Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. 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 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, Interim Police Chief Dana Powers, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:
1. Announcements: None.
2. Appointments: None.
3. Presentations: None.

D. Agenda Modifications: None.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:
A. Public Hearings: None.

B. Citizen Comments:

Joel Clark, 9712 233rd Ave E, Backley, said he owns property at the eastern edge of the City in Eastown, next to the Hiway Grocery. He said he sent an email to the Councilmembers previously, and is asking that the City cease or waive storm fees on his property. He said he is not connected to any stormwater system but has paid stormwater fees since the area was annexed. He said his stormwater rates recently went up from $41 to $700 per month for one parcel. He said the septic and drain field on his property was designed to handle more than it currently handles, and although half of his building is vacant, he cannot make any change in use without connecting to the sewer system. He asked that he be allowed to rent out the other half of his building and connect it to the existing septic system. He noted that he does not want to build a new septic system, but
Deputy Mayor Swatman asked about the size of Mr. Clark’s parcel, and whether he is working with the Eastown property owner’s group. Mr. Clark said he is working with the Eastown group and has already signed an easement across his property and has also purchased an additional easement from the property in the county that is between his property and the planned sewer line. Deputy Mayor Swatman thanked Mr. Clark for addressing the Council and said he wants to provide options for property owners but the Council process can be slow.

Community Development Director Vodopich confirmed that the municipal code states that when there is a change of use, connection to the sewer system is required. Councilmember Rackley asked about the status for the Eastown Utility Latecomers Agreement. Public Works Director Grigsby said he sent a final draft of the ULA to the City Administrator for review earlier in the day. He said he has also updated the list of parcels that will benefit from the system, and the estimated costs for planning, design, and construction. He anticipates the ULA will be ready by the end of the month. Councilmember Rackley said once the ULA agreement moves forward, he believes the Council will be more likely to consider exceptions to the regulations, but until then he has not been as willing to consider an exception like what Mr. Clark is requesting.

Councilmember Hamilton asked why Mr. Clark’s stormwater fee would have increased so sharply. Director Grigsby said he is not familiar with the specific property, but when the City recalculated stormwater rates recently, all impervious surfaces, not just paved ground, were included in the calculations. He said this correction impacted some property owners’ fees. Councilmember Hamilton asked if there is something the City can do to help property owners after correcting its own mistake like this.

Mr. Clark said he contacted the City Engineer about the fee change, but he was not helpful. The City Engineer told him that even if he installed a stormwater detention pond to handle his run-off, it would only reduce his fees by 30%. Director Vodopich said the municipal code provides a process for appeal, which he would send to Mr. Clark. Mayor Johnson said staff will look into the issue and someone would follow up with Mr. Clark.

John Patrick, Owner, Jersey Mike’s Sub Shop - Bonney Lake, spoke about his experience as a business owner in Bonney Lake. He said the sandwich shop was his first business, and he opened it up 5 years ago. He said while getting his business set up he was blindsided several times by City fees for things like water service and a required grease trap tank. He described how other franchise stores are doing in the region, and that he has seen many businesses open and close in the City. He asked the Council to think about what can be done in the future for the City and other small businesses like his survive.

Mayor Johnson said the Council is looking at ways to reduce fees to see what can be done to encourage businesses in Bonney Lake. He asked Mr. Patrick to let him know when he runs up against unexpected costs, so he can learn more about what local business owners experience in Bonney Lake.

Councilmember Hamilton asked about the City’s grease interceptor requirements. Director Grigsby said restaurants that only heat food up need an in-line grease trap, not a full tank system. He said the costs of a grease interceptor system varies depending on the size of the business and the type of food preparation.
Jennifer Farrell, American Family Insurance, Bonney Lake, asked the City to consider local businesses. She described her experience in Bonney Lake. She pays over $5,000 in rent for her space, which is in the area near Jersey Mike’s. Since most of her customers are in the City and she lives here, she said she wants to stay in the City, but she has found that Bonney Lake is very expensive. She suggested the Council look at the change of use fees and impact fees. She said she knows other business owners who would like to move to Bonney Lake, but have not done so due to the high costs.

