develop and implement a backflow prevention assembly testing quality control assurance program, including, but not limited to, documentation of BAT certification and test kit calibration, test report contents, and time frames for submitting completed test reports.

(h) Element 7: The purveyor shall develop and implement (when appropriate) procedures for responding to backflow incidents.

(i) Element 8: The purveyor shall include information on cross-connection control in the purveyor's existing program for educating consumers about water system operation. The public education program may include periodic bill inserts, public service announcements, pamphlet distribution, notification of new consumers and consumer confidence reports.

(j) Element 9: The purveyor shall develop and maintain cross-connection control records including, but not limited to, the following:

(i) A master list of service connections and/or consumer's premises where the purveyor relies upon approved backflow preventers to protect the public water system from contamination, the assessed hazard level of each, and the required backflow preventer(s);

(ii) Inventory information on backflow preventers that protect the public water system including:

(A) Approved air gaps installed in lieu of approved assemblies including exact air gap location, assessed degree of hazard, installation date, history of inspections, inspection results, and person conducting inspections;

(B) Approved backflow assemblies including exact assembly location, assembly description (type, manufacturer, model, size, and serial number), assessed degree of hazard, installation date, history of inspections, tests and repairs, test results, and person performing tests; and

(C) Approved AVBs used for irrigation system applications including location, description (manufacturer, model, and size), installation date, history of inspection(s), and person performing inspection(s).

(iii) Cross-connection program summary reports and backflow incident reports required under subsection (g) of this section.

(k) Element 10: Purveyors who distribute and/or have facilities that receive reclaimed water within their water service area shall meet any additional cross-connection control requirements imposed by the department in a permit issued under chapter 90.46 RCW.

(4) Approved backflow preventer selection.

(a) The purveyor shall ensure that a CCS:

(i) Assesses the degree of hazard posed by the consumer's water system upon the purveyor's distribution system; and

(ii) Determines the appropriate method of backflow protection for premises isolation as described in Table 8.

**TABLE 8**

<table>
<thead>
<tr>
<th>Degree of Hazard</th>
<th>Application Condition</th>
<th>Appropriate Approved Backflow Preventer</th>
</tr>
</thead>
</table>

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(b) Premises isolation requirements.

(i) The purveyor shall ensure that an approved air gap, RPBA, or RPDA is installed for premises isolation for service connections to premises posing a high health cross-connection hazard including, but not limited to, those premises listed in Table 9, except those premises identified as severe in (b)(ii) of this subsection.

(ii) For service connections to premises posing a severe health cross-connection hazard including wastewater treatment plants, radioactive material processing plants, and nuclear reactors, the purveyor shall ensure that either an:

(A) Approved air gap is installed for premises isolation; or

(B) Approved RPBA or RPDA is installed for premises isolation in combination with an in-plant approved air gap.

(iii) If the purveyor's CCS determines that no hazard exists for a connection serving premises of the type listed in Table 9, the purveyor may grant an exception to the premises isolation requirements of (b)(i) of this subsection.

(iv) The purveyor shall document, on a case-by-case basis, the reasons for granting an exception under (b)(i) of this subsection and include the documentation in the cross-connection control program annual summary report required in subsection (8) of this section.

<table>
<thead>
<tr>
<th>High health cross-connection hazard</th>
<th>Backsiphonage or backpressure backflow</th>
<th>AG, RPBA, or RPDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low cross-connection hazard</td>
<td>Backsiphonage or backpressure backflow</td>
<td>AG, RPBA, RPDA, DCVA, or DCDA</td>
</tr>
</tbody>
</table>

TABLE 9

SEVERE* AND HIGH HEALTH CROSS-CONNECTION HAZARD PREMISES REQUIRING PREMISES ISOLATION BY AG OR RPBA

- Agricultural (farms and dairies)
- Beverage bottling plants
- Car washes
- Chemical plants
- Commercial laundries and dry cleaners
- Premises where both reclaimed water and potable water are provided
- Film processing facilities
- Food processing plants
- Hospitals, medical centers, nursing homes, veterinary, medical and dental clinics, and blood plasma centers
- Premises with separate irrigation systems using the purveyor's water supply and with chemical addition*
- Laboratories
- Metal plating industries
- Mortuaries
- Petroleum processing or storage plants
- Piers and docks
- Radioactive material processing plants or nuclear reactors*
Survey access denied or restricted

- Wastewater lift stations and pumping stations
- Wastewater treatment plants
- Premises with an unapproved auxiliary water supply interconnected with the potable water supply

+ For example, parks, playgrounds, golf courses, cemeteries, estates, etc.

* RPBAs for connections serving these premises are acceptable only when used in combination with an in-plant approved air gap; otherwise, the purveyor shall require an approved air gap at the service connection.

(c) Backflow protection for single-family residences.

(i) For single-family residential service connections, the purveyor shall comply with the premises isolation requirements of (b) of this subsection when applicable.

(ii) If the requirements of (b) of this subsection do not apply and the requirements specified in subsection (2)(g)(ii) of this section are met, the purveyor may rely on backflow protection provided at the point of hazard in accordance with WAC 51-56-0600 of the UPC for hazards such as, but not limited to:

- (A) Irrigation systems;
- (B) Swimming pools or spas;
- (C) Ponds; and
- (D) Boilers.

For example, the purveyor may accept an approved AVB on a residential irrigation system, if the AVB is properly installed under the UPC.

(d) Backflow protection for fire protection systems.

(i) Backflow protection is not required for residential flow-through or combination fire protection systems constructed of potable water piping and materials.

(ii) For service connections with fire protection systems other than flow-through or combination systems, the purveyor shall ensure that backflow protection consistent with WAC 51-56-0600 of the UPC is installed. The UPC requires minimum protection as follows:

- (A) An RPBA or RPDA for fire protection systems with chemical addition or using unapproved auxiliary water supply; and
- (B) A DCVA or DCDA for all other fire protection systems.

(iii) For connections made on or after April 9, 1999, the purveyor shall ensure that backflow protection is installed before water service is provided.

(iv) For existing fire protection systems:

- (A) With chemical addition or using unapproved auxiliary supplies, the purveyor shall ensure that backflow protection is installed within ninety days of the purveyor notifying the consumer of the high health cross-connection hazard or in accordance with an alternate schedule acceptable to the purveyor.

- (B) Without chemical addition, without on-site storage, and using only the purveyor's water (i.e., no unapproved auxiliary supplies on or available to the premises), the purveyor shall ensure that backflow protection is installed in accordance with a schedule acceptable to the purveyor or at an earlier date if required by the code official administering the State Building Code as defined in chapter 51-04 WAC.

- (C) When establishing backflow protection retrofitting schedules for fire protection systems that have the characteristics listed in (d)(iv)(B) of this subsection, the purveyor may consider factors such as, but not limited to, impacts of assembly installation on sprinkler performance, costs of retrofitting, and difficulty of assembly installation.

(e) Purveyors may require approved backflow preventers commensurate with the degree of hazard as determined by the
purveyor to be installed for premises isolation for connections serving premises that have characteristics such as, but not limited to, the following:

(i) Complex plumbing arrangements or plumbing potentially subject to frequent changes that make it impracticable to assess whether cross-connection hazards exist;

(ii) A repeated history of cross-connections being established or reestablished; or

(iii) Cross-connection hazards are unavoidable or not correctable, such as, but not limited to, tall buildings.

(5) Approved backflow preventers.

(a) The purveyor shall ensure that all backflow prevention assemblies relied upon by the purveyor are models included on the current list of backflow prevention assemblies approved for use in Washington state. The current approved assemblies list is available from the department upon request.

(b) The purveyor may rely on testable backflow prevention assemblies that are not currently approved by the department, if the assemblies:

(i) Were included on the department and/or USC list of approved backflow prevention assemblies at the time of installation;

(ii) Have been properly maintained;

(iii) Are commensurate with the purveyor's assessed degree of hazard; and

(iv) Have been inspected and tested at least annually and have successfully passed the annual tests.

(c) The purveyor shall ensure that an unlisted backflow prevention assembly is replaced by an approved assembly commensurate with the degree of hazard, when the unlisted assembly:

(i) Does not meet the conditions specified in (b)(i) through (iv) of this subsection;

(ii) Is moved; or

(iii) Cannot be repaired using spare parts from the original manufacturer.

(d) The purveyor shall ensure that AVBs meet the definition of approved atmospheric vacuum breakers as described in WAC 246-290-010.

(6) Approved backflow preventer installation.

(a) The purveyor shall ensure that approved backflow preventers are installed in the orientation for which they are approved (if applicable).

