



CITY OF BLACK DIAMOND
March 5, 2009 Workstudy Agenda
25510 Lawson St., Black Diamond, Washington

Workstudies are meetings for Council to review upcoming and pertinent business of the City. Public testimony is only accepted at the discretion of the Council.

6:00 P.M. – CALL TO ORDER, ROLL CALL

- 1.) Stormwater Rates
- 2.) Adjournment

City of Black Diamond

Stormwater rate analysis

March 5, 2009

2008 and 2009 Budget	Page 1
Salary allocations	
Current Rates	

Rate options-a la Bonney Lake	Page 2
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Rate options-changing ERU's	Page 3
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Rate option using ramp-up	Page 4
Changing ERU's to 3,000	
Taking out charge for gravel	

Examples of rate change	Page 5
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Other Talking Points

Non-Profit exemptions

Low income/Sr Discount

Charging undeveloped property

Using other fund to subsidize Stormwater

City of Black Diamond
Drainage Fund Analysis
23-Feb-09

	2008 Drainage Budget	2008 Drainage Actual	2009 Drg Budget	2009 Estimate Actual
REVENUE				
User Charges-Residence-1,433 Units				204,919
User Charges-Multifamily-56 units				8,008
User Charges-Business-553.5 units				79,937
User Charges-City,PSE,K/C,School-159 units				22,737
User Charges-Non Profit-3@30.5 units 11 months			335,500	3,575
Operating Revenue	0	0	335,500	319,176
Other Revenues				
DOE-grant	75,000			75,000
Loan from Sewer Reserve	100,000	100,000		
Yarrow Bay-PW Dir Reimb			35,352	35,352
Investment Interest	606		200	500
Storm Impact fees				
Transfer from Capital Fd				
Subtotal Other Rev	175,606	100,000	35,552	110,852
Total Revenue	175,606	100,000	371,052	430,028
Beginning C&I Bal-unres			30,000	31,305
Beginning C&I Bal-Res				0
Total Beginning C&I			30,000	31,305
Total Revenue Sources	175,606	100,000	401,052	430,028
EXPENSES				
* Sal & Bene- Staff			92,870	92,870
* Sal & Bene-PW Dir (see Rev)			35,352	35,352
* Sal & Bene-Allocation			22,180	22,180
* (% of Gwen, Tracey, Rachel)				
Supplies			1,000	1,000
Fuel			2,000	2,000
Tools			500	500
Insurance			2,647	2,647
Professional Services			2,765	2,765
Repairs & Mtc.			2,000	2,000
KC Wtr Qual-Lk Sawyer			6,000	6,000
Travel, memberships, training			1,500	1,500
Wa State Storm Permit			1,000	1,000
Utilities			2,300	2,300
Legal Svs			4,140	4,140
Audit			5,000	5,000
Cost Alloc- Post, copies			18,820	18,820
Utility Tax			18,452	18,452
Total Operating Exp			218,526	218,526
Other Expenses				
PacWest-Permit	4,000	4,179		
1 PW Comp PI/NPDES per	145,390	64,316	100,000	81,074
Transfer for Equipment-CIP			10,000	10,000
Debt repayment			20,400	20,400
Replace or repair culverts-2				26,000
NPDES Prj/Vactor Truck rental				
Subtotal Other Exp	149,390	68,495	130,400	137,474
Total Uses			348,926	356,000
Reserved C&I Balance			52,126	52,126
Unreserved C&I Balance				0
Total Ending Cash & Invest.	0		52,126	52,126
Total Uses			401,052	408,126
net shortfall/surplus	26,216	31,505		21,902

1 The 2009 Expenditure budget for the NPDES Permit II expenditure, was the planned carryover balance of the Pac West contract .
My estimated actual had reduced that amount to the real balance of \$81,074 that will be a carry over budget change. The Stormwater DOE Grant of \$75,000 will be used with the carryover loan balance to pay for this contrace in 2009.