Councilmember Hamilton asked about up-front impact fee costs. Ms. Farrell said she talked with City Administrator Morrison about available buildings, and the impact fees were too expensive for her to consider building a new building. She said monthly costs are much lower in cities like Buckley and Sumner, but she does not want to move there. She said she is not sure what makes it more expensive to operate in Bonney Lake but is interested in finding out what can be done. She said the cost for commercial rent in the City is $20 to $28 per square foot, not including utilities.

Lora Butterfield, Bonney Lake Chamber of Commerce, thanked the Council for their time. She said the Chamber wants to create a business-friendly environment in Bonney Lake. She said in the future she will continue to encourage business owners who have issues to come and speak to the Council. Mayor Johnson said he encourages them to do so and noted that they can also contact the Council by email.

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 and discussed personnel updates and current recruitments, reviewed their meeting notes, and forwarded a resolution with FCS Group for cost allocations to a future agenda. The committee also reviewed utility e-billing options offered by Eden and BDS and red flag issues. In addition, they discussed upcoming first quarter financial reports and heard general updates about the Eastown ULA.

B. Community Development Committee: Councilmember McKibbin said the committee met on March 6th and forwarded motion AB12-29 and Resolutions 2191 and 2192 to the current agenda for action.

C. Public Safety Committee: Councilmember Hamilton said the committee met on March 5th and discussed a ‘bucket’ ordinance to update the municipal code, the use of the Reed property for Police training, and updates to the city’s towing company policy to contract with a local business. They also discussed administrative fees for impounding vehicles, Police Department statistics, options for a domestic violence advocate to work with the City Prosecutor, and a suggestion that the crosswalks at Allan Yorke Park be repainted once the sidewalk project is complete.

D. Other Reports:

Communities for Families: Councilmember Lewis attended the Communities For Families meeting on March 1st. The group discussed health topics and immunizations, and their upcoming Community Summit on March 15th. He reminded all of the Bonney Lake Lions Club’s 6th Annual ‘Death by Chocolate’ fundraising event on March 31st.
Public Transportation Improvement Conference: Mayor Johnson attended the Public Transportation Improvement Conference (PTIC) on March 8, 2012. The new boundaries were passed unanimously. He said he made sure to point out that the agency cut Bonney Lake out of their service area before Bonney Lake requested removal by resolution. He said the proposed revised service area removes Sumner and Dupont as well as other cities. He said the Pierce County Council now has 30 days to reject the new transit areas. If it is not rejected, the Pierce Transit Board will commission a new board based on the new boundaries, and sales tax in Bonney Lake will be reduced from 9.3% to 8.7% once the change goes into effect.

Sumner School District: Mayor Johnson attended the leadership breakfast on March 7th. Discussions included enrollment increases, a preview of the ‘State of the School’ address, and updates on projects. Councilmember Watson noted that the district has now refurbished all but one school, and one is fairly new.

Pierce Transit: Mayor Johnson said he attended the Pierce Transit board meeting on Monday, March 12th. He said van pools would be eliminated if the proposed transit boundaries go into effect. He said Bonney Lake has 15 van pools, while Sumner has 5, and the Transit agency is looking for ways to keep them up and running. Mayor Johnson said Route 496 is slated for elimination as of June 2012. He said this is a popular route that currently runs six times per day. He noted that the transit agency collects far less in fares than it costs to run these services. Mayor Johnson said he has learned that Route 496 originally started as a Sound Transit shuttle (route 582), and he thinks it can be saved since the City will still pay RTA taxes. He said he has asked the agency to look into options to continue operations for the Sounder Station connector by Sound Transit.

State of the Cities: Mayor Johnson said he attended the Puyallup/Sumner Chamber of Commerce State of the Cities luncheon on March 9th. The mayors of Puyallup and Sumner spoke about issues for their cities, including transportation and budget issues. Mayor Johnson said a lot of cities are working to partner on things to keep costs down.

Councilmember Hamilton asked about ownership of the Bonney Lake Park & Ride property. Mayor Johnson said he believes there was a joint agreement between Sound Transit and Pierce Transit to acquire and manage the property. Councilmember Lewis said he understands that Auburn will remain in the revised transit area. Mayor Johnson confirmed that Auburn will still have bus service, with a bus running up Sumner-Tapps Hwy without making any stops in Sumner, which would no longer be in Pierce Transit’s service area.