(b) The purveyor shall ensure that approved backflow preventers are installed in a manner that:

(i) Facilitates their proper operation, maintenance, inspection, in-line testing (as applicable), and repair using standard installation procedures acceptable to the department such as those in the USC Manual or PNWS-AWWA Manual;

(ii) Ensures that the assembly will not become submarged due to weather-related conditions such as flooding; and

(iii) Ensures compliance with all applicable safety regulations.

(c) The purveyor shall ensure that approved backflow assemblies for premises isolation are installed at a location adjacent to the meter or property line or an alternate location acceptable to the purveyor.

(d) When premises isolation assemblies are installed at an alternate location acceptable to the purveyor, the purveyor shall ensure that there are no connections between the point of delivery from the public water system and the approved backflow assembly, unless the installation of connection meets the purveyor's cross-connection control requirements and is specifically approved by the purveyor.

(e) The purveyor shall ensure that approved backflow preventers are installed in accordance with the following time frames:

(i) For connections made on or after April 9, 1999, the following conditions shall be met before service is provided:

(A) The provisions of subsection (3)(d)(ii) of this section; and

(B) Satisfactory completion of the requirements of subsection (7) of this section.
(ii) For existing connections where the purveyor identifies a high health cross-connection hazard, the provisions of (3)(d)(ii) of this section shall be met:

(A) Within ninety days of the purveyor notifying the consumer of the high health cross-connection hazard; or

(B) In accordance with an alternate schedule acceptable to the purveyor.

(iii) For existing connections where the purveyor identifies a low cross-connection hazard, the provisions of subsection (3)(d)(ii) of this section shall be met in accordance with a schedule acceptable to the purveyor.

(f) The purveyor shall ensure that bypass piping installed around any approved backflow preventer is equipped with an approved backflow preventer that:

(i) Affords at least the same level of protection as the approved backflow preventer that is being bypassed; and

(ii) Complies with all applicable requirements of this section.

(7) Approved backflow preventer inspection and testing.

(a) For backflow preventers that protect the public water system, the purveyor shall ensure that:

(i) A CCS inspects backflow preventer installations to ensure that protection is provided commensurate with the assessed degree of hazard;

(ii) Either a BAT or CCS inspects:

(A) Air gaps installed in lieu of approved backflow prevention assemblies for compliance with the approved air gap definition; and

(B) Backflow prevention assemblies for correct installation and approval status.

(iii) A BAT tests approved backflow prevention assemblies for proper operation.

(b) The purveyor shall ensure that inspections and/or tests of approved air gaps and approved backflow assemblies that protect the public water system are conducted:

(i) When any of the following occur:

(A) Upon installation, repair, reinstallation, or relocation of an assembly;

(B) Upon installation or replumbing of an air gap;

(C) After a backflow incident involving the assembly or air gap; and

(ii) Annually thereafter, unless the purveyor requires more frequent testing for high hazard premises or for assemblies that repeatedly fail.

(c) The purveyor shall ensure that inspections of AVBs installed on irrigation systems are conducted:

(i) At the time of installation;

(ii) After a backflow incident; and

(iii) After repair, reinstallation, or relocation.

(d) The purveyor shall ensure that approved backflow prevention assemblies are tested using procedures acceptable to the department, such as those specified in the most recently published edition of the USC Manual. When circumstances, such as, but not limited to, configuration or location of the assembly, preclude the use of USC test procedures, the purveyor may allow, on a case-by-case basis, the use of alternate (non-USC) test procedures acceptable to the department.

(e) The purveyor shall ensure that results of backflow prevention assembly inspections and tests are documented and reported in a manner acceptable to the purveyor.

(f) The purveyor shall ensure that an approved backflow prevention assembly or AVB, whenever found to be improperly installed, defective, not commensurate with the degree of hazard, or failing a test (if applicable) is properly reinstalled, repaired, overhauled, or replaced.
(g) The purveyor shall ensure that an approved air gap, whenever found to be altered or improperly installed, is properly replumbed or, if commensurate with the degree of hazard, is replaced by an approved RPBA.

(8) Recordkeeping and reporting.

(a) Purveyors shall keep cross-connection control records for the following time frames:

(i) Records pertaining to the master list of service connections and/or consumer's premises required in subsection (3)(j)(i) of this section shall be kept as long as the premises pose a cross-connection hazard to the purveyor's distribution system;

(ii) Records regarding inventory information required in subsection (3)(j)(ii) of this section shall be kept for five years or for the life of the approved backflow preventer whichever is shorter; and

(iii) Records regarding backflow incidents and annual summary reports required in subsection (3)(j)(iii) of this section shall be kept for five years.

(b) Purveyors may maintain cross-connection control records in original form or transfer data to tabular summaries.

(c) Purveyors may maintain records or data in any media, such as paper, film, or electronic format.

(d) The purveyor shall complete the cross-connection control program summary report annually. Report forms and guidance on completing the report are available from the department.

(e) The purveyor shall make all records and reports required in subsection (3)(j) of this section available to the department or its representative upon request.

(f) The purveyor shall notify the department, authority having jurisdiction, and local health jurisdiction as soon as possible, but no later than the end of the next business day, when a backflow incident is known by the purveyor to have:

(i) Contaminated the public water system; or

(ii) Occurred within the premises of a consumer served by the purveyor.

(g) The purveyor shall:

(i) Document details of backflow incidents contaminating the public water system on a backflow incident report form available from the department; and

(ii) Include all backflow incident report(s) in the annual cross-connection program summary report referenced in (d) of this subsection, unless otherwise requested by the department.


(1) The state board of health shall provide a forum for the development of public health policy in Washington state. It is authorized to recommend to the secretary means for obtaining appropriate citizen and professional involvement in all public health policy formulation and other matters related to the powers and duties of the department. It is further empowered to hold hearings and explore ways to improve the health status of the citizenry.

In fulfilling its responsibilities under this subsection, the state board may create ad hoc committees or other such committees of limited duration as necessary.

(2) In order to protect public health, the state board of health shall:

(a) Adopt rules for group A public water systems, as defined in RCW 70.119A.020, necessary to assure safe and reliable public drinking water and to protect the public health. Such rules shall establish requirements regarding:

(i) The design and construction of public water system facilities, including proper sizing of pipes and storage for the number and type of customers;

(ii) Drinking water quality standards, monitoring requirements, and laboratory certification requirements;

(iii) Public water system management and reporting requirements;

(iv) Public water system planning and emergency response requirements;

(v) Public water system operation and maintenance requirements;

(vi) Water quality, reliability, and management of existing but inadequate public water systems; and

(vii) Quality standards for the source or supply, or both source and supply, of water for bottled water plants;

(b) Adopt rules as necessary for group B public water systems, as defined in RCW 70.119A.020. The rules shall, at a minimum, establish requirements regarding the initial design and construction of a public water system. The state board of health rules may waive some or all requirements for group B public water systems with fewer than five connections;

(c) Adopt rules and standards for prevention, control, and abatement of health hazards and nuisances related to the disposal of human and animal excreta and animal remains;

(d) Adopt rules controlling public health related to environmental conditions including but not limited to heating, lighting, ventilation, sanitary facilities, and cleanliness in public facilities including but not limited to food service establishments, schools, recreational facilities, and transient accommodations;

(e) Adopt rules for the imposition and use of isolation and quarantine;

(f) Adopt rules for the prevention and control of infectious and noninfectious diseases, including food and vector borne illness, and rules governing the receipt and conveyance of remains of deceased persons, and such other sanitary matters as may best be controlled by universal rule; and

(g) Adopt rules for accessing existing databases for the purposes of performing health related research.

(3) The state board shall adopt rules for the design, construction, installation, operation, and maintenance of those on-site sewage systems with design flows of less than three thousand five hundred gallons per day.

(4) The state board may delegate any of its rule-adopting authority to the secretary and rescind such delegated authority.

(5) All local boards of health, health authorities and officials, officers of state institutions, police officers, sheriffs, constables, and all other officers and employees of the state, or any county, city, or township thereof, shall enforce all rules adopted by the state board of health. In the event of failure or refusal on the part of any member of such boards or any other official or person mentioned in this section to so act, he or she shall be subject to a fine of not less than fifty dollars, upon first conviction, and not less than one hundred dollars upon second conviction.

(6) The state board may advise the secretary on health policy issues pertaining to the department of health and the state.

