

City of

COUNCIL WORKSHOP

November 2, 2004

MINUTES



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

"Where Dreams Can Soar"

Roll Call

Mayor Robert Young called the workshop to order at 5:34 p.m.

Also in attendance were Deputy Mayor Dan Swatman, Councilmember Phil DeLeo, Councilmember Mark Hamilton, Councilmember Neil Johnson, Councilmember Dave King, Councilmember Cheryle Noble and Councilmember Jim Rackley.

Staff members attending were Administrative Services Coordinator (ASC) Don Morrison, Finance Director John Weidenfeller, Planning and Community Development Director Bob Leedy, Public Works Director Daniel Grigsby, Judge James Helbling, Planning Manager Steve Ladd, Senior Accountant Barbara Barth, Building Official Jerry Hight, City Attorney Jim Dionne, Senior Human Resources Analyst Karen Meeks and City Clerk Harwood Edvalson.

Mayor Young suggested that the meeting agenda be reordered to allow the presentation and discussion on AB04-246- Ordinance 1069 – Transportation, Utilities and other Capital Facilities Elements of the Comprehensive Plan to go immediately following the Council's Open Discussion portion of the agenda. There was general consensus among the Council for this proposal. Due to the length of the proposed agenda, Mayor Young suggested that comments under Open Discussion be kept to a minimum.

Agenda Items

1. Open Discussion

Zip Code for Bonney Lake. Councilmember Hamilton said he met with representatives of the Post Office and provided population figures and projections for growth. He added that the City, if approved for the Zip Code in February 2005, will probably get a new zip code as a first step to be effective with July 2005 and then its own post office facility in 2010. Responding to a question from Councilmember Rackley, Administrative Services Coordinator (ASC) Morrison said that Cascadia was calculated to be part of the Bonney Lake zip code.

WSU Demonstration Forest. Councilmember DeLeo said he was concerned about reports of the Demonstration Forest being sold back to Weyerhaeuser. He distributed a proposed ordinance that would remove single-parcel rezones from the hands of the Hearing Examiner in favor of review by the Planning Commission. Discussion continued about the current land use and zoning of the property. Community Development and Planning Director Leedy said a change in the land use of the property would generally require a comprehensive plan amendment.

2. Discussion: AB04-246 – Ord. 1069 – Transportation, Utilities and Other Capital Facilities Elements of comprehensive plan.

Planning Manager Ladd introduced John Pasqual of the Transpo Group. Mr. Pasqual said he was a traffic engineer and original member of the project group on the original study. He discussed the various transportation models used and addressed the Council's concerns. He said the Transpo Group used a roadway volume-to-capacity and intersection levels-of-service models for its traffic projections. He added that this differs from the County's previous method of traffic model known as a screen-line. Mr. Pasqual said that the draft 2004 Transportation Plan is based on the City's six-year transportation improvement plan. He suggested the need for a major update to the City's transportation plan because the current plan addresses only to the year 2010. He said many other jurisdictions have plans stretching out twenty years.

Councilmember Johnson questioned the validity of the Cascadia agreements that were based on the County's use of the faulty screen-line method for traffic planning. Councilmember King suggested there needs to be updated negotiations between the parties on the issue of transportation arteries. He said that all the players need to be at the table, and the City should be participating in the Rhodes Lake Road Corridor meetings. Councilmember Hamilton asked if the faulty transportation data would give the City leverage to re-negotiate its agreements with the County and Cascadia. City Attorney Dionne said that the parties can always negotiate something additional. He added that the agreements were based on the best available science at the time. Councilmember King concluded by saying that most of the evening's discussion will do little to modify the transportation projects already included in the City's six-year plan.

3. Discussion: Report from Water Resource Committee.

Mayor Young introduced Geoff Dillard of RH2 to discuss the water demand issues. He added that Mr. Dillard would be followed by Public Works Director Grigsby addressing the City's potential for water resources, and then City Attorney Dionne discussing the legal implications.

Mr. Dillard gave an update on the water supply and demand along with a general sense of the preparations underway to update the City's water comprehensive plan. He said it is difficult to predict when the City will run out of water to meet new demands. He said the 1996 comprehensive plan was very conservative, planning for the guarantee of water in the system ten out of ten years no matter what the circumstances. He said the City's current experience has demonstrated that such standard has already been exceeded. He said that the City now looks at average demand on the system as the planning standard. He said the comprehensive plan now shows that for average demand and average consumption the system can serve 12,200 connections.

