

**CITY COUNCIL MEETING**

**February 9, 2010  
7:00 p.m.**

**AGENDA**



*"Where Dreams Can  
Soar"*

*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.*

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**SIGN-UP TO SPEAK FOR SPECIFIC ACTION ITEMS ON THE AGENDA:** *If you have signed-up prior to the Council meeting to speak with respect to a particular ordinance or resolution appearing on the agenda, you will be recognized to address the Council for up to one minute before the Council takes action on that item. Those wishing to address items appearing on the "Consent Agenda" should do so during the "Citizen Comments" portion of the Agenda. If the Council chooses to discuss the item further after taking comments, they may restrict additional public comment before taking action. Please look for the speaker sign-up sheets near the Council Chamber doorway. (See Item II B. for Citizen Comments on other items of City business.)*

**I. CALL TO ORDER**

**A. Flag Salute**

**B. Roll Call:**

**Elected Officials:** Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin and Councilmember Jim Rackley.

**Management Staff expected to be in attendance:** City Administrator Don Morrison, Public Works Director Dan Grigsby, Police Chief Mike Mitchell, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Administrative Services Director/City Clerk Harwood Edvalson, Community Services Director Gary Leaf, and City Attorney Jim Dionne.

**C. Announcements, Appointments and Presentations:**

**1. Announcements:**

**2. Appointments:**

**3. Presentations:**

**D. Agenda Modifications:**

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

**A. Public Hearings:**

**B. Citizen Comments:**

*You may address the City Council on matters of City business for up to 5 minutes. Those commenting about ordinances or resolutions on the "Consent Agenda" should limit their comments to one minute per item. When recognized by the Mayor, please state your name and address for the official record. Designated representatives speaking on behalf of a group may take up to 10 minutes on matters of general City business.*

**C. Correspondence:**

**III. COUNCIL COMMITTEE REPORTS:**

- A. Finance Committee**
- B. Community Development Committee**
- C. Public Safety Committee**
- D. Other Reports**

**IV. CONSENT AGENDA:**

*The items listed below may be acted upon by a single motion and second of the City Council. By simple request to the Chair, any Councilmember may remove items from the Consent Agenda for separate consideration after the adoption of the remainder of the Consent Agenda items.*

- A. Approval of Minutes: January 19, 2010 Workshop and January 26, 2010 Meeting Minutes.
- B. Accounts Payable Checks/Vouchers: Accounts Payable checks/vouchers #57776 thru 57829 (including wire #'s 1192010, 2022010 & 5411879) in the amount of \$395,853.30 and Accounts Payable checks/vouchers #57830 thru 57891 in the amount of \$995,895.58.
- C. AB10-36 - Ordinance D10-36 - An Ordinance of the City of Bonney Lake, Pierce County, Washington, Amending Section 18.19.010 of the Bonney Lake Municipal Code.

**V. FINANCE COMMITTEE ISSUES:**

- A. AB10-12 - Resolution 2001 - A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, authorizing the mayor to award and execute a contract with Billing Document Specialists (Caldwell, ID) for utility billing and lock box services.

**VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES:**

**VII. PUBLIC SAFETY COMMITTEE ISSUES:**

**VIII. FULL COUNCIL ISSUES:**

**IX. EXECUTIVE SESSION:**

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

**X. ADJOURNMENT**

**For citizens with disabilities requesting translators or adaptive equipment for communication purposes, the City requests notification as soon as possible of the type of service or equipment needed.**

**THE COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.**

**CITY COUNCIL &  
PLANNING COMMISSION  
COMBINED WORKSHOP**

**January 19, 2010  
5:30 p.m.**

**MINUTES**



*"Where Dreams Can Soar"*

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**I. Call to Order:**

Mayor Neil Johnson, Jr. called the workshop to order at 5:31 p.m.

**II. Roll Call:** [A1.3]

Administrative Services Director/City Clerk Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin and Councilmember James Rackley.

Planning Commissioners attending were Chairperson Grant Sulham, Commissioner David Eck, Commissioner Brandon Frederick and Commissioner Winona Jacobsen. Vice-Chairperson Katrina Minton-Davis was absent.

Staff Members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Community Development Director John Vodopich, Police Chief Mike Mitchell, Public Works Director Dan Grigsby, Community Services Director Gary Leaf, Planning Manager Heather Stinson, City Attorney James Dionne, Administrative Services Director/City Clerk Harwood Edvalson and Records & Information Specialist Susan Duis.

**III. Agenda Items:**

5:32:18

**A. Combined Presentation: AB10-31 - Shoreline Master Plan.**

Planning Manager Heather Stinson presented information on the Shoreline Management Act and the City's Shoreline Master Plan (SMP) update process. The Council approved hiring of a consultant in 2009, who is currently working on an inventory and analysis. The City is now seeking volunteers to serve on a SMP Citizens Advisory Committee, which will meet during 2010-2012. Planning Manager Stinson described areas in Bonney Lake that fall under the SMP, including the Lake Tapps shoreline and a portion of Fennel Creek at Victor Falls. The City's Critical Areas Ordinance protects Fennel Creek in the City limits, but most of the creek does not meet the flow level criteria to fall under the SMP's jurisdiction.

The Council invited Kim Van Zwalenburg from the Department of Ecology to speak. Ms. Van Zwalenburg introduced Sarah Lukas, who will be working with the City and advisory committee in the future. Ms. Zwalenburg explained how 'ordinary high water mark' is determined per the Revised Code of Washington. She said though Lake Tapps is a reservoir, not a natural lake, the State deals with other reservoirs that are protected under the Shoreline Management Act. She confirmed that Bonney Lake must coordinate its SMP with other jurisdictions on the lake, though the agencies' plans do not need to be identical. Ms. Van Zwalenburg explained that the SMP does not address boat speeds on the lake or septic systems in properties along the lake; these issues must be handled through other channels.

Planning Manager Stinson said the City's next steps are setting up the citizen's advisory committee and reviewing the consultant's analysis and inventory report once it is complete. She said she hopes the committee will include at least one Councilmember and one Planning Commissioner if possible, and will hold its first meeting in June 2010. She said information on the advisory committee has been published online and in the newspaper, and letters were sent to the presidents of each Homeowners Association along the shoreline. Deputy Mayor Swatman said the City needs to work hard to get citizens involved in the process.

6:00:21

- B. Motion of the Bonney Lake City Council and Planning Commission to Close the Combined Portion of the Meeting and Continue with the City Council Workshop.

**Deputy Mayor Swatman moved to close the combined portion of the meeting and continue with the City Council Workshop. Councilmember Rackley seconded the motion.**

**Motion approved 11 – 0.**

At 6:01 p.m., the Mayor called for a 10-minute break. The Workshop resumed at 6:11 p.m.

6:11:40

- C. **Presentation:** AB10-30 – Resolution 2009 – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Sign the 2010 Lake Tapps Area Water Resources Agreement.

Public Works Director Grigsby introduced Tom Pors, who was hired through the City Attorney's office to negotiate with Cascade Water Alliance (CWA) on behalf of the City. The 'Four Cities' of Bonney Lake, Auburn, Sumner and Buckley have been in negotiations with CWA since early 2009. The result of this process is the proposed resolution and water acquisition options and pricing for the Four Cities. In their initial proposal with the Tribes, CWA estimated it would need 100 to 150 cfs of water. New projections showed they would need about 20 cfs less. Instead of simply giving up that water, CWA agreed to set aside 10 cfs of water for the Four Cities to use. The options for the cities to purchase this water and water rights are outlined in the proposed Water Resources Agreement.

Director Grigsby provided the Council with an explanation of the water acquisition options and costs under the proposed agreement. First, the City will have the option to purchase 2 MGDs of water that CWA previously purchased from Tacoma Public Utilities. CWA negotiated their price with TPU in 2005, and CWA's proposed cost to Bonney Lake is about half of what the City had negotiated with TPU per Resolution 1841, which the Council approved in 2008 but which the TPU board never signed. The City must purchase water from CWA by 2018 per the agreement.

The proposed resolution also gives the Four Cities the option to purchase water rights from CWA in the White River water basin, east of Lake Tapps. Because the Department of Ecology has closed the White River basin to any new water rights, the only way the City can acquire rights at this time is to purchase them from CWA. The agreement states that the City must purchase the water rights by 2030. Director Grigsby noted that the cost to purchase the water rights does not include the potential added costs to the City to purchase land, drill for water, and test water sources. He

said the City may have to drill several wells, and there is no guarantee a good water source will be located after water rights are purchased.