[2011 c 27 § 1; 2009 c 495 § 1; 2007 c 343 § 11; 1993 c 492 § 488; 1992 c 34 § 4. Prior: 1989 1st ex.s. c 9 § 210; 1989 c 207 § 1; 1985 c 213 § 1; 1979 c 141 § 48; 1987 ex.s. c 102 § 8; 1965 c 8 § 43.20.050; prior: (i) 1901 c 116 § 1; 1891 c 98 § 2; RRS § 6001. (ii) 1921 c 7 § 58, RRS § 10816.]

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Notes:

Effective date -- 2009 c 495: "Except for section 9 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [May 14, 2009]." [2009 c 495 § 17.]

Captions and part headings not law -- 2007 c 343: See RCW 70.118B.900.

Findings -- 1993 c 492: "The legislature finds that our health and financial security are jeopardized by our ever increasing demand for health care and by current health insurance and health system practices. Current health system practices encourage public demand for unneeded, ineffective, and sometimes dangerous health treatments. These practices often result in unaffordable cost increases that far exceed ordinary inflation for essential care. Current total health care expenditure rates should be sufficient to provide access to essential health care interventions to all within a reformed, efficient system.

The legislature finds that too many of our state's residents are without health insurance, that each year many individuals and families are forced into poverty because of serious illness, and that many must leave gainful employment to be eligible for publicly funded medical services. Additionally, thousands of citizens are at risk of losing adequate health insurance, have had insurance canceled recently, or cannot afford to renew existing coverage.

The legislature finds that businesses find it difficult to pay for health insurance and remain competitive in a global economy, and that individuals, the poor, and small businesses bear an inequitable health insurance burden.

The legislature finds that persons of color have significantly higher rates of mortality and poor health outcomes, and substantially lower numbers and percentages of persons covered by health insurance than the general population. It is intended that chapter 492, Laws of 1993 make provisions to address the special health care needs of these racial and ethnic populations in order to improve their health status.

The legislature finds that uncontrolled demand and expenditures for health care are eroding the ability of families, businesses, communities, and governments to invest in other enterprises that promote health, maintain independence, and ensure continued economic welfare. Housing, nutrition, education, and the environment are all diminished as we invest ever increasing shares of wealth in health care treatments.

The legislature finds that while immediate steps must be taken, a long-term plan of reform is also needed." [1993 c 492 § 101.]

Intent -- 1993 c 492: "(1) The legislature intends that state government policy stabilize health services costs, assure access to essential services for all residents, actively address the health care needs of persons of color, improve the public's health, and reduce unwarranted health services costs to preserve the viability of nonhealth care businesses.

(2) The legislature intends that:

(a) Total health services costs be stabilized and kept within rates of increase similar to the rates of personal income growth within a publicly regulated, private marketplace that preserves personal choice;

(b) State residents be enrolled in the certified health plan of their choice that meets state standards regarding affordability, accessibility, cost-effectiveness, and clinical efficaciousness;

(c) State residents be able to choose health services from the full range of health care providers, as defined in RCW 43 72.010(12), in a manner consistent with good health services management, quality assurance, and cost effectiveness;

(d) Individuals and businesses have the option to purchase any health services they may choose in addition to those included in the uniform benefits package or supplemental benefits;

(e) All state residents, businesses, employees, and government participate in payment for health services, with total costs to individuals on a sliding scale based on income to encourage efficient and appropriate utilization of services;
(f) These goals be accomplished within a reformed system using private service providers and facilities in a way that allows consumers to choose among competing plans operating within budget limits and other regulations that promote the public good; and

(g) A policy of coordinating the delivery, purchase, and provision of health services among the federal, state, local, and tribal governments be encouraged and accomplished by chapter 492, Laws of 1993.

(3) Accordingly, the legislature intends that chapter 492, Laws of 1993 provide both early implementation measures and a process for overall reform of the health services system." [1993 c 492 § 102.]

Short title -- Severability -- Savings -- Captions not law -- Reservation of legislative power -- Effective dates -- 1993 c 492: See RCW 43.72.910 through 43.72.915.

Severability -- 1992 c 34: See note following RCW 69.07.170.

Effective date -- Severability -- 1989 1st ex.s. c 9: See RCW 43.70.910 and 43.70.920.

Savings -- 1985 c 213: "This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted under those sections." [1985 c 213 § 31.]

Effective date -- 1985 c 213: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect June 30, 1985." [1985 c 213 § 33.]

Severability -- 1967 ex.s. c 102: See note following RCW 43.70.130.

(1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:

(a) Divert, or cause to be diverted, utility services by any means whatsoever;

(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.

(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.

(4) As used in this section:

(a) "Customer" means the person in whose name a utility service is provided;

(b) "Divert" means to change the intended course or path of electricity, gas, or water without the authorization or consent of the utility;

(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;

(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;

(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, or water company as those terms are defined in RCW 80.04.010, and includes any electrical, gas, or water system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, or any other service or commodity furnished by the utility for compensation.

[1989 c 11 § 30; 1985 c 427 § 1.]

Notes:

service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.

(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

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(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, wastewater company, or water company as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, or water system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, or any other service or commodity furnished by the utility for compensation.

[2011 c 214 § 24; 1989 c 11 § 30; 1985 c 427 § 1.]

Notes:

Findings -- Purpose -- Limitation of chapter -- Effective date -- 2011 c 214: See notes following RCW 80.04.010.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the workshop to order at 5:31 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 Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Acting Lieutenant Kurt Alfano, Administrative Services Director/City Clerk Harwood Edvalson, and Records and Information Specialist Susan Duis. City Attorney Jim Dionne arrived at the Workshop at 5:38 p.m.

III. AGENDA ITEMS:

A. Discussion: AB12-49 – Resolution 2199 – Eastown Sewer ULA and Latecomers Agreement.

Public Works Director Dan Grigsby presented the costs of the ULA and how costs can be allocated to parcels in the benefit area. He said the next step is a public meeting with property owners, then a public hearing before the City Council. He said the City would enter into a Latecomers Agreement with the Eastown LLC, and the various properties in Eastown would be notified what their fair share is for their property for the sewer system. He said the Council can decide details about a revenue bond later in the process.

Director Grigsby reviewed parcels in the ULA benefit area. He said two parcels that are not likely to be redeveloped were removed, specifically the old Lumberman’s lot and Centennial Storage. Councilmembers requested that the Lumberman’s parcel be added back into the benefiting parcel list as it is currently closed and could be redeveloped.

Director Grigsby explained that he calculated the square footage that property owners would lose to future planned roads in Eastown, and removed this amount from the property size for parcels where the City plans to build public roads. He said the square footage for the planned roads is based on a 57-foot wide road, multiplied by the length of the road on each affected parcel.

Director Grigsby reviewed the preliminary cost summary. He said that per the draft ULA agreement, the Eastown LLC must pay 5% of the engineer’s estimate for construction of the project, or about $201,105. He said the municipal code currently requires a 10% administrative fee for a latecomer agreement, so the code could be amended to allow a lower fee if the Council supports this amount.
He said the revenue bond for the project would be about $4.5 million. Once the ULA is actually signed the assessment roll and per-property fees will be locked in. Based on the initial calculations the benefiting properties total about 153 acres, with a cost of $33,530 per acre. He said these estimates will change if any properties or costs are added or removed. As the properties in Eastown are developed, a portion of the fees would be paid back to the Eastown LLC to repay the 5% ULA fee.

Mayor Johnson thanked Director Grigsby for his hard work on this project, and said Eastown property owners are eager to move forward. He asked the Council if they support the proposed methodology and if they had any questions.

Deputy Mayor Swatman said he spoke with property owner and Eastown LLC member Roger Watt, who said the LLC has the funds ready for the ULA fee. Mayor Johnson said the draft ordinance sets a 30-day timeline for the Eastown LLC to come forward with the required fee. Councilmember Lewis asked about the status of required easements. Director Grigsby said all but one easement are complete and recorded. Councilmembers Lewis and Watson said they support the proposed ULA agreement and 5% fee.

Councilmembers discussed the revenue bond process with the Public Works and Finance Directors. Director Grigsby reiterated that the next step in the process is to set up a public meeting to present this information to property owners and answer questions, after which the Council should hold a public hearing. Following this, the Council would need to lock in and approve the Utility Latecomer Agreement with the Eastown LLC. Upon approval of the ULA, each property owner would be notified of the official latecomer fee for their property. He said the ULA will be recorded with Pierce County so it appears on the property title and ensures the City will be reimbursed when the properties are developed.

Councilmember McKibbin said only some property owners are members of the Eastown LLC. He also noted that property owners do not pay latecomer fees until the property is sold or developed. Councilmember Minton-Davis said the latecomer agreement expires after twenty years, after which owners would not be required to pay latecomer fees. Director Grigsby said the maximum period for ULAs was previously 15 years, but the State changed its laws in 2011 to allow up to a 20-year period.