*Public works staff are allocated 25% to General Fund, and Streets, and 25% each to Water, Sewer and Stormwater
* Seth is allocated the same as Public Works Staff, with Yarrow Bay reimbursing all of his Sal & Bene as Revenue in each fund.
* Staff Allocation -Gwen approx 2 hrs per week, City Clerk and Sr Accountant approx 3 hrs per week.

Page 1

City of Black Diamond Drainage Fund Analysis 23-Feb-09					
Using Bonney Lakes ramp-up @ 2500 ERU	2009 Current \$13 ERU	\$6 @ 2,500 ERU's	\$8 @ 2,500 ERU's	\$10 @ 2,500 ERU's	\$12 @ 2,500 ERU's
REVENUE					
User Charges-Residence-1,433 Units	204,919	94,578	126,104	157,630	189,156
User Charges-Multifamily-56 units	8,008	3,696	4,928	6,160	7,392
User Charges-Business-553.5 units	79,937	36,531	48,708	61,490	73,788
User Charges-City,PSE,K/C,School-159 units	22,737	10,494	13,992	17,490	20,988
User Charges-Non Profit-3 @30.5 units 11 months	3,575	0	0	0	0
Operating Revenue	319,176	145,299	193,732	242,770	291,324
Other Revenues					
DOE-grant	75,000	75,000	75,000	75,000	75,000
Loan from Sewer Reserve		0			
Yarrow Bay-PW Dir Reimb	35,352	35,352	35,352	35,352	35,352
Investment Interest	500	500	500	500	500
Storm Impact fees					
Transfer from Capital Fd					
Subtotal Other Rev	110,852	110,852	110,852	110,852	110,852
Total Revenue	430,028		304,584	353,622	402,176
Beginning C&I Bal-unres	31,305	31,305	31,305	31,305	31,305
Beginning C&I Bal-Res	0			0	0
Total Beginning C&I	31,305	31,305	31,305	31,305	31,305
Total Revenue Sources	430,028	287,456	335,889	384,927	433,481
EXPENSE Black Diamond					
* Sal & Bene- Staff	92,870	92,870	92,870	92,870	92,870
* Sal & Bene-PW Dir (see Rev)	35,352	35,352	35,352	35,352	35,352
* Sal & Bene-Allocation	22,180	22,180	22,180	22,180	22,180
* (% of Gwen, Tracey, Rachel)					
Supplies	1,000	1,000	1,000	1,000	1,000
Fuel	2,000	2,000	2,000	2,000	2,000
Tools	500	500	500	500	500
Insurance	2,647	2,647	2,647	2,647	2,647
Professional Services	2,765	2,765	2,765	2,765	2,765
Repairs & Mtc.	2,000	2,000	2,000	2,000	2,000
KC Wtr Qual-Lk Sawyer	6,000	6,000	6,000	6,000	6,000
Travel, memberships, training	1,500	1,500	1,500	1,500	1,500
Wa State Storm Permit	1,000	1,000	1,000	1,000	1,000
Utilities	2,300	2,300	2,300	2,300	2,300
Legal Svs	4,140	4,140	4,140	4,140	4,140
Audit	5,000	5,000	5,000	5,000	5,000
Cost Alloc- Post, copies	18,820	18,820	18,820	18,820	18,820
Utility Tax	18,452	18,452	18,452	18,452	18,452
Total Operating Exp	218,526	218,526	218,526	218,526	218,526
Other Expenses					
PacWest-Permit					
PW Comp PI/NPDES per	81,074	81,074	81,074	81,074	81,074
Transfer for Equipment-CIP	10,000			10,000	10,000
Debt repayment	20,400	20,400	20,400	20,400	20,400
Replace or repair culverts	26,000				26,000
NPDES Pr/Vactor Truck rental					20,000
Subtotal Other Exp	137,474	101,474	101,474	111,474	157,474
Total Uses	356,000	320,000	320,000	330,000	376,000
Reserved C&I Balance	52,126	52,126	52,126	52,126	52,126
Unreserved C&I Balance	0			0	0
Total Ending Cash & Invest.	52,126	52,126	52,126	52,126	52,126
Total Uses	408,126	372,126	372,126	382,126	428,126
net shortfall/surplus	21,902	(84,670)	(36,237)	2,801	5,355