Mr. Pors explained that the Four Cities and CWA worked together to anticipate any requirements from the Department of Ecology in the water rights process, and the agreement seems workable and a bona fide opportunity for the City. He has already drafted a groundwater rights application that can be filed once the agreement is complete. The cities can coordinate with each other to accelerate the Department of Ecology review process if they wish. The agreement states that the cities will not oppose CWA as it moves forward. The City does not, however, guarantee right-of-ways or franchises, so CWA would still need to go through City processes as usual.

Councilmembers asked if the agreement requires the City to sit on the CWA Board. Mr. Pors said it does not, but it does give the City the opportunity to sit on an advisory group that will have at least two meetings per year with CWA. Director Grigsby said the City could only get voting rights by joining the association, but the advisory group offers a forum to express concerns and talk about issues with CWA.

Councilmembers expressed support for the proposed agreement. Councilmember Hamilton said it helps meet the City's long-term goals for water supply. Director Grigsby said each of the Four Cities has slightly different needs, with Sumner more interested in purchasing the TPU water, Buckley most interested in water rights, and Auburn and Bonney Lake interested in a combination of the two. He added that the water acquisition costs in the proposed agreement are beneficial to the City. The water purchase rates are lower, and unlike the agreement the City negotiated with TPU in 2008, the City would not be required to pay maintenance fees and CWA would only charge for water the City actually uses. Proposed Resolution 2009 was forwarded to the January 26, 2010 Meeting for action.

6:43:09

**D. Council Open Discussion:**

YMCA Presentation: Mayor Johnson said he has tentatively scheduled a presentation on the YMCA from Bob Ecklund on March 2, 2010. The Mayor asked Councilmembers to send ideas and questions to him prior to the workshop so Mr. Ecklund can provide information and answer questions.

Bonney Lake High School Youth Forum: Mayor Johnson said the Youth Forum is Monday, February 11, 2010 from around 7:00 a.m. to 12:30 p.m. Department Directors will serve as facilitators, and Councilmembers are invited to attend as well.

Corliss Property Tree Clearing: Mayor Johnson said he received a letter from Canyon Creek Properties on January 15, 2010 regarding the cutting and reforestation of the Corliss property outside the City limits. He said all the trees lie outside Bonney Lake's city limits but he wanted people to be aware since it will be visible to people driving along SR 410. The plan includes planting 400 trees per acre, and all the work will be done by the end of 2010. Trees will be taken to lumber mills on trucks via SR 410. They will not use roads in Bonney Lake such as Myers Road, however. He asked the Council to remind citizens that Bonney Lake has worked hard to protect the trees on the hillside over the years.

Cascadia Updates: Councilmember Hamilton asked for updates on the Cascadia bankruptcy and plans for future development. He expressed concern that part of the

project could be split out to not include employment. City Attorney Dionne said the existing development agreement and restrictions from Pierce County will apply regardless of whether the property or project is sold to another developer. He said a bankruptcy court judge does not have the power to amend the agreement or trump Pierce County land use restrictions, but could potentially void the entire developer agreement. Mr. Dionne said he doubts a developer would want the agreement to be voided, as it would force them to start the process over from the beginning. He said he would send future updates on Cascadia to the Council.

Lake Bonney Conservation Association: Councilmember Carter attended the Conservation Association's meeting on January 18, 2010. The group plans to finish planting at Ken Simmons Park on February 13, 2010 in conjunction with an Eagle Scout project. Members asked if the lake monitor could be moved or changed, as a fallen tree has made it difficult to do readings. She suggested that the City should recognize citizens who volunteer to monitor the water in Lake Bonney and Lake Debra Jane. Finally, members of the association asked the City to consider restricting parking to one side of the street where 183<sup>rd</sup> St E and 184<sup>th</sup> St E connect.

Historic Society: Councilmember Carter said the Historic Society is still seeking photographs for a historic photo book on Bonney Lake. Specifically they are looking for scenic photos of the area from the 1970s or earlier, including images of Mt. Rainier. She said she has sent a copy of the City of Sumner's historic preservation code to Councilmembers for consideration.

Recycling: Councilmember Carter asked if the City recycles scrap metal such as old road signs. Director Grigsby said the City reuses or recycles old street signs, along with scrap metal, equipment, etc. Chief Financial Officer Juarez said he would research revenues from recycling metal and report back to the Council. Councilmember Carter said the City should let citizens know about these efforts.

Permitting & Development Agreements: Councilmember Rackley encouraged Councilmembers to read the articles in the recent AWC CityWise newsletter, including those on same-day permits and public-private partnerships.

Sign Code: Mayor Johnson said Code Enforcement Officer Denney Bryan is working on an information sheet about the City's sign code, which will be delivered to City businesses. He said the City is working to be proactive to inform businesses about City regulations before taking enforcement action.

Councilmember Carter said there are several wooden signs around the City, and asked staff to save them if they are taken down as they may have historic value.

Finance Committee: Deputy Mayor Swatman said the Finance Committee plans to consider options to accept credit cards for payments at the Utility counter. He asked Councilmembers to send questions to him. He asked Councilmembers if they are interested in membership in the National League of Cities (NLC). Councilmember Carter expressed interest in NLC's Prescription Discount card program. City Administrator Morrison said the cards offer a 20% discount for those who do not have insurance coverage for prescriptions. NLC membership costs \$1487 per year. Mayor Johnson said he would ask Auburn Mayor Pete Lewis about that City's experience with the program when they speak later in the week.

Pancake Breakfast Costs: Deputy Mayor Swatman asked about expenses for the upcoming Pancake Breakfast on January 30, 2010. City Administrator Morrison said the City will purchase supplies, exempt staff will do most of the work, and the Senior Center Cook will work at this event and another event at the Center the same day.

Boat Launch Passes: Deputy Mayor Swatman said he in talking with people about options to annex into the City, many people say they would like to take advantage of the reduced price boat launch pass for residents. He said as the City considers annexing and increasing the population, it may need to consider ways to limit access to the lake, changing the boat launch pass process, etc.

Public Defenders: Deputy Mayor Swatman asked how Court staff determine who is eligible for a public defender. City Attorney Dionne said qualification is based on income, but generally the process to determine indigency has been rather liberal and flexible. Mayor Johnson said Judge Helbling will be working on this issue, as the number of people requesting a public defender has risen sharply, and the service is costly for the City. City Administrator Morrison noted that the City plans to advertise a request for proposals for Public Defender services soon.

Sidewalks: Deputy Mayor Swatman asked whether commercial developments are required to install sidewalks, citing Fred Meyer, Windermere, and other businesses that do not have sidewalks on the SR 410 frontage. Public Works Director Grigsby said the frontage at those sites was built before those facilities were built. These businesses are part of a larger development, and while they have to install sidewalks and street lights for their site, they are not responsible to do so for the entire commercial development. He said at 214<sup>th</sup> Ave E and SR 410, for example, if another building is installed, the developer will have to install sidewalks and lights. Otherwise this will be completed when the intersection is improved.

Copper Pipes: Deputy Mayor Swatman asked if the Council would like to consider options to ban copper pipes in new construction to reduce copper leaching from pipes into the sewer system. Director Grigsby said the high price of copper has caused a reduction in its use. The allowed copper levels have also been lowered, however, so more treatment is required before water can be released from the treatment plant.

Budget: Deputy Mayor Swatman said he challenged the Council at the January 12<sup>th</sup> meeting to carefully consider every new contract or purchase before approval. He said the Council should carefully study projects that affect utility rates, in particular, to ensure they are effective.

Pet Licenses: Councilmember Hamilton said the January Bonney Lake Reporter included an article on pet licensing. He said it is important for the City to emphasize pet license renewal, since license fees help subsidize animal control services.

Eastown Sewer Service: Deputy Mayor Swatman asked for Council input on the City's role in Eastown sewer system development. Mayor Johnson said Director Grigsby has done a lot of research on Utility Latecomers Agreements, but the private developer have expressed concerns. Mayor Johnson said he will meet with the developer to discuss their specific concerns later in the week. After this meeting, he will ask the Council for direction on whether to pursue a Utility Latecomers

Agreement, let the private developer work on a private latecomer agreement, or to do nothing. He said he wants to remove any obstacles to getting a sewer system in Eastown, but wants to see a decision on how to move forward soon. He asked the Council to think about the options and plan to discuss them at the next Workshop.