Mayor Johnson said that, based on the Council’s input, staff would re-insert the Lumberman’s property in the preliminary assessment roll and continue moving forward with the process. Council consensus was to forward discussion to the next Meeting if items were ready for action. Director Grigsby said information on the revenue bond might not be ready by the next meeting, but he would keep the Council informed.

Deputy Mayor Swatman said he is concerned that the Eastown LLC group will not have the funds on hand to pay the ULA fee, and he does not want to hold a Public Hearing until everything is ready to move forward.


City Engineer John Woodcock said the Council last approved revisions to these standards in 2009 per Ordinance 1335. He said 35 revisions have been made to the standards since that time. The updates include textual revisions and new design standards and details.

Councilmember Rackley asked about ponding in the sewer system. City Engineer Woodcock said if the sewer pipes are not laid correctly ponding can occur, so the City
checks for these issues during inspections. Council consensus was to forward the proposed ordinance to the April 10, 2012 Meeting for action.


The minutes were forwarded to the April 10, 2012 Meeting for action with no corrections.


City Administrator Morrison said even if the Council chooses not to reduce SDC rates, he encouraged them to amend the code related to tenant improvements. He said SDC fees are sometimes calculated for multiple tenant improvements, and it is difficult for staff to track the SDC fees paid over the years. He said it also causes issues for business owners who are surprised to learn they must pay additional fees when moving into an existing space. He said the proposed ordinance would require SDC fees to be calculated for the initial construction (core and shell) and the first two tenant improvements, but not for any subsequent tenant improvements.

Mayor Johnson said the sewer fund currently holds roughly $7 million, which includes funds set aside for the proposed Public Works facility. Director Grigsby said the City’s share for the Sumner Waste Water Treatment Facility design phase is about $700,000 to $800,000, and the cost for the construction phase is estimated at $6 to 7 million.

Councilmember Watson said a fee reduction could help reduce the number of empty lots in the City. Councilmember Hamilton said with projects like Eastown coming forward it is not a good time to reduce any utility revenues. Deputy Mayor Swatman said the City needs to look closer at projects and decide on reductions from the expense side.

Mayor Johnson said $1.6 million in SDC funds were used for operations and maintenance (O&M) projects in the past year. He gave an estimate of how different fee reductions would impact revenues. He said the Council has delayed utility rate increases for a long time, and said one option would be to reduce SDC rates but then increase sewer utility rates. He also said he supports eliminating higher water consumption charges for the summer utility rates.

Councilmember Hamilton said he believes the sewer and water funds could be combined instead of being accounted separately, allowing one utility could help the other. He said there is a perception that Bonney Lake is not competitive for development, and the biggest costs come from utility fees. He said other cities are putting increased costs on ratepayers, and Bonney Lake could consider raising utility customer rates as well. Councilmember Rackley said the City performed studies to determine the current rates. He added that current residents are not likely to want to pay more for their utilities to help new people move into the City. Councilmember Minton-Davis said development should pay its fair share. However, she said some SDC funds are already being used for O&M projects, which benefit all customers.

City Administrator Morrison said the Council has rejected utility rate increases at least twice in the past, even though the City’s consultants recommended increasing rates to fund replacement costs for the aging system. He said someone could make the case that
high SDC rates are supporting the existing rate payers and keeping utility rates low. He said it may be time we look at the system costs again.

Councilmembers continued discussing the impacts of utility rates, O&M project costs, and SDC fees. Councilmember Watson said the City needs to show developers it is anxious to attract businesses. A majority of the Council supported the tenant improvement amendment proposed by the City Administrator.

Councilmember Minton-Davis asked how the current fee structure was set. Director Grigsby provided a history of past studies and Council decisions from 2006 to the present. He said the City’s consultants recommended higher sewer and water SDC rates than are currently in place. Deputy Mayor Swatman said the Council cannot make arbitrary decisions and must base these rates on the actual numbers.

Mayor Johnson asked for the Council’s opinion on the proposed sewer reduction and tenant improvement amendment. Council consensus supported the tenant improvement amendment. Councilmembers Watson, Minton-Davis and McKibbin expressed support for the SDC rate reduction. Councilmembers Hamilton, Rackley, and Deputy Mayor Swatman said they do not support reducing SDC fees. Council consensus was to forward the tenant improvement amendment to the April 10th Meeting, without any reduction to water SDC rates.

Councilmembers and staff members discussed SDCs for sites that undergo multiple tenant improvements. Director Grigsby said the current fee structure was based on input from developers, who felt the fees for core and shell construction were too high. He said SDCs are normally only required when a restaurant or Laundromat moves into an existing unit. He said the same rules apply to all businesses.

The proposed ordinance was forwarded to the April 10, 2012 Meeting as amended.

**At 7:13 p.m. the Mayor recessed the Workshop for a 10-minute break. The Workshop resumed at 7:28 p.m.**


Deputy Mayor Swatman and Councilmembers Rackley, Watson, McKibbin, Minton-Davis, and Lewis spoke in favor of the proposed ordinance. Councilmember Lewis said he will be out of town for the April 10th Meeting, but he also supports the ordinance.

Councilmember Hamilton said he does not support the proposed TIF reduction. He said he questions whether the ordinance will be helpful and he is not convinced that high development costs have actually stopped businesses from coming to Bonney Lake. He said businesses that want to move to Bonney Lake will do so regardless, and get a discount as well.

Councilmember Hamilton said capital facilities projects are the biggest factor in determining TIF fees, and it makes more sense to reduce the project list than to simply reduce fees. He said even with a 25% discount, Bonney Lake would still have the second-highest fees in the area.
Mayor Johnson said regardless of what the Council decides to do about fees, they should plan to review the traffic project list and be more realistic. He said some projects have been on the project list for years and are not likely to be completed any time soon. Councilmember Lewis agreed that the project list should be reduced. Mayor Johnson said it is important to strike a balance. He noted that the City of Sumner has lower fees, but is also having trouble maintaining roads in its industrial areas.

Councilmember Grigsby said Bonney Lake’s project list is based on conservative estimates for funding sources. He added that other cities are more fully-developed, while Bonney Lake has several multi-million dollar intersection projects that need to be done in the future. He said cities like Sumner don’t have to deal with the same scale of project as they are not growing. He added that TIF-funded projects also allow the City plan for the future rather than reacting to problems when they occur.

City Administrator Morrison said the City Attorney has advised him that the proposed ordinance should be amended. The proposed elimination of fees for projects that create less than 1.1 average evening trips appears to differentiate between commercial and residential projects, according to the Attorney’s office. City Attorney Dionne said this proposal would exempt some types of projects and could make the ordinance potentially arbitrary in its application and therefore subject to legal action.

Councilmembers said they supported the original language and discussed options with the City Attorney. City Administrator Morrison said that only a very small business would meet the 1.1 average p.m. trips threshold, so in effect the reduction only applies to single-family residential units, which is not equitable. Councilmember Hamilton said one way to reduce costs for single-family homes is to place a moratorium on the recent fire sprinkler requirement. Deputy Mayor Swatman said he understood that this ordinance would reduce TIF fees for all projects by 1.1 p.m. trip, which is a different interpretation than the City Attorney’s.

City Attorney Dionne said any exemption for TIF rates must be justified for broad public purposes and must meet a higher standard. He said exemptions for projects such as low income housing could be given a discounted rate. He said even so, any funds the City loses through rate reductions must be made up somewhere else. He said he could work on revised wording that provides the discount like Deputy Mayor Swatman described, and applies to all types of development. Councilmember Minton-Davis suggested that the ordinance be revised to read that all projects receive a reduction of 1.1 p.m. trip in their rates. City Attorney Dionne said he and his staff would work on amended language to bring forward for Council review at the upcoming Meeting on April 10th.

F. Council Open Discussion:

School Districts: Councilmember Lewis said the Sumner School District Senior Boards are scheduled on May 16 and May 17, and asked Councilmembers to participate. Councilmember Rackley said he participated for the first time in 2011 and highly recommends it. Mayor Johnson said the senior projects are much different this year, and focus more on community service. Administrative Services Director/City Clerk Edvalson said the White River School District is also seeking volunteers for their senior boards on April 17 and 18, 2012, and he will be participating.