* Public Works staff are allocated 25% to General Fund and Streets, and 25% each to Water, Sewer and Stormwater

* Seth is allocated the same as Public Works staff, with Yarrow Bay reimburing all of his Sal & Bene, shown as revenue in each fund

* Staff Allocation-Gwen approximately 2 hrs per week, City Clerk and Sr Acct. approximately 3 hrs per week

City of Black Diamond

Drainage Fund Analysis

23-Feb-09

Using \$10 base with various ERU'S	2009 Current \$13 ERU 2500	\$10 Base @ 2500 ERU'S	\$10 Base @ 3000 ERU'S	\$10 Base @ 3500 ERU'S
REVENUE				
User Charges-Residence-1,433 Units	204,919	157,630	157,630	157,630
User Charges-Multifamily-56 units	8,008	6,160	6,060	6,160
User Charges-Business-553.5 units	79,937	61,490	51,238	43,890
User Charges-City,PSE,K/C,School-159 units	22,737	17,490	14,575	12,496
User Charges-Non Profit-3@30.5 units 11 months	3,575	0	0	0
Operating Revenue	319,176	242,770	229,503	220,176
Other Revenues				
DOE-grant	75,000	75,000	75,000	75,000
Loan from Sewer Reserve				
Yarrow Bay-Pw Dir Reimb	35,352	35,352	35,352	35,352
Investment Interest	500	500	500	500
Storm Impact fees				
Transfer from Capital Fd				
Subtotal Other Rev	110,852	110,852	110,852	110,852
Total Revenue	430,028	353,622	340,355	331,028
Beginning C&I Bal-unres	31,305	31,305	31,305	31,305
Beginning C&I Bal-Res	0	0		0
Total Beginning C&I	31,305	31,305	31,305	31,305
Total Revenue Sources	430,028	384,927	371,660	362,333
EXPENSE Black Diamond				
* Sal & Bene- Staff	92,870	92,870	92,870	92,870
* Sal & Bene-PW Dir (see Rev)	35,352	35,352	35,352	35,352
* Sal & Bene-Allocation	22,180	22,180	22,180	22,180
* (% of Gwen, Tracey, Rachel)				
Supplies	1,000	1,000	1,000	1,000
Fuel	2,000	2,000	2,000	2,000
Tools	500	500	500	500
Insurance	2,647	2,647	2,647	2,647
Professional Services	2,765	2,765	2,765	2,765
Repairs & Mtc.	2,000	2,000	2,000	2,000
KC Wtr Qual-Lk Sawyer	6,000	6,000	6,000	6,000
Travel, memberships, training	1,500	1,500	1,500	1,500
Wa State Storm Permit	1,000	1,000	1,000	1,000
Utilities	2,300	2,300	2,300	2,300
Legal Svs	4,140	4,140	4,140	4,140
Audit	5,000	5,000	5,000	5,000
Cost Alloc- Post, copies	18,820	18,820	18,820	18,820
Utility Tax	18,452	18,452	18,452	18,452
Total Operating Exp	218,526	218,526	218,526	218,526
Other Expenses				
PacWest-Permit				
PW Comp PI/NPDES per	81,074	81,074	81,074	81,074
Transfer for Equipment-CIP	10,000	10,000	10,000	5,000
Debt repayment	20,400	20,400	20,400	20,400
Replace or repair culvert	26,000			
NPDES Pr/Rent vactor Truck				20,000
Study possible Storm Pond				
Subtotal Other Exp	137,474	111,474	111,474	126,474
Total Uses	356,000	330,000	330,000	345,000
Reserved C&I Balance	52,126	52,126	52,126	52,126
Unreserved C&I Balance	0	0		0
Total Ending Cash & Invest.	52,126	52,126	52,126	52,126
Total Uses	408,126	382,126	382,126	397,126
net shortfall/surplus	21,902	2,801	(10,466)	(34,793)