7:42:31

- E. **Review of Draft Council Minutes:** January 5, 2010 Workshop and January 12, 2010 Meeting Minutes.

Councilmember Carter asked that the January 5, 2010 minutes be amended to “He suggested the workplan be tabled to a future workshop after the new Commissioners are appointed and after the Council Retreat ~~in January~~.” The corrected minutes were moved forward to the January 26, 2010 Meeting for approval.

7:43:43

- F. **Discussion:** Proposed Agenda for Council Retreat on February 27, 2010.

Councilmembers asked that the Planning Commission work plan be included under Open Discussion items. City Administrator Morrison suggested the Council Chamber features discussion be pulled, and instead make this the topic of a design charette with the Council and Court staff on another date.

Councilmembers discussed the meeting cost and location. City Administrator Morrison said estimated cost for a conference room and meals at the proposed venue, Washington National Golf Club in Auburn, is \$742. He said this is comparable to what the City spent for the 2009 Retreat, which was held at the Windermere offices in Bonney Lake, with food brought in. Councilmembers Carter, Rackley and Lewis spoke in favor of holding the retreat at a business in Bonney Lake. Mayor Johnson said the main issue is finding an appropriate space where Council can be comfortable and hear each other, not in a loud restaurant. He asked staff to research options at local restaurants such as Andre’s and Zato Grill to see if they have appropriate space and availability.

**IV. Executive Session:** None.

7:54:10

- V. **Adjournment:**

**At 7:54 p.m. Councilmember Rackley moved to adjourn the workshop. Councilmember Lewis seconded the motion.**

**Motion approved 7 – 0.**

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Harwood T. Edvalson, CMC  
City Clerk

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Neil Johnson, Jr.  
Mayor

Items submitted to the Council Workshop of January 19, 2010:

- City of Bonney Lake – “Introduction to Shoreline Management” Powerpoint Presentation – Planning Manager Heather Stinson.
- City of Bonney Lake – “4 MGD Water Acquisition Cost Alternatives” – Public Works Director Dan Grigsby.

**CITY COUNCIL MEETING**

**January 26, 2010  
7:00 P.M.**

**MINUTES**



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Audio Time  
Stamp ↓

**I. CALL TO ORDER** – Mayor Neil Johnson, Jr. called the meeting to order at 7:02 p.m.

A. Flag Salute – Mayor Johnson led the audience in the Pledge of Allegiance.

B. Roll Call:

Records & Information Specialist Susan Duis called the roll. In addition to Mayor Neil Johnson, Jr., elected officials attending were Deputy Mayor Dan Swatman, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Donn Lewis and Councilmember Jim Rackley. Councilmember Randy McKibbin was absent.

[Staff members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Public Works Director Dan Grigsby, Police Chief Mike Mitchell, Planning Manager Heather Stinson, Community Services Director Gary Leaf, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Jim Dionne and Records & Information Specialist Susan Duis.]

**Councilmember Decker moved to excuse Councilmember McKibbin.  
Councilmember Lewis seconded the motion.**

**Motion approved 6 – 0.**

By Council consensus, Presentations Item E., Ordinance D10-21, was moved to Full Council Issues, Item B. for action at the current meeting. Mayor Johnson explained that the item was not included as an action item on the agenda due to an administrative error in preparing the agenda.

C. Announcements, Appointments and Presentations:

1. Announcements: None.

2. Appointments: None.

3. Presentations:

a. **Proclamation:** Pierce County Reads – Representatives from Pierce County Libraries.

Clare Murphy from Pierce County Library introduced Bonney Lake Managing Librarian Lynne Zeiher and Senior Librarian Lauren Murphy. They are replacing Clare, who now works at the Library System headquarters. Ms. Zeiher read the proclamation for Pierce County READS 2010 aloud, which Mayor Johnson signed. She said this year's book is Ruth Reichl's "Garlic and Sapphires." She invited citizens to

take part in the various events during Pierce County READS, including one at the Bonney Lake Branch on January 30, 2010 at 2:00 p.m.

Councilmembers asked how the Interim Justice Center and Downtown road construction projects are affecting the library. Lauren Murphy said they face some challenges with parking and construction vehicles, but the City is working with library staff on these issues.

- b. **Recommendation:** Planning Commission Chairman Grant Sulham - AB10-18 – Ordinance D10-18 – An Ordinance of the City of Bonney Lake, Pierce County, Washington, Relating to an Interim Zoning Ordinance to Regulate Cottage Housing.

Planning Commission Chair Grant Sulham said in the past, the Chair regularly updated Council on Commission business, and he plans to resume the practice. Councilmembers thanked him and suggested he bring updates to Council Workshops so items can be discussed in depth.

Commissioner Sulham said the Commission voted 5 – 1 in favor of recommending approval of the proposed Ordinance D10-18, which creates an interim zoning code for cottage developments. He said the Commission researched the concept and toured several cottage developments in the area. He said the dissenting commissioner was concerned about adding another layer of housing regulations.

Councilmembers discussed the proposed ordinance, including the square footage for cottages, minimum setbacks, and the length of the interim ordinance. Commissioner Sulham said cottage housing is normally targeted at single adults, such as ‘empty-nesters’, childless professionals, and seniors, and are not intended to be starter homes. Deputy Mayor Swatman questioned whether there was a market for this type of expensive niche housing in Bonney Lake, and said he wanted to be sure only high-quality developments are allowed in the City. The item was forwarded to the February 2, 2010 Council Workshop for discussion.

- c. **Recommendation:** Planning Commission Chairman Grant Sulham - AB10-19 – Ordinance D10-19 – An Ordinance of the City of Bonney Lake, Pierce County, Washington, Updating the Downtown Design Standards Boundary Map.

Commissioner Sulham said the proposed ordinance clarifies the Downtown boundaries. He said some area property owners were unsure whether their properties are in the official Downtown area, and one owner, Linda Youngberg, did not realize that a portion of her property is included on the Downtown area map. Commissioners voted unanimously to recommend approval of the proposed ordinance.

Planning Manager Stinson said the Comprehensive Plan includes a general ‘downtown area’ map with no street names or specific boundaries. The Downtown Design Standards adopted by Ordinance

1250 in 2007 do include a detailed map that defines the Downtown area. She said this map included part of Ms. Youngberg’s property when it was originally adopted. Proposed Ordinance D10-19 was forwarded to the February 2, 2010 Council Workshop for discussion.

- d. **Recommendation:** Planning Commission Chairman Grant Sulham - AB10-20 – Ordinance D10-20 – An Ordinance of the City of Bonney Lake, Pierce County, Washington, Updating the Critical Areas to Require Arborist’s Reports when Trees are Removed, Topped or Trimmed in Critical Areas.

Commissioner Sulham said the proposed ordinance was developed to offer a way to prevent property owners from improperly removing trees in critical areas. The commission voted 6 to 1 to recommend approval of the proposed ordinance, which requires property owners to submit an arborist report before cutting trees in critical areas. Commissioner Sulham said the dissenting vote came from a commissioner who was concerned about owners having to go through this process to cut down a tree that grows on a previously cleared site. Planning Manager Stinson said she will remove ‘interim ordinance’ language, which was included in error. She said the City’s municipal code includes provisions for mitigating tree clearing. Proposed Ordinance D10-20 requires owners to submit an arborist report to cut trees in critical areas, just as they would need geologist reports for steep slopes or wetland reports for wetlands on the property. Proposed Ordinance D10-20 was forwarded to the February 2, 2010 Workshop for discussion.