IV. CONSENT AGENDA:


B. Approval of Accounts Payable and Utility Refund Checks/Vouchers: Accounts Payable checks/vouchers #63099 – 63136 (including wire transfer #3012012, 20120203) in the amount of $260,481.16; Accounts Payable checks/vouchers #63137-63176 (including wire transfer #8908067, 20120215, 20120223, 20120305) in the amount of $151,207.14; Accounts Payable checks/vouchers #63177 in the amount of $484.00 for an Accounts Receivable deposit refund for a grand total of $412,172.30.
VOIED CHECKS: 63122 - 63124 – Multi page remittance; 62956 – Vendor Correction; 59270 – Stale dated.

C. **Approval of Payroll:** Payroll for February 16-29th 2012 for checks 30326-30350 including Direct Deposits and Electronic Transfers in the amount of $599,944.74.

D. **AB12-29** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The SR 410 Sidewalks – 198th To 208th Project With Titan Earthwork, LLC.

Mayor Johnson noted that Bryan McCammant had signed up to speak on the consent agenda, but he was no longer in attendance at the Meeting.

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

**Consent Agenda approved 7 – 0.**

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

VI. **COMMUNITY DEVELOPMENT ISSUES:**


**Councilmember Lewis moved to approve Resolution 2191. Councilmember Watson seconded the motion.**

Deputy Mayor Swatman asked why the Community Development Committee recommended to move this project forward, and whether any financial analysis was done. He said in light of comments that the City’s development fees are too expensive, he wants to be sure the project is needed. Councilmember Rackley said the capital improvement project list shows the projects that are most desirable for the City to complete. He said the City loses up to 2 million gallons of water per month, and old steel pipes are failing and need expensive repairs. He said this project is well within the Water budget. Councilmember McKibbin said that, in short, the pipes have leaks and should be fixed. Councilmember Watson said the Council wants to find ways to reduce fees and reductions have to start somewhere. Councilmember Lewis said he supports the leaky main repair projects, but suggested that the City continue these projects but scale them back for a time. He said when development picks up the rate of maintenance projects can also increase.

Director Grigsby said this project will be paid for by a Public Works Trust Fund Loan, which is a ‘use it or lose it’ program that will end after this year. He said the City is also trying to reduce lost water in the system and ensure future water availability to customers. He said the City has agreements to purchase water from other sources and these are large costs that happen over a period of time.

Councilmember Rackley said the time to address whether or not to do these projects is during budgeting, not midstream once they have already been developed by staff.
Councilmember Hamilton said as the administration looks for ways to reduce fees, revenue streams must be cut. He said the Council will need to consider every project to figure out where and how to make cuts.

Deputy Mayor Swatman said he supports the project but wants to challenge the economic issues. Councilmember Lewis said he wanted to point out that the Council is not blindly moving a plan forward, and that the Council knows why the project is being done, what is important, and where the funds are coming from. He said he no longer has reservations about this project. Councilmember Minton-Davis called for the question.

**Motion to call for the question approved 7 – 0.**

**Resolution 2191 approved 7 – 0.**


Councilmember Rackley moved to approve Resolution 2192. Councilmember Lewis seconded the motion.

**Resolution 2192 approved 7 – 0.**

VII. **PUBLIC SAFETY COMMITTEE ISSUES:** None.

VIII. **FULL COUNCIL ISSUES:** None.

IX. **EXECUTIVE SESSION:**

Pursuant to RCW (.110(1)(i)) the Council adjourned to an executive session with the City Attorney at 8:21 p.m. for 30 minutes to discuss current litigation, with action anticipated after the session. The Council returned to Chambers at 8:40 p.m.

City Attorney Dionne asked the Council to consider adding two items to the agenda for action at the current meeting: a motion to approve the Wastewater Treatment Facility upgrade agreement with Sumner, and a motion authorizing the City Attorney to dismiss the City of Bonney Lake’s appeal of the Orton Junction UGA Expansion.

Councilmember Lewis moved to amend the agenda to consider the two motions as described by the City Attorney for action at the current meeting. Councilmember Watson seconded the motion.