* Public Works staff are allocated @ 25% General Fund & Street, and 25% each to Water, Sewer and Stormwater

* Seth is allocated the same as Public Works Staff, with Yarrow Bay reimbursing all of his Sal & Bene shown as revenue in each fund

* Staff Allocation-Gwen approximately 2 hrs per week, City Clerk and Sr Accountant approximately 2 hrs per week

Page 3

City of Black Diamond
Drainage Fund Analysis
23-Feb-09

Ramp-up rates using 3000 ERU's 2009 11mo, 2010 & 2011 12 mo	2009 Current \$13 ERU 2500	2009-\$10 Base @ 3000 ERU'S	2010-\$11.50 Base @ 3000 ERU'S	2011-\$13 Base @ 3000 ERU'S
REVENUE				
User Charges-Residence-1,433 Units	204,919	157,630	197,754	223,548
User Charges-Multifamily-56 units	8,008	6,060	7,728	8,736
User Charges-Business-553.5 units	79,937	51,238	64,280	72,665
User Charges-City,PSE,K/C,School-159 units	22,737	14,575	18,285	20,670
User Charges-Non Profit-3@30.5 units	3,575	0	0	0
Less Gravel removal on bus/comm 25%		(16,453)	(20,641)	(23,334)
Operating Revenue	319,176	213,050	267,406	302,285
Other Revenues				
DOE-grant	75,000	75,000		
Loan from Sewer Reserve				
Yarrow Bay-PW Dir Reimb	35,352	35,352	36,413	38,234
Investment Interest	500	500	1,000	1,200
Storm Impact fees				
Transfer from Capital Fd				
Subtotal Other Rev	110,852	110,852	37,413	39,434
Total Revenue	430,028	323,902	304,819	341,719
Beginning C&I Bal-unres	31,305	31,305	40,876	36,422
Beginning C&I Bal-Res	0			0
Total Beginning C&I	31,305	31,305	40,876	36,422
Total Revenue Sources	430,028	355,207	345,695	378,141
EXPENSE Black Diamond				
* Sal & Bene- Staff	92,870	92,870	92,870	92,870
* Sal & Bene-P W Dir (see Rev)	35,352	35,352	35,352	35,352
* Sal & Bene-Allocation	22,180	22,180	22,180	22,180
* (% of Gwen, Tracey, Rachel)				
Supplies	1,000	1,000	1,000	1,000
Fuel	2,000	2,000	2,000	2,000
Tools	500	500	500	500
Insurance	2,647	2,647	2,647	2,647
Professional Services	2,765	2,765	2,765	2,765
Repairs & Mtc.	2,000	2,000	2,000	2,000
KC Wtr Qual-Lk Sawyer	6,000	6,000	6,000	6,000
Travel, memberships, training	1,500	1,500	1,500	1,500
Wa State Storm Permit	1,000	1,000	1,000	1,000
Utilities	2,300	2,300	2,300	2,300
Legal Svs	4,140	4,140	4,140	4,140
Audit	5,000	5,000	5,000	5,000
Cost Alloc- Post, copies	18,820	18,820	18,820	18,820
Utility Tax	18,452	12,783	16,044	18,137
Inflation 3% & 5%			6,386	11,125
Total Operating Exp	218,526	212,857	222,504	229,336
Other Expenses				
PacWest-Permit				
PW Comp PI/NPDES per	81,074	81,074		
Transfer for Equipment-CIP	10,000		10,000	10,000
Debt repayment	20,400	20,400	20,400	20,400
Replace or repair culvert	26,000		26,000	26,000
NPDES Permit/Rent Vactor			14,665	40,279
Subtotal Other Exp	137,474	101,474	71,065	96,679
Total Uses	356,000	314,331	293,569	326,015
Reserved C&I Balance	52,126	52,126	52,126	52,126
Unreserved C&I Balance	0	4,454		0
Total Ending Cash & Invest.	52,126	56,580	52,126	52,126
Total Uses	408,126	370,911	345,695	378,141
net shortfall/surplus	21,902	(15,704)	0	0