- e. ~~**Recommendation:** Planning Commission Chairman Grant Sulham – AB10-21 – Ordinance D10-21 – An Ordinance of the City of Bonney Lake, Pierce County, Washington, Adding a New Chapter 18.19 to Title 18 of the Bonney Lake Municipal Code, Creating a High Density Residential Overlay Zone and Applying it to the Residentially Zoned Portion of the WSU Forest. Moved to Full Council Issues, Item B.~~

D. Agenda Modifications: None.

7:35:27

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

A. Public Hearings: None.

B. Citizen Comments:

Linda Youngberg, 8507 82<sup>nd</sup> St E, Bonney Lake, addressed proposed Ordinance D10-19. She described her experience with the Downtown plan and map as it relates to her property. She said she was surprised to learn her property was included on the map, but was not allowed to speak at the September 16, 2009 Planning Commission Meeting. She said she submitted a letter to be read into the record in October, but she said it was not read aloud and is unsure whether it was distributed to the Planning Commissioners. She also attended the Planning Commission meeting on October 21, 2009 but arrived after the public comment period and was not allowed to speak. She

read portions of the email she sent in October 2009 aloud, and presented a copy for the record. She said the City did not include her property before, and she would like it to be removed from the 'Downtown' designation. She said the City is welcome to make an offer on her property if it would like the site to serve as a gateway for the Downtown area. Mayor Johnson thanked Ms. Youngberg for her comments and said the item will be discussed at the February 2, 2010 Workshop and probably will be considered for action at the February 9, 2010 Council Meeting.

Raymond Frey, Halsen-Frey, Greenwood Partners, Eastown LLC, spoke on proposed Ordinance D10-18. He said the Planning Commission and staff members did a great job drafting the ordinance, basing it on the best parts of other cities' ordinances. He said the draft ordinance includes a requirement that a cottage development cannot be within 1 mile of another development. He said he did not notice this earlier and feels this is too restrictive. He suggested the Council consider restrictions of ½ mile or 1,000 feet instead, to allow more than two or three cottage developments in the entire city. Councilmembers discussed the intention behind cottage developments and the current market.

Councilmembers asked Mr. Frey about the status of the Greenwood development in Downtown. Mr. Frey said they are building units for rental townhomes now, but the units could be converted into condominiums in the future, if the market changes. He said he believes he could get financing for some cottage housing this year, and has already identified potential sites in the City.

Michelle Gunn, 8708 188<sup>th</sup> Ave E, Bonney Lake, spoke about proposed Ordinance D10-19. She said she attended meetings through 2007 when the City was developing its Downtown Design Standards. She said she was surprised at the time when her property and Ms. Youngberg's property, which is next door, were not included in the 'downtown' map. She said they met with Ms. Stinson and Community Services Director John Vodopich to discuss the issue. She said their properties are not eligible to use the Downtown Stormwater facility due to topography, and they were told they would get no benefit from being included in the Downtown Design standards. She said she was not notified until September 2009 that the map had changed to include part of Ms. Youngberg's property. She said the City should focus on the other end of Downtown and get projects done there before focusing on the other end of Downtown. In response to Councilmember questions, Planning Manager Stinson reiterated that the Downtown Design Standards adopted in 2007 include a map that shows part of Ms. Youngberg's property as being included in the 'Downtown area.'

Lora Butterfield, Chamber of Commerce, said the Chamber had its first luncheon at Swiss Hall, with over 50 attendees. Special Events Coordinator David Wells presented information on 2010 events and sponsorships. Councilmember Rackley also attended. The new Chamber website will be available soon. She said each luncheon in 2010 will focus on a specific issue or topic, with an overall focus on building businesses.

C. Correspondence: None.

- A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:00 p.m. earlier in the evening and discussed personnel updates and utility billing/lockbox services. Rex Bond from ARC Architects presented information on the proposed Public Works maintenance facility on 96<sup>th</sup> Street, including general design, costs and funding options.
- B. Community Development Committee: Councilmember Rackley said the committee has not met since the last Council meeting.
- C. Public Safety Committee: Councilmember Hamilton said the committee has not met since the last Council meeting.

D. Other Reports:

Pierce County Regional Council: Councilmember Rackley attended the PCRC meeting last week. Pierce County will receive \$75 million in additional federal stimulus funding; specific requirements for funding will be available in early February, for projects ready to bid by June 1, 2010.

SCADA Sources: Councilmember Rackley met with Public Works staff to discuss SCADA resources and water loss in the City water system. He said this ongoing project researches costs to remedy water loss, and he will provide more information to the Council as it becomes available.

Recycling: Councilmember Carter said staff informed her that the City saved over \$6,000 last year by recycling metal and equipment.

Bonney Lake Restaurants: Councilmember Carter highlighted a recent article in the News Tribune about restaurants in Bonney Lake, with a review of the new Zato Grill.

Prescription Discount Cards: Mayor Johnson spoke with Auburn Mayor Pete Lewis about the National League of Cities prescription discount card program. Mayor Lewis said it is a great program and is sending more information to Mayor Johnson.

Eastown Utilities: Mayor Johnson said he met with the Compass Pointe developers last week and will provide a full report to the Council at the February 2, 2010 Workshop. He said it was a positive meeting overall.

Sumner Sewer Treatment: Mayor Johnson spoke with Sumner Mayor Dave Enslow regarding the Sumner Wastewater Treatment Facility updates. He said Sumner is prepared to start on Phase 1 of the updates. He asked Council to think about costs, particularly if Bonney Lake is asked to pay more than 50%. He said this will be an issue for discussion at the Council Retreat in February. Councilmember Rackley said he spoke with Buckley Mayor Pat Johnson recently, and Buckley is interested in considering sewer treatment facility options with Bonney Lake.

- A. **Approval of Corrected Minutes:** Approval of Corrected Minutes: January 5, 2010 Workshop and January 12, 2010 Meeting Minutes.
- B. **Accounts Payable Checks/Vouchers:** Accounts Payable checks/vouchers #57666 thru 57717 (including wire # 12302009) in the amount of \$271,208.23; Accounts Payable checks/vouchers #57718 thru 57774 (including wire #'s 1152010 & 12152009) in the amount of \$994,690.14; Accounts Payable checks/vouchers #57775 for a Utility Refund in the amount of \$436.61.
- C. **Approval of Payroll:** Payroll for January 1-15th 2010 for checks 28721-28746 including Direct Deposits and Electronic Transfers in the amount of \$ 388,681.45.
- D. **AB10-17 – Resolution 2004** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Sign an Amendment and Extension to the Agreement with Pierce County for Emergency Management Services.
- E. ~~**AB10-29**~~ ~~– A Motion of the Bonney Lake City Council Authorizing the City to Submit a Grant Application to the Plum Creek Foundation.~~ *Moved to Finance Committee Issues, Item B.*

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

**Consent Agenda approved 6 – 0.**

8:16:49

**V. FINANCE COMMITTEE ISSUES:**

- A. **AB10-12 – Resolution 2001** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the City to Contract with Billing Document Specialists (Caldwell, ID) for Utility Billing and Lock Box Services.

Deputy Mayor Swatman said this item was discussed during Finance Committee earlier in the evening and should be pulled back to Committee for further review.

**Councilmember Rackley moved to table Resolution 2001 to Finance Committee.  
Councilmember Decker seconded the motion.**

**Motion to table approved 6 – 0.**

- B. **AB10-29** – A Motion of the Bonney Lake City Council Authorizing the City to Submit a Grant Application to the Plum Creek Foundation. *Moved from Consent Agenda, Item E.*

**Councilmember Rackley moved to approve AB10-29. Councilmember Decker seconded the motion.**

Deputy Mayor Swatman said he pulled this item from the Consent Agenda because the agenda packet did not include a Finance Committee review page. He said this item did come before the Committee and was recommended unanimously. Executive

Assistant Brian Hartsell said the grant will supplement \$500 from the Senior Advisory Board with \$2,700 in grant funds to purchase automatic external defibrillators (AEDs) for the Senior Center and shuttle van. The grant does not require a financial obligation from the City, though staff must maintain their training certifications and check the equipment regularly. Deputy Mayor Swatman encouraged the City to consider purchasing AEDs for other City buildings.

**Motion approved 6 – 0.**

**VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES:** None.

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

8:20:44

**VIII. FULL COUNCIL ISSUES:**

- A. AB10-30 – Resolution 2009** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Sign the 2010 Lake Tapps Area Water Resources Agreement.

**Councilmember Lewis moved to approve Resolution 2009. Councilmember Decker seconded the motion.**

Mayor Johnson said the ‘Four Cities’ of Auburn, Bonney Lake, Buckley and Sumner worked together with Cascade Water Alliance (CWA) to create the proposed agreement. He said it is very positive item for Bonney Lake and hopes the cities will have a good partnership with CWA in the future. Deputy Mayor Swatman said the agreement includes two options for the City to acquire water: to purchase water from CWA from Tacoma Public Utilities (TPU) at a low price, or to purchase water rights in the White River Basin from CWA. The City would have to drill for and treat water it accessed from the White River Basin at an additional cost. He said this is a good option for the City, with lower fees to purchase TPU water and an option for new water source rights. Director Grigsby said the City’s agreement with TPU is from 2005 and includes an annual fee once the City starts purchasing water. The CWA agreement does not include these fees.

