ORDINANCE NO. 1517

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY WASHINGTON, AMENDING SECTIONS 13.04.070 AND 13.12.100 OF THE BONNEY LAKE MUNICIPAL CODE RELATED TO APPLICATIONS FOR WATER AND SEWER SERVICE.

WHEREAS, the City Council wishes to reduce budget and administrative efforts associated with improvements to City facilities; and

WHEREAS, Ordinance 1465, passed on 27 August 2013, exempted the City from paying Water System Development Charges (SDCs) for additional water connections in existing facilities such as parks and rights-of-way, on the rationale that existing facilities are not growth related projects; and,

WHEREAS, the Council wishes to extend the SDC exemption to sewer connections in existing facilities; and

WHEREAS, the primary purpose of collecting SDCs is to alleviate a burden on water and sewer ratepayers by ensuring that new growth pays for its equitable share of the system; and

WHEREAS, when new facilities are built to support or expand a utility, requiring payment of SDCs is not fiscally prudent in light of the purposes for collecting SDCs.

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

Section 1. BLMC Section 13.04.070 (A) (2) is hereby amended to read as follows:

Section 13.04.070 Water service applications and connection charges.

D. Water Service Connection Charges.

2. System Development Charge (SDC).

h. Water SDC Exemptions for City Water Connections in Existing Facilities. New water connections installed by the city in existing city rights-of-way, parks, and other existing city facilities shall be exempt from paying SDCs.

1) Existing City Facilities. New water connections installed by the city in existing city rights-of-way, parks, and other existing city facilities shall be exempt from paying SDCs.
2) New or Expanded City Facilities. Facilities built to provide water system services shall be exempt from paying water SDCs.

Section 2. BLMC Section 13.12.100 is hereby amended to read as follows:

Section 13.12.100 Sewer service applications and connection charges.

F. Nonresidential SDCs.

1. SDCs shall be levied for each new sewer service connection to the city sewer system and for service upgrades generating additional flow or loading.

2. SDCs for existing nonresidential uses that convert from septic to sewer shall be based on the most recent 12 months of water use records. The following formula shall be used to determine the number of REs an existing building is equivalent to: (average daily water use plus 113 gallons per day) divided by 275 gallons per day.

3. Connection charges for new nonresidential construction shall be the calculated residential equivalents based on the residential equivalent value given in Schedule A, Nonresidential Sewer Equivalents, which is hereby incorporated by reference as now or hereafter amended.

4. Sewer connection charges for new tenant improvements shall be the calculated residential equivalents based on the residential equivalent value listed in Schedule A. If a former tenant or building owner paid a connection charge for the space a new tenant is occupying, the new tenant shall be charged only that portion of the connection charge which reflects the increased use over the previous tenant(s), based upon the business types of the new and previous tenant found in Schedule A; provided, however, that once a connection charge has been paid for the original connection and the first and second tenant improvements in the same space, there shall be no additional connection charges assessed thereafter for subsequent tenant improvements. Connection charges shall not be charged for tenant improvements which are accessory to the primary use of the structure, less than 2,000 square feet in size, and have an occupancy load of less than 50 occupants.

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

6. Sewer SDC Exemptions for City Facilities.

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

b. New or Expanded City Facilities. Facilities built to provide sewer system services shall be exempt from paying sewer SDCs.
Section 3. This Ordinance shall take effect and be in force thirty (30) days from and after its passage, approval, and publication, as required by law.

PASSED by the City Council and approved by the Mayor this 21st day of April, 2015.

Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney

Passed: 4/21/2015
Valid: 4/21/2015
Published: 4/29/2015
Effective Date: 5/21/2014
This Ordinance totals 3 page(s)
City of Bonney Lake, Washington

City Council Agenda Bill (AB)

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<th>Department/Staff Contact:</th>
<th>Meeting/Workshop Date:</th>
<th>Agenda Bill Number:</th>
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<td>PW / Dan Grigsby</td>
<td>14 April 2015</td>
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<th>Ordinance/Resolution Number:</th>
<th>Councilmember Sponsor:</th>
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<tr>
<td>Ordinance</td>
<td>D15-54</td>
<td>Donn Lewis</td>
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**Agenda Subject:** Amend Water and Sewer Connection Charges for City Facilities

**Full Title/Motion:** An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Water And Sewer Connection Charges For City Facilities.

**Administrative Recommendation:** Recommend Approval

**Background Summary:** When new or modified city utility facilities are built that require new utility connections, funding to pay for System Development Charges would normally be paid for by the respective utility fund. Rather than creating a budget to move these funds from the utility fund and then immediately redepositing the charge back into the same fund when permits are issued, this ordinance exempts City facilities from paying the respective SDC. This will avoid including these charges in utility project costs, City budgets, and the administrative effort to collect and redeposit these charges into the same utility Enterprise Fund.

**Attachments:** Ordinance D15-54

### BUDGET INFORMATION

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<th>Current Balance</th>
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**Budget Explanation:**

### COMMITTEE, BOARD & COMMISSION REVIEW

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<tr>
<th>Council Committee Review:</th>
<th>Community Development</th>
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Forward to: Consent Agenda: ☑ Yes ☐ No

**Commission/Board Review:**

**Hearing Examiner Review:**

### COUNCIL ACTION

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### APPROVALS

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<td>Daniel Grigsby, P.E.</td>
<td>Neil Johnson Jr.</td>
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