- * Public Works staff are allocated @ 25% General Fund & Street, and 25% each to Water, Sewer and Stormwater
- * Seth is allocated the same as Public Works Staff, with Yarrow Bay reimbursing all of his Sal & Bene shown as revenue in each fund
- * Staff Allocation-Gwen approximately 2 hrs per week, City Clerk and Sr Accountant approximately 2 hrs per week

City of Black Diamond

Stormwater Analysis-Monthly Rate Comparison

Company	Current Rate		Option 1		Option 2		Option 3	
		\$13 Base		\$10 Base		\$10 Base	w/o Gravel	\$10 Base
	2500 ERU's		2500 ERU's		3000 ERU's		(Estimates)	3000 ERU's
Lk. Sawyer Comm Cl	10 ERU's	\$130	10 ERU's	\$100	8.33 ERU's	\$83.30	6.3 ERU's	\$63
Sunrise Resort	46 ERU's	\$598	46 ERU's	\$460	38.3 ERU's	\$383	16 ERU's	\$160
BD Auto Wrecking	36 ERU's	\$468	36 ERU's	\$360	30 ERU's	\$300	12 Eru's	\$120
Pres Church	12.5 ERU's	\$163	12.5 ERU's	\$125	10.4 ERU's	\$104	2.3 ERU's	\$23
Palmer Coking	141 ERU's	\$1,833	141 Eru's	\$1,410	117.5 ERU's	\$1,175	21.7 ERU's	\$217
Anesthesia Equip.	26 ERU's	\$338	26 ERU's	\$260	21.7 ERU's	\$217	15.7 ERU's	\$157

Est @ 75%



CITY OF BLACK DIAMOND
March 5, 2009 Meeting Agenda
25510 Lawson St., Black Diamond, Washington

7:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name and address. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 253-631-0351. Thank you for attending this evening.

PUBLIC HEARINGS:

- 1.) **AB09-023** – Ordinance Continuing Mobile Home Moratorium Mr. Pilcher

APPOINTMENTS, PRESENTATIONS, ANNOUNCEMENTS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- 2.) **AB09-024** – Resolution Authorizing Amendment #7 to the Professional Mr. Boettcher
Services Agreement with PacWest

DEPARTMENT REPORTS:

Natural Resources/Parks – Mr. Nix
Discussion/Direction on Potential “Treasured Status” for Habenicht Parcel

Public Works – Mr. Boettcher

MAYOR’S REPORT:

COUNCIL REPORTS:

ATTORNEY REPORT:

PUBLIC COMMENTS:

CONSENT AGENDA:

- 3.) **Claim Checks** – March 5, 2009 No. 33081 through No. 33094, No. 33107 through No. 33162 (voided checks no. 33095-33106) in the amount of \$185,618.45.
4.) **Minutes** – Council Meeting of February 19, 2009, February 26, 2009 and Workstudy Notes of February 26, 2009.

EXECUTIVE SESSION:

ADJOURNMENT:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Emergency Ordinance 09-894 continuing a moratorium on the landing of mobile homes or manufactured homes in the City.	Agenda Date: March 5, 2009		AB09-023
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		X
	City Administrator –Gwen Voelpel		
	Asst City Attorney – Tom Guilfoil	X	
	City Clerk – Brenda L. Streepy		
	Finance – May Miller		
	Public Works – Seth Boettcher		
	Economic Devel. – Andy Williamson		
	Police – Jamey Kiblinger		
Timeline: Six months	Court – Kaaren Woods		
	Community Devel. – Steve Pilcher		X
Attachments: Ordinance 09-894			
SUMMARY STATEMENT: <p>This Emergency Ordinance would allow for an extension of the continuation of the current moratorium already in effect within the City to September 30, 2009, unless earlier terminated by Council action. It is expected by City staff that the required update of the Comprehensive Plan and accompanying development regulations shall be completed by that date.</p> <p>Continuation of the moratorium is necessary to avoid severely compromising or entirely negating the goals of the City’s updated Comprehensive Plan.</p>			
COMMITTEE REVIEW AND RECOMMENDATION: Recommend Council approval.			
RECOMMENDED ACTION: MOTION to adopt Ordinance 09-894, continuing a moratorium on the landing of mobile homes or manufactured homes within the City.			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
March 5, 2009			