Director Grigsby said several small changes would probably be made to the draft agreement before the Mayor signs the final version. He said these changes will not affect Bonney Lake substantively, and the only major change affects the City of Buckley. Mayor Johnson assured the Council that if he finds any substantive changes affecting Bonney Lake appear in the final version, he will bring the agreement back to the Council for further review. Councilmember Carter noted that this version of the draft letter and agreement have been amended in several sections since the Council reviewed the item on January 19, 2010.

**Motion approved 6 – 0.**

- B. AB10-21 – Ordinance 1342** – An Ordinance of the City of Bonney Lake, Pierce County, Washington, Adding a New Chapter 18.19 to Title 18 of the Bonney Lake Municipal Code, Creating a High Density Residential Overlay Zone and Applying it to the Residentially Zoned Portion of the WSU Forest. *Moved from Presentations, Item E.*

**Councilmember Decker moved to approve Ordinance 1342. Councilmember Hamilton seconded the motion.**

Planning Manager Stinson said the proposed ordinance follows up with the WSU Development Agreement the Council approved on December 22, 2009 (Resolution 1991). The Planning Commission unanimously voted against recommending changes to R-3 zoning, and suggested consideration of a zoning overlay instead. Councilmember Carter said the description of the area covered by the overlay remains incomplete, and only includes the area south of SR 410 and northeast of South Prairie Rd, with no eastern delineation. She expressed concern about fire safety requirements and setbacks of only 10’ to 15’. Planning Manager Stinson confirmed that setbacks in other parts of the City are 20’.

**Motion approved 5 – 1.  
Councilmember Carter voted no.**

**IX. EXECUTIVE SESSION:** None.

8:32:

**X. ADJOURNMENT:**

**At 8:32 p.m., Councilmember Rackley moved to adjourn the meeting. Councilmember Lewis seconded the motion.**

**Motion approved 6 – 0.**

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Harwood Edvalson, CMC  
City Clerk

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Neil Johnson  
Mayor

*Items submitted to the Council Meeting of January 26, 2010:*

- Bonney Lake Citizen – *Email: “FW: Downtown,” October 6, 2009* – Linda Youngberg.

**City of Bonney Lake, Washington  
City Council Agenda Bill (C.A.B.) Approval Form**

<b><u>Department / Staff Contact:</u></b> CD / Heather Stinson	<b><u>Workshop / Meeting Date:</u></b> 09 Feb 2010	<b><u>Agenda Bill Number:</u></b> AB10-36
<b><u>Ordinance Number:</u></b> D10-36	<b><u>Resolution Number:</u></b>	<b><u>Councilmember Sponsor:</u></b>

**Agenda Subject:** Amendment of BLMC Section 18.19.010

**Proposed Motion:** An Ordinance of the City of Bonney Lake, Pierce County, Washington, Amending Section 18.19.010 of the Bonney Lake Municipal Code.

**Administrative Recommendation:** Approve the attached ordinance as drafted.

**Background Summary:** The area to which the R-3 Overlay is applied needs to be further clarified to establish an eastern boundary.

**BUDGET INFORMATION:**

<b>Budget Amount</b>	<b>Required Expenditure</b>	<b>Budget Impact</b>	<b>Budget Balance</b>
<b>Budget Explanation:</b>			

**COMMITTEE/BOARD REVIEW:**

Subcommittee Review Date: -  
 Commission/Board Review Date: -  
 Hearing Examiner Date:

**COUNCIL ACTION:**

<b>Workshop Date(s):</b> 02 Feb 2010	<b>Public Hearing Date(s):</b> 04 Nov 2009
<b>Meeting Date(s):</b> 26 Jan 2010	<b>Tabled To Date:</b>

**Signatures:**

Director Authorization John P. Vodopich, AICP	Mayor	Date City Attorney Reviewed
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ORDINANCE NO. D10-36

AN ORDINANCE OF THE CITY OF BONNEY LAKE, PIERCE COUNTY,  
WASHINGTON, AMENDING SECTION 18.19.010 OF THE BONNEY LAKE  
MUNICIPAL CODE.

WHEREAS, the area to which the R-3 Overlay is applied needs to be further defined;

NOW, THEREFORE, the City Council of the City of Bonney Lake do hereby ordain as follows:

Section 1. BLMC 18.19.010, is hereby amended to read as follows:

**18.19.010 General intent.**

The R-3 High Density Residential Overlay may be available for application to properties zoned R-3 and located South of SR 410, ~~north~~East of South Prairie Road and west of 214<sup>th</sup> Ave. E., and is intended to provide limited variations from the existing R-3 zoning Code, to allow for a mix of attached and detached residences, duplexes, townhomes, condominiums, or apartments or a combination thereof, to accommodate appropriate urban densities, and to encourage clustered development in an area of the City that is particularly suitable for innovative residential development techniques. Unless otherwise provided in this Chapter, all regulations governing the R-3 zone shall apply.

Section 2. 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 9th day of February, 2010.

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Neil Johnson, Mayor

ATTEST:

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Harwood Edvalson  
City Clerk

APPROVED AS TO FORM:

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James Dionne  
City Attorney

Passed:

Valid:

Published:

Effective Date:





**RESOLUTION NO. 2001**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO AWARD AND EXECUTE A CONTRACT WITH BILLING DOCUMENT SPECIALISTS FOR UTILITY BILLING AND LOCK BOX SERVICES.**

The City Council of the City of Bonney Lake, Washington, does hereby resolve that the Mayor is to award and execute a contract with Billing Document Specialists for utility billing and lock box services.

**PASSED** by the City Council this 9<sup>th</sup> day of February, 2010

\_\_\_\_\_  
Neil Johnson Jr., Mayor

ATTEST:

\_\_\_\_\_  
Harwood T. Edvalson, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
James Dionne, City Attorney

## PERSONAL SERVICES AGREEMENT

THIS PERSONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the City of Bonney Lake (“City”) and Billing Document Specialists (“Contractor”).

The parties hereby agree as follows:

- 1.0 Scope of Work.** The Contractor shall perform all work and provide all materials described in the Scope of Work. Such work shall be performed using facilities, equipment and staff provided by Contractor, and shall be performed in accordance with all applicable federal, state and local laws, ordinances and regulations. The Contractor shall exercise reasonable care and judgment in the performance of work pursuant to this Agreement. The Contractor shall make minor changes, amendments or revisions in the detail of the work as may be required by the City, such work not to constitute Extra Work under this Agreement. The Scope of Services Proposal submitted by Billing Document Specialists is attached as Exhibit A and incorporated into this Agreement by reference. Any terms contained in the Proposal shall be binding upon the Contractor, including but not limited to the pricing information supplied in the proposal and attached as Exhibit B. In the event of a conflict in terms, this Agreement shall govern.
- 2.0 Ownership of Work Product.** Documents, presentations and any other work product produced by the Contractor in performance of work under this Agreement shall be tendered to the City upon completion of the work, and all such product shall become and remain the property of the City and may be used by the City without restriction; *provided*, that any such use by the City not directly related to the particular purposes for which the work product was produced shall be without any liability whatsoever to the Contractor.
- 3.0 Payment/Pricing.** The Contractor shall be paid by the City for services rendered under this Agreement pursuant to the rates and charges set out in Contractor’s submitted proposal dated October 26, 2009. These rates and charges are summarized in Exhibit B, attached hereto and incorporated herein by this reference. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work. All billings for compensation for work performed under this Agreement shall list actual time and dates during which the work was performed and the compensation shall be figured using the rates set out in Exhibit B; *provided*, that payment for work within the Scope of Work (Section 1 and Exhibit A) shall not exceed the fee/hour estimate set out in Exhibit B without written amendment to this Agreement, agreed to and signed by both parties.

Acceptance of final payment by the Contractor shall constitute a release of all claims, related to payment under this Agreement, which the Contractor may have against the City unless such claims are specifically reserved in writing and transmitted to the City by the Contractor prior to acceptance of final payment. Final payment shall not, however, be a bar to any claims that the City may have against the Contractor or to any remedies the City may pursue with respect to such claims.