Economic Development: Mayor Johnson said he and Councilmember McKibbin attended the International Council of Shopping Centers convention in Las Vegas several years ago.
as members of the Chamber of Commerce. He said many cities have booths at the convention, which is also attended by many developers and national retailers. He said he would like to attend this year’s conference on May 20-23, 2012, and bring along Councilmember McKibbin and Community Development Director Vodopich. He said this proposed travel is not in the budget, and asked the Council for their approval to attend. He said the City would not set up a booth this year, but they would take part in events and meet with as many developers and retailers as possible. Mayor Johnson said he will provide more information and the convention schedule to Councilmembers. City Administrator Morrison said the City could become a member and would receive updates and a magazine, plus access to a database and recordings of conference sessions.

**Councilmember Rackley moved to authorize Mayor Johnson, Councilmember McKibbin, and Community Development Director Vodopich to attend the ICSC Conference on May 20 to May 23, 2012. Councilmember Hamilton seconded the motion (AB12-61).**

**Motion AB12-61 approved 7 – 0.**

**Public Transit:** Councilmember Watson said he recently gave a young man a ride to Puyallup who told him how difficult it is to get around without a car. The young man had missed his bus and had no way to make it to his appointment.

**Senior Housing:** Councilmember Rackley said he was approached by a developer who is interested in building permanent, low-income senior housing in Bonney Lake. The project would qualify for some federal funds and the developer is seeking reduced costs. Community Development Director Vodopich said the developer would probably be happy to present information on his proposal to the Council. Councilmember Rackley said he will work with the developer to set up a time for him to present more information at a future workshop.

**Council Salaries:** Councilmember Rackley said the Council’s last raise to a $400 salary is worth only about $284 in today’s dollars. He asked if there was support on the council to assemble a Salary Commission to consider Council salaries. Mayor Johnson reminded Councilmembers they can submit for mileage reimbursement when they drive around for city business. He said an ordinance was approved years ago allowing the Mayor to form a Salary Commission, but there has not been enough interest from the Council to do so. A majority of Councilmembers did not support forming a commission. Councilmember McKibbin said the Mayor should receive a raise.

**CUGA Annexation:** Deputy Mayor Swatman asked for updates on the appeal of Pierce County’s denial of the proposal to annex the Comprehensive Urban Growth Area (CUGA). City Attorney Dionne said the City must appeal by April 19th; City Administrator Morrison said it does not seem to be worthwhile to appeal the decision further at this time. Director Vodopich said the court upheld the decision to deny the annexation, and he agrees there is not much value in another appeal at this time. He said the decisions stated that Bonney Lake did not pursue joint planning with the County prior to the application. He said he will be meeting with Pierce County Planning and Land Use staff to start discussions on joint planning soon. The City is also updating the Transportation Element of the Comprehensive Plan to include the CUGA and southern service areas. He said the City can re-apply at any time, but until joint planning and these amendments are complete the County would continue to fight it.
IV. EXECUTIVE SESSION:

Pursuant to RCW 42.30.110(1)(i), the Council adjourned to an Executive Session with the City Attorney at 8:23 p.m. for 10 minutes to discuss current litigation. No action was anticipated following the executive session. The Council returned to chambers at 8:31 p.m. No action was taken.

V. ADJOURNMENT:

At 8:31 p.m., Councilmember Watson moved to adjourn the Council Workshop. Councilmember Rackley seconded the motion.

Motion to adjourn approved 7 – 0.

Harwood Edvalson, CMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the April 3, 2012 Workshop: None.
CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:00 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 Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, and Councilmember Tom Watson.

Councilmember Rackley moved to excuse Councilmember Lewis. Councilmember Watson seconded the motion.

Motion to excuse Councilmember Lewis approved 6 – 0.

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

C. Announcements, Appointments and Presentations:

1. Announcements:
   a. Proclamation: Arbor Day.

   Mayor Johnson proclaimed Saturday, April 21, 2012 as Arbor Day in the City of Bonney Lake and encouraged citizens to participate in events and plant trees.

   b. Proclamation: Parks Appreciation Day.

   Mayor Johnson proclaimed Saturday, April 21, 2012 as Parks Appreciation Day in the City of Bonney Lake. He said citizens can participate in clean-up events at area parks and public spaces. Councilmember Hamilton said the City of Bonney Lake’s park clean-up event will be at the WSU Forest entrance again this year and all are welcome to attend.

2. Appointments:
   a. AB12-50 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Confirming The Mayor's Reappointment Of Planning Commissioners Brandon Frederick (#4), Richards Rawlings (#5), And Grant
Sulham (#1) With Terms Expiring April 6, 2015; And Design Commissioners Raymond Bunk, III (#7), David Colbeth (#5), And Paul Webber (#6) With Terms Also Expiring April 6, 2015.

Mayor Johnson said that although he can appoint commission and board members without Council approval, he traditionally brings a motion forward for the Council to confirm his appointments.

**Councilmember Rackley moved to approve motion AB12-50. Deputy Mayor Swatman seconded the motion.**

Mayor Johnson said all the members being reappointed are still interested in taking part and it is good to have returning members on these commissions.

Motion approved 6 – 0.

3. Presentations: None.

D. **Agenda Modifications:** None.

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

A. **Public Hearings:**

1. **AB12-38** – A Public Hearing Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Regarding Proposed Resolution 2196 (AB12-39), Authorizing The Mayor To Surplus City Utility Items And A City Utility Vehicle In Accordance With The Provisions Outlined In BLMC 2.70.100.

   Mayor Johnson opened the public hearing at 7:09 p.m. Seeing no one coming forward to speak the hearing was closed at 7:10 p.m.

B. **Citizen Comments:**

**Lora Butterfield, Bonney Lake Chamber of Commerce,** thanked the City for hosting the annual Easter Egg Hunt again this year. She reminded the Council of the upcoming Family Fun Fest on May 5th, which is sponsored by the Chamber and the City, along with the Sumner School District. She provided Councilmembers with information on the Chamber’s ‘Get Fit Bonney Lake’ events which are scheduled throughout the year.

Ms. Butterfield said the Chamber of Commerce supports the proposed fee reduction ordinances on the agenda. She said they feel these reductions will be good for businesses and appreciate the Council’s support to get these items on the agenda.

**Shawn Hoey, Master Builders Association of Pierce County,** spoke on behalf of the MBA and thanked the Council for considering proposed Ordinance D12-45 to temporarily reduce Traffic Impact Fees. He suggested the ordinance be amended to sunset on a specific calendar date, rather than after a certain number of new permits. He said if the Council opts to use the number of permits to sunset the ordinance, the MBA suggests this threshold be raised from 200 permits to higher amount, such as 600. He noted that the City has about 700 empty lots in standing inventory currently.
Councilmember Rackley said it might be too costly to give the rate reduction to a large number of permits, and he feels it is advisable to limit the number of permits eligible for the proposed reduction. Mr. Hoey noted that another issue is that a big developer could potentially buy up all 200 permits before others have a chance to apply. 

Dan Decker, 20401 70th St E, Bonney Lake, wished Councilmember Rackley a happy birthday. He read an excerpt from a memo dated February 2, 2012 suggesting that Councilmember Minton-Davis be a sponsor of an agenda item that would benefit her neighborhood. He said the Council ward system has been dissolved and this sounds like ward favoritism. He said the entire City should be considered as a whole and not separated into sections or neighborhoods.

Mayor Johnson remarked on Ms. Butterfield’s comments about the Easter Egg Hunt. He thanked staff members David Wells and Gary Leaf and Councilmembers Swatman and Watson for helping at the event on April 7th. He said 18,000 eggs were placed at the park for kids to find, and they had a great turnout and great weather.

C. **Correspondence:** None.

### III. COUNCIL COMMITTEE REPORTS

A. **Finance Committee:** Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening. They discussed personnel updates, and noted that the City received over 175 applications for the Administrative Specialist II position in the Administrative Services department. Human Resources Officer Jenna Richardson plans to return to part-time duties on April 25th. The Committee discussed its meeting notes and had a lengthy discussion on sewer fund revenues, expenditures, and operations and maintenance costs. He said staff will look at options to raise sewer rates over a period of several years to bring revenues from sewer rates up to cover actual O&M costs. The Chief Financial Officer provided information on a recreation tax that could impact boat launch fees. He said a customer has requested a refund of System Development Charges (SDCs) from a permit originally pulled in 2007.

B. **Community Development Committee:** Councilmember McKibbin said the committee met on April 3rd and forwarded two items to the current agenda under Consent Agenda items and CDC Issues.

C. **Public Safety Committee:** Councilmember Hamilton said the committee met on April 2nd with no staff in attendance. The committee discussed options for a Police vehicle access road through the WSU Forest. Municipal Court Judge Ron Heslop discussed options for structure community service commitments for defendants based on the defendant’s occupation and skills. Councilmember Rackley said this sounds like a good idea, but supervision and safety could be an issue. Mayor Johnson said the committee should keep the City Clerk involved for risk management considerations, but he thinks it is a great idea to get the most out of the community service commitments.