EMERGENCY ORDINANCE

CITY OF BLACK DIAMOND, WASHINGTON

ORDINANCE NO. 09-894

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, PLACING A TEMPORARY PROHIBITION ON THE LANDING OF MOBILE HOMES OR MANUFACTURED HOMES, EXCEPT WITHIN PREVIOUSLY APPROVED AND EXISTING MOBILE HOME PARK SITES AND UPON COMMERCIALY ZONED PROPERTY AND EXCEPT THE PLACEMENENT OF NEW MANUFACTURED HOMES WITHIN THE CITY AND DECLARING THIS ORDINANCE A PUBLIC EMERGENCY ORDINANCE AND THUS EFFECTIVE IMMEDIATELY

WHEREAS, the City Council makes the following findings:

1. Statistics previously compiled by the City indicate that Black Diamond contains an inordinate number of manufactured housing units in relation to the population of the City.
2. The current facilities for manufactured housing and mobile homes in existing mobile home parks within the City may continue to operate under passage of this ordinance.
3. For over twelve years the City has been working toward the goal of bringing into reality a vision for the development of Black Diamond that will make the City a model city demonstrating excellent small City comprehensive urban land planning and development.
4. The City has this opportunity because a vast percentage of the total land area within the City is undeveloped and is in the control of only two entities.
5. One of those entities has provided the funding, through various agreements, to hire the consultants and expert staff to complete the changes to the City's Comprehensive Plan and development regulations that are necessary to bring the City's vision into reality.
6. In order to expedite the completion of the necessary Comprehensive Plan and development regulations the City Council and Planning Commission have been holding additional meetings.
7. Since the City has many undeveloped or underdeveloped parcels allowing development to occur before the new development regulations are in place would result in the vision of the City that is contained in the Comprehensive Plan being severely compromised, if not thwarted.
8. The development regulations that are being developed include increased standards for the protections for critical wildlife habitat, environmentally sensitive areas, and areas that are critical for the protection of water quality for endangered species.

EMERGENCY ORDINANCE

9. It would be detrimental to the public health, safety and welfare to allow large portions of the City to vest to the old development standards until such time as the new development regulations are adopted by the City, as development applications might vest to the old standards unless the premature filing of applications is prevented.

10. It is anticipated, given the current work plan and increased number of public meetings, that the implementation regulations will be completed within six months.

11. Pursuant to RCW 35A.63.220 a public hearing was held on March 5, 2009 regarding the continuation of the existing moratorium that is in effect as a result of the adoption of ordinance 08-869.

Based upon the above findings,

THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON
DO ORDAIN AS FOLLOWS:

Section 1. The moratorium previously imposed under Ordinance 08-869 shall be and hereby is extended. The moratorium prohibits the landing of manufactured homes or mobile homes, as defined in RCW 46.04.302, and the acceptance of applications for the landing of manufactured homes or mobile homes, except as otherwise authorized in Section 2.

Section 2. The moratorium as provided in Section 1 above shall not include modular homes as defined in RCW 46.04.303, and shall not include the placement of new manufactured homes pursuant to BDMC 18.56.070. Additionally, any mobile home legally landed within the City prior to June 15, 1994, may be replaced by the owner but only so long as the replacement mobile home is a minimum of 28 feet in width and 40 feet in length and is a 1986 model year or newer. In addition, the replacement mobile home must meet all other provisions governing mobile homes as contained in the Black Diamond Municipal Code. During the period of this moratorium, mobile and manufactured homes may still be placed on existing approved mobile home sites in existing mobile home parks within the City or upon properties zoned community retail, light industrial or industrial, where the mobile or manufactured home is used exclusively for commercial purposes and upon a grant of a conditional use permit.