The Contractor and any sub-Contractors shall keep available for inspection, by the City, for a period of three years after final payment, the cost records and accounts pertaining to this Agreement and all items related to, or bearing upon, such records. If any litigation, claim or audit is started before the expiration of the three-year retention period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The three-year retention period shall commence when the Contractor receives final payment.

**3.0.1 Price Reduction.** The City and Contractor will work together to determine the most cost effective approach to execute the scope of work that meets the needs of the City. If during the life of the contract the vendor establishes lower pricing with other clients for services of a similar scope, the vendor shall apprise the City and shall make such pricing available to the City.

**3.0.2 Terms and Conditions of Payment.** The City of Bonney Lake shall make payment on completed orders within thirty (30) days of receiving invoicing.

**3.0.2.1 Invoices and Purchase Orders.** The Contractor shall provide the City with invoices that are fully documented as to services rendered. An open Purchase Order (PO) may be established by the City for the utility billing service. The City shall give all custom orders a purchase order number. No payments shall be made on invoices not listing a valid PO number.

**3.0.3 Promotional Strategies.** The City will consider “Promotional Strategies” such as special vendor pricing or discounts in exchange for the City’s willingness to participate in new product testing or promotion including ability of vendor to bring other potential customers to the city’s job sites to demonstrate products. Promotional strategies should be discussed with the Chief Financial Officer, and approved by the appropriate City Official(s) before submission of such a proposal.

**3.0.4 Permits, Licenses, and Certificates.** The contractor, at its sole expense, shall obtain and maintain during the term of this Contract, all permits, licenses, and certificates required in connection with the performance of services under this Contract.

**3.0.5 Postage.** The Contractor shall provide timely and appropriate accounting for actual postage expenses. The Contractor shall apply the best available postage rate. Any postage savings realized by the vendor are to be passed on to the City.

**3.0.6 Price Changes.** Cost increases or price changes will require at least (60) calendar days prior notice to the City and shall not exceed 3% per year, or the US Department of Labor Consumer Price Index for All Urban Consumers (CPI-U) for Seattle-Tacoma-Bremerton, whichever is lower.

**4.0 Changes in Work.** The Contractor shall make all revisions and changes in the work completed under this Agreement as are necessary to correct errors, when required to do so by the City, without additional compensation.

**5.0 Extra Work.** The City may desire to have the Contractor perform work or render services, such as custom inserts, in addition to or other than work provided for by the expressed intent of the Scope of Work. Such work will be considered Extra Work and will be specified in a

written supplement which will set forth the nature and scope thereof. Work under a supplement shall not proceed until authorized in writing by the City. Any dispute as to whether work is Extra Work or work already covered by this Agreement shall be resolved before the work is undertaken. Performance of the work by the Contractor prior to resolution of any such dispute shall waive any claim by the Contractor for compensation as Extra Work.

- 6.0 Employment.** Any and all employees of Contractor, while engaged in the performance of any work or services required by the Contractor under this Agreement, shall be considered employees of the Contractor only and not of the City, and any and all claims that may or might arise under the Workers' Compensation Act on behalf of said employees, while so engaged; any and all taxes arising out of Contractor's or Contractor's employees' work under this Agreement; and any and all claims made by a third party as a consequence of any acts, errors, or omissions on the part of the Contractor's employees, while so engaged, shall be the sole obligation and responsibility of the Contractor. The Contractor's relation to the City shall at all times be as an independent contractor.
- 7.0 Nondiscrimination and Legal Compliance.** Contractor agrees not to discriminate against any client, employee or applicant for employment or for services because of race, creed, color, national origin, marital status, gender, age or handicap except for a bona fide occupational qualification with regard to, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training; and rendition of services. The contractor represents and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Reform and Control Act of 1986, including but not limited to the provisions of the Act prohibiting the hiring and continued employment of unauthorized aliens and requiring verification and record keeping with respect to the status of each of its employees' eligibility for employment. The contractor shall include a provision substantially the same as this section in any and all contracts with subcontractors performing work required of the contractor under this contract. The contractor agrees to indemnify and hold the City harmless from any and all liability, including liability for interest and penalties, the City may incur as a result of the contractor failing to comply with any provisions of the Immigration Reform and Control Act of 1986. Contractor understands and agrees that if it violates this section, this Agreement may be terminated by the City, and that Contractor shall be barred from performing any services for the City in the future unless and until a showing is made satisfactory to the City that discriminatory practices have terminated and that recurrence of such action is unlikely.
- 8.0 Contract Term.** This Contract shall be in effect for a period of twelve (12) months, beginning on the date of execution. The Parties may mutually agree to extend the contract for additional one-year terms.
- 9.0 Termination by City.** The City may terminate this Agreement at any time upon not less than thirty (30) days written notice to Contractor, subject to the City's obligation to pay Contractor in accordance with subsections 9.0.1, 9.0.2, and 9.0.3 below.

- 9.0.1** In the event this Agreement is terminated by the City other than for fault on the part of the Contractor, a final payment shall be made to the Contractor for actual cost of work complete at the time of termination of the Agreement. In addition, the Contractor shall be paid on the same basis as above for any authorize Extra Work completed. No payment shall be made for any work completed after thirty (30) days following receipt by the Contractor of the termination notice. If the accumulated payment(s) made to the Contractor prior to the termination notice exceeds the total amount that would be due as set forth in this subsection, then no final payment shall be due and the Contractor shall immediately reimburse the City for any excess paid.
- 9.0.2** In the event the services of the Contractor are terminated by the City for fault on the part of the Contractor, subsection A of this section shall not apply. In such event the amount to be paid shall be determined by the City with consideration given to the actual costs incurred by the Contractor in performing the work to the date of termination, the amount of work originally required which was satisfactorily completed to date of termination, whether that work is in a form or of a type which is usable by the City at the time of termination, the cost to the City of employing another person or firm to complete the work required and the time which may be required to do so, and other factors which affect the value to the City of the work performed at the time of termination. Under no circumstances shall payment made under this subsection exceed the amount which would have been made if subsection A of this section applied.
- 9.0.3** In the event this Agreement is terminated, the original copies of all work products prepared by the Contractor prior to termination shall become the property of the City for its use without restriction; *provided*, that any such use by the City not directly related to the particular purposes for which the work product was produced shall be without any liability whatsoever to the Contractor.

**10.0 Termination by Contractor.** Contractor may terminate this Agreement with 60 days notice to the City.

**11.0 Applicable Law; Venue.** The law of the State of Washington shall apply in interpreting this Agreement. Venue for any lawsuit arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Pierce County.

**12.0 Indemnification / Hold Harmless.** Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

**12.0.1 Insurance.** The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

**12.0.2 Minimum Scope of Insurance.** Contractor shall obtain insurance of the types described below:

- 12.0.2.1 **Commercial General Liability** insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.
- 12.0.2.2 **Workers' Compensation** coverage as required by the Industrial Insurance laws of the State of Washington.

**12.0.3 Minimum Amounts of Insurance.** Contractor shall maintain the following insurance limits:

- 12.0.3.1 **Commercial General Liability** insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- 12.0.3.2 **Professional Liability** insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

**12.0.4 Other Insurance Provisions.** The insurance policies are to contain, or be endorsed to contain, the following provisions for Professional Liability and Commercial General Liability insurance:

- 12.0.4.1 The Contractor's insurance coverage shall be primary insurance with respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.
- 12.0.4.2 The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

**12.0.5 Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

**12.0.6 Verification of Coverage.** Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work.

**13. Subletting or Assigning.** The Contractor shall not sublet or assign any of the work covered by this Agreement without the express written consent of the City.

**14. Entire Agreement.** This Agreement and associated exhibits represent the entire Agreement between the parties. No change, termination or attempted waiver of any of the provisions of the Agreement shall be binding on any party unless executed in writing by authorized representatives of each party. The agreement shall not be modified, supplemented or otherwise affected by the course of dealing between the parties.