**Motion approved 6 – 1.**

Deputy Mayor Swatman voted no.

**AB12-42 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Intergovernmental Agreement For Phase II Improvements, Expansion, And Operation Of The Sumner Wastewater Treatment Facility (WWTF) With The City Of Sumner.**
The City Attorney described the elements of the interlocal agreement, which is required to deal with plans to expand the treatment facility capacity from 4.6 million gallons per day (MGD) to 6.9 MGD. Under the agreement, the City of Sumner will take 0.7 MGD of the new capacity, and the City of Bonney Lake will take about 1.6 MGD. Bonney Lake would end up owning about 60-70% of the capacity in the plant after the expansion. The agreement also explains how the cities will finance the expansion project, and who pays for which portion. He said some costs are shared evenly by the two cities and others are proportionate.

Mr. Dionne said the agreement also deals with the operation and maintenance of the plant after the expansion. The City of Sumner will do a study dealing with overhead charged to Bonney Lake for indirect costs. He said Sumner plans to use FCS Group, a consultant that Bonney Lake has used in the past. He said he does not expect there to be a dispute over the results of this study, but if so, the agreement includes a provision for a dispute resolution process.

The agreement also includes language about a pilot tax, which now sunsets in 10 years instead of in 2037. There is also a provision that a portion of the sales tax generated by new construction during the expansion project will be rebated to Bonney Lake, which can go into the City’s general fund. Another provision in the agreement allows for future expansion of the treatment plant, allowing Bonney Lake to coordinate with Sumner on future expansions up until 2062.

The agreement also states that Bonney Lake will dismiss its appeal of Sumner’s Orton Junction UGA expansion as part of the terms of consideration. The City Attorney said this is an important agreement that will take care of the sewer needs for both Bonney Lake and Sumner through the year 2062.

Councilmember Lewis moved to approve motion AB12-42. Councilmember Rackley seconded the motion.

Councilmember Hamilton thanked staff for their hard work on this agreement. He said it is a wonderful agreement between the two cities, and ties them together in a good partnership. Deputy Mayor Swatman said he agrees that it is a fantastic agreement and that he appreciates all the staff work that went into the process. He objected to the dismissal of the pending litigation related to Orton Junction. He said he thinks the Orton Junction development is in the wrong place at the wrong time and he supported the City’s decision to litigate. He said he feels the proposed WWTF agreement provides the City of Sumner with an income stream for many years, and he feels Sumner should see the value in separating the issues and should not include the dismissal of litigation as part of the agreement. He said he does not think it is the right way to do business and that these issues should be considered separately. He said he supports moving the proposed agreement forward with the removal of language about dismissing the pending litigation.

Councilmember Rackley requested a roll call vote for this item.

Councilmember Lewis said he supports the proposed agreement from a business standpoint. He said it takes care of the community’s future needs. Mayor Johnson thanked the City Attorney, City Administrator, and the Public Works Director for the time spent on this agreement. He said it is a very good agreement and is a big improvement over the original agreement from 2004. He noted that he and Deputy Mayor Swatman both voted against the original agreement in 2004. He said the proposed new agreement is more beneficial to both cities and he thinks it is important for the cities to be partners.

Motion AB12-42 approved 5 – 2.
The City Attorney asked the Council to consider the second proposed motion.

AB12-47 – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The City Attorney To Dismiss The City Of Bonney Lake’s Appeal Of The City Of Sumner’s Urban Growth Area Expansion Into The Orton Junction Area; The Motion Is Subject To Approval Of The Intergovernmental Agreement For Phase II Improvements, Expansion, And Operation Of The Sumner Wastewater Treatment Facility (WWTF) By The City Of Sumner On Or Before March 20, 2012.

Councilmember Rackley moved to approve motion AB12-47. Councilmember Watson seconded the motion.

Councilmember Lewis requested a roll call vote.

Motion AB12-47 approved 5 – 2.

Mayor Johnson thanked staff for their hard work in bringing the agreements forward.

X. ADJOURNMENT:

At 8:55 p.m., Councilmember Lewis moved to adjourn the Council Meeting. Councilmember Watson seconded the motion.

Motion to adjourn approved 7 – 0.