D. **Other Reports:**

**Pierce County Executive’s Office:** Mayor Johnson said he met with Keri Rooney from Pierce County Executive Pat McCarthy’s office. He said they discussed the flood district, 9-1-1 communications and city tower lease options, homeless issues, and joint planning
with the County. He has invited the County Executive to attend a future City Council Meeting.

CUGA Annexation: Councilmember Rackley said the Council received a letter from Tarragon, who requested that they be included in any conversations between the City and County on the CUGA annexation process. He said it seems to him that they are no longer planning to fight annexation in relation to their Plateau 465 project. Mayor Johnson said prior to the City’s last annexation attempt, staff tried to set up meetings with Tarragon several times but Tarragon did not respond. He said Community Development Director Vodopich has already replied to their letter. Director Vodopich said the pre-annexation zoning for the CUGA includes a planned unit development (PUD) designation, which was specifically aimed at Plateau 465. He said he related this information in his response to Tarragon.

Sumner and Auburn: Mayor Johnson said he met with Sumner Mayor Dave Enslow and Auburn Mayor Pete Lewis. The group discussed transit issues and planning for the area east of Lake Tapps in Pierce County. The mayors want to work together and Mayor Johnson said he is drafting a letter to Pierce County requesting the three cities be included in any planning for this area. He said they plan to contact Buckley Mayor Pat Johnson to ask if she wants her city to be included, as well.

Parks Summit: Mayor Johnson said staff are planning a first-ever Parks Summit on May 7th, 2012 to gather information from the community on the future of parks and recreation in the City. He said Park Board members will attend and facilitate breakout sessions, and asked which Councilmembers plan to attend and whether the event needs to be posted as a special meeting. Councilmembers Rackley and Watson said they plan to attend the Summit, and Councilmember Hamilton said either he or Councilmember Lewis would likely attend, but there would not be more than three councilmembers in attendance.

School District: Mayor Johnson met with Marilee Hill-Anderson from the Sumner School District to discuss issues including transportation and homelessness. He thanked staff and councilmembers for their participation in the recent Community Summit.

IV. CONSENT AGENDA:

A. Approval of Council Minutes: March 20, 2012 Workshop.

B. Approval of Accounts Payable and Utility Refund Checks/Vouchers: Accounts Payable checks/vouchers #63223-63265 in the amount of $89,794.94. Account Payable wire #20120317 in the amount of $32,955.63. Accounts Payable check/vouchers #63266-63325 in the amount of $173,391.74. Accounts Payable wire #9029606 in the amount of $38,977.42; #20120314 in the amount of $2,389.90; #20123015 in the amount of $1,410.95. Utilities Refund check/voucher #63326 in the amount of $25.00.

C. Approval of Payroll: Payroll for March 16-31st for checks 30376-30407 including Direct Deposits and Electronic Transfers in the amount of $653,112.90.

D. AB12-30 – Resolution 2189 – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Sign A Lease Agreement With Anderson Dairy For The Dairy’s Use Of Pasture Located On City-Owned Property.
E. **AB12-40 – Resolution 2197** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Surplus Property In Accordance With The Provisions Outlined In BLMC 2.70.100.

F. **AB12-46 – Ordinance 1421 [D12-46]** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Approve The Revisions To The Development Policies & Public Works Design Standards.

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

Consent Agenda approved 6 – 0.

V. **FINANCE COMMITTEE ISSUES:** None.

VI. **COMMUNITY DEVELOPMENT ISSUES:**


Deputy Mayor Swatman moved to approve Ordinance 1422. Councilmember Watson seconded the motion.

Community Development Director Vodopich said this ordinance was drafted based on recommendations from legal staff to consolidate two chapters of the code that both addressed handbills, and to address recent case law.

Councilmembers discussed complaints from citizens about advertising circulars from the News Tribune (also known as ‘Yes’ pink bag flyers). Director Vodopich said residents must call the News Tribune subscription line and ask that these advertisements not be delivered, or post ‘no solicitation’ signs on their property. Councilmember Watson said these advertisements have piled up at some residences and it is unsightly. City Clerk Edvalson said he called and requested they stop delivery, but has continued to receive the flyers at his residence. City Attorney Jim Dionne said if residents do not pick up newspapers from their property, it could be considered a nuisance.

The City Attorney said the proposed handbill ordinance does not address the ‘Yes’ advertising flyers directly. He said the City’s code states that advertisements must be placed on the residence itself (i.e. on the door of the house). Newspapers, on the other hand, can be left in the driveway. He said if the advertising circulars are not being placed on the residence itself it could be a violation of the code and the City could prosecute.

Director Vodopich said the City’s Code Enforcement Officer has spoken with at least one delivery person about the flyers, and he sent a copy of the City’s press release to The News Tribune following resident complaints, but he has not heard back from them. Mayor Johnson said he will talk with staff about options and possibly coordinate with the Code Enforcement Officer to observe and address issues with the advertising flyers.

Ordinance 1422 approved 6 – 0.
VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

VIII. FULL COUNCIL ISSUES:

A. **AB12-44 – Ordinance D12-44** – 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, Section One Of Ordinance No. 1395, Section Three Two Of Ordinance No. 1333, And Section Five Of Ordinance No. 571c, Relating To Sewer Development Charges For Tenant Improvements

City Clerk Edvalson distributed a substitute ordinance, with the corrected title as above, for the Council’s consideration.

Deputy Mayor Swatman moved to approve Ordinance D12-44. Councilmember Rackley seconded the motion.

Deputy Mayor Swatman said it is appropriate to simplify the Municipal Code to make it easier for businesses to move to a new location inside the City. Councilmember Watson said he hopes the ordinance will help empty spaces be occupied more quickly.

Councilmember Minton-Davis moved to table Ordinance D12-44. Councilmember McKibbin seconded the motion.

*Motion to table Ordinance D12-44 approved 4 – 2. Councilmember Hamilton and Deputy Mayor Swatman voted no.*


Councilmember Rackley moved to approve Ordinance D12-45. Deputy Mayor Swatman seconded the motion.

Deputy Mayor Swatman said it is appropriate to set a sunset date for the reduction ordinance, rather than basing its end on the number of permits received. City Attorney Dionne said allowing a limited number of permits might inspire people to act more quickly to take advantage of the program. City Administrator Morrison said an earlier version of the ordinance offered options to sunset the program by a date or by a number of permits.

Councilmember Watson said he feels the ordinance should apply to new housing developments as well as existing empty lots. He also spoke in favor of a higher reduction rate. City Attorney Dionne said if the ordinance was retroactive, someone could ask for a refund after pulling a permit. He said the Council could create a time limit window for when refunds can be requested. He said at present, anyone can withdraw existing permit, request a refund, and then reapply under the reduced fee. He said the City has allowed permits to be extended in the past, which is also an issue.
Councilmember Minton-Davis asked whether the City could require construction to begin within a specific time frame. She said the intention is not to let people buy up the available permits and then not build anything. Director Vodopich said permits expire after a period of time, but customers can reapply and pay a fee to keep the permit active. City Attorney Dionne said extending permits for years is a problem. He said an alternative would be to keep the rate as-is, but provide a refund for projects built within a specific period of time, such as within one year. He said it would be difficult to enforce builders to build by a certain date.

Councilmember Rackley moved to table Ordinance D12-45 to the April 17, 2012 Workshop for discussion. Councilmember Watson seconded the motion.

Councilmember Rackley said issues have come up with the proposed ordinance that need further consideration.

Motion to table Ordinance D12-45 approved 5 – 1. Deputy Mayor Swatman voted no.

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT:

At 8:03 p.m., Councilmember Rackley moved to adjourn the Council Meeting. Councilmember Watson seconded the motion.

Motion to adjourn approved 6 – 0.

Harwood Edvalson, CMC  
City Clerk

Neil Johnson, Jr.  
Mayor

Items presented to Council at the April 10, 2012 Meeting:
- City Clerk Hardwood Edvalson – Substitute Ordinance D12-44 – City of Bonney Lake.
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City of Bonney Lake, Washington

City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison

Meeting/Workshop Date: 1 May 2012

Agenda Bill Number: AB12-57

Agenda Item Type: Ordinance

Ordinance/Resolution Number: D12-57

Councilmember Sponsor:

Agenda Subject: Modification of Summer Sprinkling Rates

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-57, Relating To Water Rates.