Director Grigsby discussed potential water resources. He said he met with the City of Tacoma about long-term purchase of water. He said their initial discussion is for two million gallons per day through an interim connection at White River Estates. He said this would serve approximately 3290 ERUs (equivalent residential units) allowing the City to continue to issue water availability letters and sign water extension agreements. He added that this water service from Tacoma would cost the City \$5.8 million dollars in system development charges with a debt service over ten years. He added that a four million gallon per day supply from Tacoma was calculated to require a \$12 million dollar system development charge.

Director Grigsby said that the Cascade Water Alliance (CWA) may also serve as an additional water source in the future. Councilmember King advised caution in planning on the Cascade Water Alliance. He estimated that the CWA would be able to exercise their potential water right with Lake Tapps no earlier than 20 years down the road. Rates consultant Tom Gould said the

City currently has the money needed for the down payment on the system development charge with Tacoma. Councilmember Johnson asked about the City's ability to keep the fluoridated water from Tacoma from mingling with the City's non-fluoridated resources. Director Grigsby said the proposal is to keep the water resources separate with the Tacoma water used largely to serve the eastside of the service area. He said that some mingling would occur where the systems merge, but that any water going back into the non-fluoridated side of the system would be very diluted.

Councilmember Hamilton noted that planned development projects would add up to 4560 new ERUs within the water service area. Discussion followed about the impacts to the water system of the planned peaking storage tank project. Director Grigsby explained that a less conservative, but more efficient use of the peaking storage tank would have a positive impact on the system demands for the City. City Attorney Dionne reviewed with Council the potential impacts of not honoring its water availability certificates. He said it is possible the City could lose some of its water service area and water resources associated with those areas. Councilmember Johnson expressed discomfort with the responsibility to representing people in the water service area that don't vote in the City. He asked if what the City receives for its services is worth the headaches of providing the service. Finance Director Weidenfeller said the General Fund receives \$1.3 million in assistance with infrastructure projects and payment of utility taxes from the water utility. Councilmember King spoke of the importance of diversity in the City's revenue sources, particularly in light of the voter-driven initiatives in the last few years.

Councilmember DeLeo asked for further detail on the cost to develop the Tacoma Water resource. Director Grigsby said that the connection from White River Estates to the City's pipeline near Tapps Island will cost \$1.3 million. He added that additional pipelines to the water peaking storage tank and the south end of the project, including a booster pump, will bring the total cost up to just under \$3 million. Mayor Young suggested the City obtain the 2 million gallon per day capacity with Tacoma now, with an option on another 2 million gallons. Councilmember Johnson suggested that the Council not discuss the water extension agreements scheduled for discussion later on the agenda until the Tacoma Water deal is completed. There was consensus to table further consideration of the water extension agreements.

Councilmember Rackley moved to rescind the Council's previous vote from October 26, 2004 on AB04-227, Resolution 1325 for a Developer's Extension Agreement for Forest Canyon Highlands (Puget Western) and table it with the other water extension agreements, except AB04-239 – Res. 1335 for Pinnacle Estates, which is to be considered separately. Councilmember King seconded the motion.

Motion approved 5 – 2. Deputy Mayor Swatman and Councilmember Johnson voted no.

Councilmember Johnson moved to change the order of the agenda to place the discussion of AB04-239 – Res. 1335 Developer's Extension Agreement for Pinnacle Estates right before the Council's review of meeting minutes. Councilmember Rackley seconded the motion.

Motion approved 7 – 0.

4. AB04-239 – Res. 1335 - Developer's Extension Agreement for Pinnacle Estates

Director Grigsby reviewed the background of this item. He said the issue arises from a dispute on the significance of a letter of water availability. He said the developer contends that the language of the letter obligates the City to provide appropriate water service up to a level of 650 ft. on the developer's property. He said that City staff contends that adequate service cannot be provided above 640 ft. without a booster pump. He further asserted that it is the developer's responsibility to pay for the booster pump. He added that RH2 estimated a cost ranging from \$300,000 to \$500,000 for the booster pump. City Attorney Dionne said the City has no duty to provide water above the 640 ft. elevation. He said the developer extension agreement should not really be considered until the Council has a signed agreement for consideration.