- 15. **Waiver.** Failure by any party to this Agreement to enforce any provision of this Agreement or to declare a breach shall not constitute a waiver thereof, nor shall it impair any party's right to demand strict performance of that or any other provision of this Agreement any time thereafter.
- 16. **Severability.** If any provision of this Agreement or its application is held invalid, the remainder of the Agreement or the application of the remainder of the Agreement shall not be affected.
- 17. **Execution and Acceptance.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original having identical legal effect. The Contractor hereby ratifies and adopts all statements, representations, warranties, covenants, and agreements contained in the supporting materials submitted by the Contractor, and does hereby accept the Agreement and agrees to all of the terms and conditions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF BONNEY LAKE

CONTRACTOR

By: \_\_\_\_\_  
 Neil Johnson, Jr., Mayor  
 City of Bonney Lake

By: \_\_\_\_\_  
 Title  
 Billing Document Specialists

**Attachments:**  
 Exhibit A—Scope of Services  
 Exhibit B—Pricing



915 Main Street  
Suite 1000  
Caldwell, ID 83605

Local: 208.459.3611  
Toll Free: 800.627.3283  
Fax: 208.459.3680  
Email: [info@billingdoc.com](mailto:info@billingdoc.com)

## PRINT & MAIL Scope of Services

Billing Documents Specialist (BDS) will provide to the City of Bonney Lake, here after referred to as the CLIENT, the following services using our PCI Certified secure Administration Web Site to received and send and store all data received by the Client.

Client will be issued a username and password to the BDS Admin Web Site to transfer up five data files along with any special instructions, an automated email will be sent confirming receipt of the data files within two hours of receiving the files. This is the Client's assurance that the file has been received. If the Client has not received this confirmation it is the Client's responsibility to contact BDS.

BDS will then process the data, create all USPS reporting and advise the Client by email that the file is ready to approve. Included in the email will be the total number of files received and if requested the total dollar values. The Client can then view samples that are an exact pdf image of the document to print & mail. Reports for the NOCA (Fast Forwarding) address changes will also be available to the Client to review. Using the "Approval" option on the Admin Web site the Client can either approve the file or send comments of issues to be addressed prior to printing the files.

Upon approval by the Client, if the Client has selected the E Statements options, BDS will pull those accounts from the print file. BDS will then print the documents including the proper intelligent postal bar coding for 1<sup>st</sup> class presorted mailings, including the remit to address bar coding for prompt delivery of receipts back to the Client. BDS will also add the OMR coding for additional pages (same address or name and address merged to one envelope), selective inserts and or selective # 9 return envelopes as the Client has requested so that the automated inserting equipment can detect the proper selections. Once the mail process is completed the email notification for the E Statements are sent. **The average turnaround time for delivery to the USPS is 12 hours depending on the Client's response to approve the files.**

The BDS inserting equipment can insert up to 7 pages, including the # 9 return envelopes, in our standard # 10 outgoing envelope. Over four pages and the # 9 return envelope exceeds

visit us online at [www.billingdoc.com](http://www.billingdoc.com)



915 Main Street  
Suite 1000  
Caldwell, ID 83605

Local: 208.459.3611  
Toll Free: 800.627.3283  
Fax: 208.459.3680  
Email: [info@billingdoc.com](mailto:info@billingdoc.com)

the 1 oz. rate for postage. Over 7 pages BDS will pull to a manual file and mail in a flat envelope at the additional image rate plus the cost of the envelope and the postage.

The # 10 Double window envelopes and the # 9 Single window have interior tinting and are customized large windows to insure that all necessary USPS bar coding and endorsements are viewable within the margins specified by the USPS. (see enclosed samples)

The BDS standard forms are two color with the City logo and static data in black. All variable data is printed in black. Custom forms are available with color logos and special information printed on the back. (see enclosed samples of both standard and custom forms)

BDS will post images of the documents giving the Client the ability to search by name, account number to view a full color pdf image of any document created in the past 24 months for research and that can be printed or emailed direct to a customer that requests a copy of their bill. This search option is located on the BDS admin Web Site available 24 7.

If the Client has request the E Payments option the amount due and latest images of the documents will be updated to the Payment Solutions link for the Client's customers to access.

A handwritten signature in blue ink, appearing to read "RJ", is positioned above the printed name of Robert Jenkins.

Robert Jenkins,  
President

## LOCKBOX SERVICES

### Scope of Services

1. Summary of Services
  - A. BDS shall provide lockbox mail collection services, including timely deposits and efficient processing of remittances for the Client's utility payments. Client will sign a merchant agreement with Profit Stars/ Jack Henry Associates as the processor to electronically deposit funds.
  - B. BDS shall provide daily electronic transfer, including:
    - a. Transmit a data file to Client by 5 pm on each banking day.
    - b. Return all payments and stubs relating to exceptions to the Client.
    - c. Posted payment import files shall be available on the BDS Admin Site for download by Client.
    - d. Scanned check images uploaded to secure BDS Admin Web site .
    - e. Client will be able to search web site by account number, name or check number.
  - C. BDS shall collect incoming mail from the Post Office box specified by Client the morning and afternoon of each banking day.
  - D. BDS shall open envelopes, remove and inspect the enclosures, match check amounts to payment stubs, batch and process payments. Exceptions are checks that BDS is unable to match to any account number or name. Exceptions may be returned to Client or BDS set up a procedure to scan the check and any related documents, post to a "verify Doc" tab on the Admin Web so that the Client can view and advise the correct account number or request that the items be returned to the Client.
  - E. BDS shall scan all processed checks and store the image file on in-house server(s). The Client shall have access to scanned documents via a secure web site and the remit report via e-mail by 5 p.m. on the same business day as the pickup of payments. Other non-transaction input documents, deposit slips, unmatched input documents, correspondence etc shall be forwarded to the Client either by mail or courier at Client's expense.

- F. BDS shall submit to Profit Stars/ Jack Henry (check processor) the electronic file by 5pm on the same banking day as received. Profit Stars/ Jack Henry will process the items either ACH or CK21 depending on the micr coding scanned from the check.

2. System Specifications for Electronic Transfers

- A. Capability to transmit import data files to Client in a format to be determined. Transmission deadline shall be no later than 5 pm for the same day's transactions. The import files and related document files will be posted on the BDS Admin site for the Client to pull and post to their A/R.
- B. Notify Client Utility Billing or specified personnel via e-mail by 5 p.m. when files are transmitted and ready for processing by the Client.
- C. Entire transmission process shall take no longer than 1 hour each, per day, including notifications to Client.
- D. There shall be no differentiation between handling of delinquent accounts and regular payments.
- E. The following are the data requirements for each payment received:
  - a. Utility Billing Account Number
  - b. Dollar amount remitted for this account number
  - c. Date input
  - d. Bill to name
  - e. Identification of any name or address changes
  - f. Dollar amount of invoice

Billing Document Specialists must be able to match customer name, address or account number in order to post a payment. If these methods are not available for cross reference, the item becomes an "exception".

- F. Batch Identification. Clearly label each bundle of checks with the following:
  - a. Unique ID number
  - b. Total dollar amount of each batch

- c. Total number of items in each batch
- G. Daily Reports. A daily electronic report showing the following items:
  - a. Utility Billing account number
  - b. Bill to name
  - c. Dollar amount remitted to the corresponding account number
  - d. Batch totals together with batch ID
  - e. Grand total of all accounts remitted, balanced to the total of all related invoices
  - f. Any customer notations or comments on the return stub to be returned to the Client.
- H. BDS shall provide proof of redundancy in equipment and personnel and contingency plans to provide uninterrupted service.
- I. Mail Processing. Mail shall be retrieved Monday through Friday. Saturday mail to be retrieved at Monday pick-up. Holiday mail to be handled on the next business day.
- J. Staffing. Adequate staff shall be on hand and cross trained to accommodate varying workload for lock box service. Within the 3 divisions that make up Valli Information Systems, Inc., dba BDS there shall be significant number of personnel maintained with experience in bookkeeping and/or accounting. All of these personnel shall be cross-trained in the correct procedures for working with the Client's lockbox project. Necessary staff shall be configured on a daily basis depending upon the volume of mail/receipts received. A 3-person processing team shall always be involved, as well as a supervisor. This shall provide the necessary personnel to maintain appropriate security at all times.
- K. Currency and coin control. In the event that cash is received, it shall be posted in a log when the envelope is opened; with a secondary initial confirming that cash amount noted is correct. A copy of the log shall be mailed electronically to Client along with the deposit slip copies in the afternoon.