Administrative Recommendation:

Background Summary: Because of a somewhat limited water supply and higher peak demands, the City instituted an ascending block rate schedule for water consumption. While this rate did indeed reduce consumption, it also resulted in many citizens deciding not to water their lawns or landscaping, creating a more unsightly community. Since an aggressive conservation based rate schedule was first introduced, the City has increased its water supply and peak demand capacity. This ordinance would modify the ascending rate block and institute a single year-round rate. Option A creates a 4 tier descending / ascending rate block that lowers the summer sprinkling rate for those accounts using less than 30 CCF and increases the rate after 30 CCF. There is no change proposed for the base rate (availability charge) or first 10 CCF consumption charge. This rate ordinance essentially effects only the summer sprinkling rates.

Attachments: Ordinance D12-43

BUDGET INFORMATION

Budget Amount Current Balance Required Expenditure Budget Balance

Budget Explanation: See attached scenarios

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review: Finance Committee
Date: 24 April 2012

Approvals:
Chair/Councilmember NAME
Councilmember NAME
Councilmember NAME

Yes No

Consent Agenda: Yes No

Forward to: Workshop for Discussion

Commission/Board Review:

Hearing Examiner Review:

COUNCIL ACTION

Workshop Date(s): March 15, 2012
Meeting Date(s):

Public Hearing Date(s):
Tabled to Date:

APPROVALS

Director:

Mayor:

Date Reviewed by City Attorney:
(if applicable):
ORDINANCE NO. D12-57

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING CHAPTER 13.04.100 OF THE BONNEY LAKE AND SECTION ONE OF ORDINANCE NO. 1277 RELATING TO A REDUCTION OF WATER RATES.

WHEREAS, the City currently has an abundant water supply; and

WHEREAS, City Council finds that it is no longer in the community’s best interest to impose a steep ascending block rate for summer sprinkling; and

WHEREAS, the City Council desires to encourage the community to maintain a green and desirable landscape by modifying the current ascending rate block structure for water rates;

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

Section 1. BLMC Section 12.04.100 hereby amended to read as follows:

13.04.100 Water rates.

Effective July 1, 2012, 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.

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; – 3/4&quot;</td>
<td>$16.69</td>
</tr>
<tr>
<td>Qualified Senior, 5/8&quot; – 3/4&quot;</td>
<td>See subsection (A)</td>
</tr>
<tr>
<td>1&quot; with Fire Sprinkler System</td>
<td>$16.69</td>
</tr>
<tr>
<td>1&quot; without Fire Sprinkler System</td>
<td>$27.76</td>
</tr>
</tbody>
</table>
In addition, the consumption charge per 100 cubic feet (CCF), or any part thereof used, shall be as follows:

<table>
<thead>
<tr>
<th>Winter (October 1st through May 31st)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.16</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$2.29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summer (June 1st through September 30th)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.16</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$3.92</td>
</tr>
</tbody>
</table>

**OPTION A:**

<table>
<thead>
<tr>
<th>Winter (October 1st through May 31st)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.16</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$2.29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summer (June 1st through September 30th)</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.16</td>
</tr>
<tr>
<td>11-20 CCF per month</td>
<td>$3.92-$2.29</td>
</tr>
<tr>
<td>21-30 CCF per month</td>
<td>$1.83</td>
</tr>
<tr>
<td>31 or More CCF per month</td>
<td>$3.20</td>
</tr>
</tbody>
</table>
C. Monthly Water Rates – Outside City Limits.

### Water Availability Charge

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; – 3/4&quot;</td>
<td>$21.60</td>
</tr>
<tr>
<td>Qualified Senior, 5/8&quot; – 3/4&quot;</td>
<td>See subsection (A)</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$35.97</td>
</tr>
<tr>
<td>1-1/4&quot;</td>
<td>$71.67</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>$671.67</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$114.61</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$214.96</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$358.30</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$698.67</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Season</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Winter (November 1st through June 30th)</strong></td>
<td></td>
</tr>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.67</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$3.33</td>
</tr>
<tr>
<td><strong>Summer (July 1st through October 31st)</strong></td>
<td></td>
</tr>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.67</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$5.69</td>
</tr>
</tbody>
</table>

**OPTION A:**

<table>
<thead>
<tr>
<th>Season</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Winter (October 1st through May 31st)</strong></td>
<td></td>
</tr>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.67</td>
</tr>
<tr>
<td>Over 10 CCF per month</td>
<td>$3.33</td>
</tr>
<tr>
<td><strong>Summer (June 1st through September 30th)</strong></td>
<td></td>
</tr>
<tr>
<td>CCF Range</td>
<td>Charge</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>0 – 10 CCF per month</td>
<td>$1.67</td>
</tr>
<tr>
<td>11-20 CCF per month</td>
<td>$3.92-$3.33</td>
</tr>
<tr>
<td>20-30 CCF per month</td>
<td>$2.66</td>
</tr>
<tr>
<td>30 or More CCF per month</td>
<td>$4.66</td>
</tr>
</tbody>
</table>

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 $3.24.
2. Special purpose use of water from fire hydrants or stand pipes shall be $10.80 plus $1.08 per 100 cubic feet for all water used inside the city limits and $15.12 plus $1.56 for all water used outside the city limits.

3. Where the water meters are shut off, the monthly charge will be $5.40 within the city limits and $7.45 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 leak in the water service line on the property owner’s side of the water meter;

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

3. The adjustment shall be two-thirds of that portion of the customer’s water bill which is over the average normal water usage. The adjustment shall be limited to the period of 90 days prior to the repair of the leak and inspection thereof.

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

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 nonirrigation usage that exceeds 10 CCF per month (the “tailblock”).

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 July 1, 2012 after its passage, approval, and publication as required by law.

PASSED by the City Council and approved by the Mayor this ___th day of __, 2012.

________________________________________
Neil Johnson, Jr.
Mayor

ATTEST:

___________________________
Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

____________________________
James Dionne
City Attorney

Passed:
Valid:
Published:
Effective Date:
City of Bonney Lake, Washington

City Council Agenda Bill (AB)

Department/Staff Contact:  
Executive / Don Morrison

Meeting/Workshop Date:  
1 May 2012

Agenda Bill Number:  
AB12-58

Agenda Item Type:  
Ordinance

Ordinance/Resolution Number:  
D12-58

Councilmember Sponsor:  

Agenda Subject:  Sewer Rates

Full Title/Motion:  A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Adopting Ordinance No. D12-58, Relating To Sewer Rates.

Administrative Recommendation:

Background Summary:  In 2010 the FSC Group, a noted utility rate consulting firm, reviewed the status of the City’s wastewater utility operational and financial requirements and recommended a significant rate increase in order to adequately meet the financial and operational needs of the wastewater utility; several rate increase options were presented to Council. Rather than increase general rates at that time the Council opted for an annual CPI adjustment to keep pace with inflation. The wastewater utility continues to have substantial operating and capital needs, including but not limited to: expansion of the wastewater treatment plant, compliance with state and federal water quality standards, a need to reduce inflow and infiltration, increased maintenance of aging wastewater infrastructure, and a need to meet cash flow and debt service requirements. This ordinance proposes to raise sewer rates approximately 10% per year for the next 4 years in order to improve the financial viability of the wastewater utility by implementing a general rate increase as previously recommended. Alternatives would be to implement a lower rate adjustment in the first years and a higher rate later on, or vice versa, or to stretch out the adjustment over a longer/shorter period.

Attachments:  Ordinance D12-58; FSCG 2010 Water Rate Study Presentation

BUDGET INFORMATION

<table>
<thead>
<tr>
<th>Budget Amount</th>
<th>Current Balance</th>
<th>Required Expenditure</th>
<th>Budget Balance</th>
</tr>
</thead>
</table>

Budget Explanation:

COMMITTEE, BOARD & COMMISSION REVIEW

Council Committee Review:  Finance Committee  
Date: 24 April 2010

Approvals:  
Chair/Councilmember NAME  
Councilmember NAME  
Councilmember NAME

Forward to:  Workshop for Discussion  
Consent Agenda:  Yes  No

Commission/Board Review:  
Hearing Examiner Review:  

COUNCIL ACTION

Workshop Date(s):  March 15, 2012  
Meeting Date(s):  
Public Hearing Date(s):  
Tabled to Date:  

APPROVALS

Agenda Packet p. 57 of 74
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 SECTION OF ORDINANCE NO. 1405 RELATING TO SEWER RATES.