Mayor Young asked about the water availability letter that specified a level of 650 ft. City Attorney Dionne said the letter does not obligate the City to provide a booster pump. He said it is his reading of the commitment letter that the developer is responsible for constructing the distribution system to the City's specifications.

Wade Thuline, 24508 128th in Graham, WA, developer of Pinnacle Estates, says he has contacted three lawyers who assert the water availability letter is valid. He noted that he had developed his property to accommodate the level of service indicated in the letter. He questioned the estimated costs to construct the booster pump. He added that no matter what, the City's connection fees for the project would cover the cost.

Brandon McDowell, DBM Consulting Engineers, representing Pinnacle Estates, said the project has spent over \$200,000 in design and permitting costs through the City of Auburn. In addition to the water availability letter, he said they believed they could design the project at the 650 ft. level because Bonney Lake typically does more advance study of the system. He said they trusted in the Bonney Lake staff. Mr. Thuline reiterated that he has had water availability letters for ten years and never had it mentioned that he might need a booster pump.

Director Grigsby explained that the water availability letters say that there is water available, but not how the water gets to the parcel. He said that once their plat was submitted, then the City reviewed it and determined the actual elevation to which water can be served. He said the plat was not received until October 4th, at which time the developer was notified that service could only be provided to 640 ft. without a booster pump.

Mayor Young said that the Council should not consider this item further without a signed extension agreement. Councilmember Johnson said that the City should be fair with this developer as we have been with others. City Attorney Dionne said the City's consistency lies in the fact that it has required other developers to install booster pumps as well. Mr. Thuline raised a question about booster pump connections and the potential to boost the entire water system. Director Grigsby said that staff is looking for a proposal that will address the City's requirement to serve water at a minimum of 30 psi.

With Council consent, Mayor Young declared a twenty minute break at 7:38 p.m. The meeting was reconvened at 8:06 p.m.

5. Review of Minutes: October 19 Council Workshop, October 21 Special Council Workshop, October 26 Regular Council Meeting.

Councilmember Noble requested that the October 26th minutes on page 12, for the vote on

Resolution 1325, be changed to show Councilmember Johnson voting no. She also asked that Nobel be change to “Noble” on page 14, and that DeLeo be shown to vote no on AB04-63 on page 15.

6. Discussion: Utility Rate Design for Sewer and Water – Tom Gould, EES

City Utility Rates Consultant Tom Gould spoke from a PowerPoint presentation and reviewed the typical goals in designing water rates. He also reviewed with Council the direction he received in the last meeting on utility rates. He presented some rate structure alternatives such as maintaining the current rate structure, establishing a third tier rate, using a seasonal rate structure and establishing an irrigation rate. The City Council discussed the options and with a slim majority favoring the 3rd, or seasonal rate structure. Director Weidenfeller shared his opinion that such a seasonal structure would be difficult to understand and frustrating to customers. Councilmember Rackley suggested that perhaps all three scenarios could be briefly presented at the public hearing for citizen input. Mr. Gould said he would do that.

The City Council moved on to discuss proposed sewer rate structures. The first option was to maintain the existing rate structure. The second was called a fixed/volumetric rate structure. Mr. Gould said he perceived that the Council was leaning toward option two as a model for setting rates. He said, as in water, he would explain both options to the public for the public hearing.

7. Action: AB04-254 – A Motion Of The City Council Of The City Of Bonney Lake, WA, Setting A Public Hearing For The November 9, 2004 Council Meeting For Establishing Water And Sewer Rates In 2005.

Deputy Mayor Swatman moved to set the public hearing for establishing water and sewer rates in 2005 for November 9, 2004 during the regular Council meeting. Councilmember Johnson seconded the motion.

Motion approved 7 – 0.

8. Special meeting established for Thursday, November 4th at 7:00 p.m.

Councilmember DeLeo asked that his proposed land use amendment be placed on the agenda for the special meeting. City Attorney Dionne reminded Council that, for the special meeting, only those things specifically on the agenda may be considered for action. By common consent, the Council established a special meeting to consider the remainder of the agenda items from the November 2nd Workshop.

Councilmember Rackley moved to adjourn. Councilmember Johnson seconded the motion.

Motion approved 7 – 0.

Documents submitted at the Council Workshop of November 2, 2004:

- *City of Bonney Lake – Review of the Water and Sewer Rate Design Alternatives – Tom Gould, Project Principal, EES.*

Harwood T. Edvalson, CMC
City Clerk

Robert Young, Mayor