### 3. Payment Processing

- A. Three positions shall be employed by BDS to assure dual control. Position I shall process incoming checks and create control tapes on multiple payment stubs or multiple checks per payment stub. Position II shall be responsible for the scanning and posting of the checks to data files. Position III will process the deposit electronically to the processor, verifying that

the total amount processed is in balance with the reports create and posted to the BDS Admin web site for the Client to import.

- B. The main 3 positions shall be as noted above. If an exception item is found in an existing batch (example: an online payment with an incorrect account number), the item shall be noted on the tape with an "E" and the total on the tape corrected. The documents shall also require initials of the person that pulled the item as an exception item and their supervisor. This will provide a documentation trail and shall preserve the integrity of dual control. Daily balance reports shall be posted to the BDS admin Web site and or e-mailed prior to 5pm to confirm deposit amounts.
- C. Out of balance conditions shall be researched and corrected daily.
- D. Exception items shall be scanned and deposited at Client's request and noted on the batch reports.
- E. All payment stubs, other non-transaction input documents, deposit slips, unmatched input documents, correspondence or other related documents shall be forwarded as desired by the Client via mail or courier. BDS shall not be responsible for storage or destruction of said documents.

4. Disaster Recovery

In the case of an automated equipment or system failure the attached Disaster Contingency Recovery Plan shall be applicable.

5. Quality

List and describe internal quality standards including:

- A. All data to be transmitted to Client prior to 5pm daily.

- B. Check copies will be filed for viewing on secure web site, no transmission is necessary. E-mails of daily reports shall have confirmation receipt requested to assure receipt by Client. Any information sent by e-mail shall also be sent with a system-generated delivery receipt.
- C. Scan quality of all documents will be clear and legible.
- D. BDS shall investigate errors internally to see what the cause may have been, check processes and documentation and conduct training if needed to prevent future errors.

6. Other Charges

Lock Box Rental Charge. #3 Post Office box (dimensions 11w x 5.5h x 14d) at cost of \$34 semi-annually. If day's mail should exceed capacity of box, excess shall be put in tub and held for pick up per notice in PO Box.

- B. A transaction is defined as each posting to any account. If one check pays more than one account a fee will be charged for each account. If more than one check pays one account each check will be a transaction.
- C. The Client will be responsible for all postage and/or courier fees for returned documents and billed at month's end.
- D. Web site will store 24 months of statements and payments for review. Prior time periods will be backed up on a monthly basis to CD Rom for storage and sent to Client.

Service			Estimated Monthly Volume	Each Price	Total Price
<b>Utility Billing and Shut Off Notices</b>					
Utility Billing	Set Up Fees	for custom forms design, format, file conversions and BDS Admin Web Site for reporting, import files and custom search for PDF images of all documents.	6600	No Charge	0.00
	1st page	Includes standard two color cut sheets, standard double window # 10 & single window # 9 return envelopes with security tint.	6600	0.125	825.00
	Web Posting	per pdf statement file posted to the web.	6600	0.010	66.00
	Custom Form	Third color on Custom Forms	6600	0.005	33.00
	Custom Envelopes # 9	additional for custom Colored # 9 Envelopes per sample specification in the RFP	6600	0.025	165.00
		<b>Potential savings if the Standard envelopes are selected Based on Quantities provided in RFP samples</b>			
Utility Billing Postage	at actual cost	Average for City Utilities with 5 digit presort rates. Foreign address will be pulled to manual processing for correct postage billed at costs.	6600	0.345	2,277.00
	Additional Pages	Additional pages including like addresses or name and address merges up to 7 pages over 7 pages mailed as manual files. <b>Potential savings on postage.</b>		0.050	
	Manual Files over 7 pages	Special handling and manual inserting into either 6 x 9 or "flat"		0.165	
	6 X 9 Double Window Env.	7 to 15 pages depending on additional inserts including # 9 Ret.		0.15	
	9 X 12 Single Window Env.	Over 15 pages, including # 9 return		0.3	
		Plus actual postage			
Shut Off Notices	1st page	Includes standard two color cut sheets, standard double window # 10 & single window # 9 return envelopes with security tint.	500	0.125	62.50
	Web Posting	per pdf statement file posted to the web.	500	0.010	5.00





Monthly Maintenance		Monthly Maintenance for all On Line and OTC applications	1	325.00	325.00
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**IVR PAYMENT OPTIONS**

IVR Phone Payments	Setup Fees	This service allows your customers with a touch phone to pay their bill with a credit card, 24 / 7, without an agent.		No Charge	0.00
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	Per Call Fees	The customer calls a dedicated 800 number, receives a customized message from the City, requests the account number, confirms the name of the account and the amount due, walks the customer thru the payment process and give a confirmation code upon completion. BDS then post the payment transaction to the web site and build the import file to enable the City to update the AIR	each	1.50	
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	Credit Card Fees	Depending on the option that the City has selection for the merchant account with the credit card processor the same fee structure would apply for this service.			
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**Remote Lockbox Services**

		This is an optional service to our FULL LOCKBOX SERVICE. With this option the Client retains control and receipt of the payments, they open the mail scan the stubs and check with provided hardware and software, upon completion of the transactions at the end of the day they notify BDS via email. BDS closed the batch, post to the Web site create the import file to the Client's AIR and submits the deposits electronically. BDS trains the Client's staff of the proper retention of the paper checks and any other regulations.			
		All of the reporting and web services are the same as with the Full Lockbox services.			

	Setup & License	Programming License and software setup fees	1	1,500.00	1,500.00
	Annual License Renewal	\$750.00 for each additional year			

	VPN hardware	Statements would have a trail to PO Box that BDS would			
		This is the method of secure connection between the Client's location and the BDS server	1	500.00	500.00

	Check Scanners	The software is designed to work with the Cannon check scanners	1200.00 to 3800.00		
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There are three models CR25, 25 checks per minute CR55 and the

Lookbox Per Item Transaction		Receive mail, open, scan, create web images, update data base including import files and submit electronic deposit files	6600	0.00	0.00			
Lookbox Manual Entry		Receipts received without payment stubs, requiring manual verification of data and posting (check Only on Reports)	750	0.00	0.00			
Lookbox Electronic Daily Data, Detail and Summary Report Transmission			1	n/c	0.00			
	Processor ACH fee	Non business checks submitted electronically and percentage of checks received 80%	600	0.15	90.00			
	Processor CK21 fee	Business checks at average of 20%	150	0.20	30.00			
		<b>NO FLOAT, deposited next day available funds</b>						
	Processor Monthly Smt Fee		1	15.00	15.00			
Lookbox Courier Fee			n/a	0.00	0.00			
Mailing Service Fee			n/a	0.00				
Internet Data Research Tool Fee		BDS Admin Web site tool & Jack Henry Web Site	N/C	0.00	0.00			

QUOTE for Black & White	0.065	one color / Black	0.05	one color / Black	0.04
		Two Color	0.1	Two Color	0.08
INSERTS DUPELEX (Both Sides)		Three Color	0.135	Three Color	0.135
QUOTE for Black & White	0.085	Full Color	0.15	Full Color	0.15
INSERTS SIMPEX (One Side)		INSERTS DUPELEX		INSERTS DUPELEX	
QUOTE for Full Color	0.18	one color / Black	0.06	one color / Black	0.05
		Two Color	0.12	Two Color	0.105
INSERTS DUPELEX Both Sides		Three Color	0.155	Three Color	14.5
QUOTE for Full Color	0.25	Full Color	0.17	Full Color	0.18
FOLDING	0.01	FOLDING	0.01	FOLDING	0.01
STUFFING	0.01	STUFFING	0.01	STUFFING	0.01
Addition Costs for the Following:					
24# white	11 x 17	0.03			
Color Stock non brights	8.5 x 11	0.02			
Color Stock Brights	8.5 x 11	0.025			
Astro Brights Call for Pricing	.	.			
Gloss Cover 80#	8.5 x 11	0.05			
Gloss cover 80#	12 x 18	0.1055			
Gloss Cover 100#	8.5 x 11	0.07			
Gloss Cover 100#	12 x 18	0.132			

Extra Charge for Special Stock to be determined depending on size, weight, color and finish of the paper stock

Must be either PDF or Word Doc ready to print. Additional cost for setup and cutting may apply.

Over 4 pages with a return envelope the postage goes to 2 oz. for an additional postage costs