WHEREAS, in 2010 the FSC Group, a noted utility rate consulting firm, reviewed the status of the City’s wastewater utility operational and financial requirements and recommended a significant rate increase in order to adequately meet the financial and operational needs of the wastewater utility; and

WHEREAS, rather than increasing general rates at that time the Council opted for an annual CPI adjustment to keep up with inflation; and

WHEREAS, the City wastewater utility continues to have substantial operating and capital needs, including but not limited to: expansion of the wastewater treatment plant, compliance with state and federal water quality standards, a need to reduce inflow and infiltration, increased maintenance of aging wastewater infrastructure, and a need to meet cash flow and debt service requirements; and

WHEREAS, the Council now finds it necessary to improve the financial viability of the wastewater utility by implementing a general rate increase as previously recommended;

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 portion of Ordinance 1405 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, 2011:

<table>
<thead>
<tr>
<th>Charge</th>
<th>July 1,</th>
<th>July 1,</th>
<th>July 1,</th>
<th>July 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer availability charge</td>
<td>$36.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volumetric charge</td>
<td>$2.27 per 100 cubic feet (CCF) of monthly water consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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:

Sewer availability charge = $43.80
Volumetric charge = $2.27 per 100 cubic feet (CCF) of monthly water consumption

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

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

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

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 water consumption bill which is over the average normal water usage. The adjustment shall be limited to the period of 90 days prior to the repair of the leak and inspection thereof; only one leakage adjustment will be allowed in any two-year period. Additional leaks will require on-site inspection and verification of repairs.
Section 2. Section 13.12.085 of the Bonney Lake Municipal Code and the corresponding portion of Ordinance 1278 is hereby repealed.

13.12.085 Annual rate adjustment.

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

Section 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.

PASSED by the City Council and approved by the Mayor this ___th day of , 2012.

____________________________
Neil Johnson, Jr.
Mayor

ATTEST:

____________________________
Harwood T. Edvalson
City Clerk, CMC

APPROVED AS TO FORM:

____________________________
James Dionne
City Attorney

Passed:
Valid:
Council Workshop
March 16, 2010

Sewer Utility
Financial Plan and O&M Rate Forecast

Redmond Town Center, 7525 166th Avenue NE, Suite D-215, Redmond, WA 98052; T: (425) 867-1802  F: (425) 867-1937
www.fcsgroup.com
Background

- Last Comprehensive Rate Study Completed in 2004
  - 2% annual increases assumed for 2005 – 2008
  - Use of reserves $535,000 (2004 – 2008)
  - Study did not include funding for infrastructure renewal

- This study part of Comprehensive Sewer System Plan completed in 2009 – included:
  - SDC analysis (presented findings July 2009)
  - O&M rate forecast (today’s discussion)
Objectives of Sewer O&M Rate Forecast

- Evaluate financial impact of funding capital projects identified in Sewer Plan

- Determine sufficiency of current O&M rates in meeting ALL system financial obligations
  - baseline for annual CPI adjustments

- Develop O&M rate forecast
Financial Plan Elements

- Fiscal policies
  - Target reserve levels; debt service coverage, infrastructure renewal funding

- Forecast of revenue (rate revenue + miscellaneous)
  - Self supporting – measures sufficiency of ongoing revenue
  - Does not start with beginning balance

- Operating & maintenance expense

- Capital program & impacts of capital financing plan
  - Identify capital needs (from Sewer Plan)
  - Develop funding plan (rates/debt financing/SDCs/reserves)
Key Factors: Fiscal Policies

- Operating Fund
  - Minimum 8% or 30 days of operating expenses
  - Maximum 25% or 90 days of operating expenses
  - Additional funds above maximum transferred to capital fund

- Capital Infrastructure Renewal Fund
  - Annual rate funded contributions included here
  - Contribution from $126,000 to $1.026 million (not a current policy)
    - target based on depreciation expense less debt principal
  - Minimum $250,000 (from last rate study)

- Debt service coverage target of 1.50 (minimum 1.25)
Key Factors: Revenue & Expenses

- Budget 2009 and 2010 used as basis
- Annual escalation factors; general -3.5%, labor 3.0%, construction- 4.0%,
- Customer growth 200-300 RU’s per year (3.0% – 3.37%)
- Currently all SDC revenue being used to offset debt service
  ✓ analysis of debt indicates 70%-80% applicable for SDC offset
  ✓ misc revenue includes $600,000 - $1.1 million per year
- Includes $80,000/year copper removal
- Includes $511,275 transfer out for internal services charges
- Includes $200,000 annual true-up for Sumner WWTPF (previously in capital)
- Various other O&M cost increases (see tech appendix)
Key Factors: Capital & Debt

- Total capital projects from Sewer Plan
  ✓ $26.1 million 2008-2017 (inflated $ 31.1 million)

- Capital Funding from
  ✓ PWTF Loan $4.648 million (2009-2010)
  ✓ New Revenue bond of $5.4 million (2011) – WWTPF Upgrade
  ✓ System Development Charges ($2.0 - $2.5 million per year + fund balance of $7.5 million in 2010)
  ✓ Infrastructure Renewal (rate funding)
    – 68% of 10 year projects related to renewal/replacement
    – $126,000 increasing to $1.026 million by 2017

- Annual Debt Service Payments- $1.4 million total
  ✓ Existing debt - $646,000; new debt - $747,000
  ✓ 22% total debt infrastructure renewal, remaining 78% growth/expansion
Summary of Financial Plan

City of Bonney Lake - Sewer Utility
Comparison of Annual Revenue and Expenses

- Cash O&M Expenses
- Existing Debt Service - R/R
- Existing Debt Service - Growth
- New Debt Service R/R
- New Debt Service Growth
- Infrastructure Renewal
- Rate Revenue
- Total Revenue

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Findings

- Existing rates not sufficient to cover total sewer system financial obligations
  - Deficiency of $366,400 in 2009 increasing to $2.1 million by 2017
  - Existing rates projected deficient in 2009 by 12.6% increasing to 57.75% by 2017

- Increases a result of:
  - Existing rates do not cover existing O&M
  - SDC revenue tied to debt
  - Addition of specific infrastructure renewal funding
  - New debt service (Sumner WWTP expansion)
**Example Rate Transition Plans**

- Alternative rate transition plans can be developed to collect required revenue needs
- Need to meet cash flow needs AND debt service requirements
- Cash balances will diminish in the near-term while rates phased in
- Larger increases in the near term most beneficial

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Increases As needed</td>
<td>30.00%</td>
<td>5.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>56.73%</td>
<td>$894,624</td>
</tr>
<tr>
<td>A2. Even Adjustments</td>
<td>9.00%</td>
<td>9.00%</td>
<td>9.00%</td>
<td>8.00%</td>
<td>8.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>60.25%</td>
<td>$2,351,370</td>
</tr>
<tr>
<td>A3. High then Low</td>
<td>11.00%</td>
<td>11.00%</td>
<td>11.00%</td>
<td>4.50%</td>
<td>4.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>57.69%</td>
<td>$1,800,469</td>
</tr>
<tr>
<td>A4. Low then High</td>
<td>5.50%</td>
<td>5.50%</td>
<td>15.00%</td>
<td>15.00%</td>
<td>5.50%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>64.75%</td>
<td>$2,664,572</td>
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</tbody>
</table>

*Note: single rate increase not necessary or politically acceptable – phase in transition plan proposed*
### Single Family Monthly Bill Comparison

<table>
<thead>
<tr>
<th>City</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buckley</td>
<td>$63.64</td>
</tr>
<tr>
<td>Shoreline*</td>
<td>$63.05</td>
</tr>
<tr>
<td>Snohomish</td>
<td>$52.50</td>
</tr>
<tr>
<td>Enumclaw</td>
<td>$52.14</td>
</tr>
<tr>
<td>Sumner</td>
<td>$51.64</td>
</tr>
<tr>
<td>Puyallup</td>
<td>$51.39</td>
</tr>
<tr>
<td>Issaquah*</td>
<td>$49.91</td>
</tr>
<tr>
<td>Renton*</td>
<td>$48.07</td>
</tr>
<tr>
<td>Sammamish*</td>
<td>$44.83</td>
</tr>
<tr>
<td>Auburn*</td>
<td>$42.92</td>
</tr>
<tr>
<td>Fife**</td>
<td>$42.01</td>
</tr>
<tr>
<td>Yelm</td>
<td>$40.45</td>
</tr>
<tr>
<td>Marysville</td>
<td>$33.20</td>
</tr>
<tr>
<td>Pierce Co.</td>
<td>$25.72</td>
</tr>
</tbody>
</table>

**Bonney Lake Current** $51.37  
**Bonney Lake 2011 - Alt 3** $57.02

Includes 7.5 ccf of flow when applicable  
* includes King County Metro Treatment Charge  
** includes treatment from City of Tacoma
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