Section 3. The prohibition set forth in Section 1 shall be effective until **September 30, 2009**, unless earlier terminated by action of the City Council.

Section 4. This Ordinance is hereby designated as a Public Emergency Ordinance necessary for the protection of public health, safety, public property or the public peace and shall be effective upon adoption.

Section 5. Each and every provision of this Ordinance shall be deemed severable. If any provision of this Ordinance should be deemed to be unconstitutional or otherwise contrary to the law by a Court of competent jurisdiction, it shall not affect the validity of the remaining sections so long as the intent of the Ordinance can be fulfilled without the illegal section.

Introduced the 5th day of March, 2009.

EMERGENCY ORDINANCE

Passed by an affirmative vote of no less than four (4) Councilmembers on the 5th day of March, 2009.

Approved by the Mayor on the 5th day of March, 2009.

Howard Botts, Mayor

ATTEST:

Brenda L. Streepy, City Clerk

APPROVED AS TO FORM:

Loren D. Combs, City Attorney

Published:_____

Posted:_____

Effective Date: _____

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 09-582, Authorizing Execution of Amendment #7 to the Professional Services Agreement with PacWest Engineering to Study the Financial Impact of selling Water to Nestle	Agenda Date: March 5, 2009		AB09-024
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –Gwen Voelpel		X
	Asst. City Attorney – Tom Guilfoil		X
	City Clerk – Brenda L. Streepy		
	Finance – May Miller		
	Public Works – Seth Boettcher	X	
	Economic Devel. – Andy Williamson		
	Police –		
Cost Impact \$14,690	Court – Kaaren Woods		
Fund Source: Reimbursement agreement with Nestle			
Timeline: March and April			
Attachments: Resolution No. 09-582, PacWest Amendment #7 to the Scope and Fee, Resolution 08-547			
SUMMARY STATEMENT: The City needs to understand the financial effects of adding a large water customer to the City utility. It is known that operational costs will be higher with growth and reliance on the City of Tacoma Water and that operational costs decrease with the addition of new customers. But the overall financial impact upon the City’s water utility of a Nestle Waters North America bottling plant in Black Diamond is unknown. This study will clarify the financial impact to the water utility of the sale of water to Nestle for a bottling plant.			
COMMITTEE REVIEW AND RECOMMENDATION: Preliminary copies transmitted to the Public Works/Utilities Committee.			
RECOMMENDED ACTION: MOTION to adopt Resolution No. 09-582, authorizing execution of amendment #7 to the existing professional services agreement with PacWest for a Water Utility Financial Impact Analysis of a Water Bottling Plant Customer.			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
March 5, 2009			

RESOLUTION NO. 09-582

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO EXECUTE AN
AMENDMENT TO THE AGREEMENT WITH PACWEST
ENGINEERING FOR A WATER RATE STUDY RELATED TO
A POTENTIAL NESTLE WATERS NORTH AMERICA
WATER SALE**

WHEREAS, the Black Diamond City Council is exploring the possibility of entering into an agreement with the Nestle Corporation for construction of a water bottling facility within the City and sale of water to Nestle for bottling purposes; and

WHEREAS, the City Council wants to carefully examine the potential financial impacts of this proposal before entering into such an agreement; and

WHEREAS, PacWest Engineering, LLC, is familiar with the City of Black Diamond's water system from the firm's comprehensive planning and rate studies for Black Diamond;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is authorized to execute Amendment #7 to the existing Professional Services Agreement with PacWest Engineering, with such amendment to include the terms and conditions as substantially set forth in Exhibit A, incorporated herein by reference. This amendment shall provide for PacWest to perform a financial analysis of the sale of water to Nestle for a water bottling plant and other analysis as provided in the amendment, with the cost of such analysis not to exceed \$14,690.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 5TH DAY OF MARCH, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Streepy, City Clerk

February 26, 2009



City of Black Diamond
Seth Boettcher, PE, Public Works Director
PO Box 599
Black Diamond, WA 98010

RE: Revised Proposal for Engineering Services in support of the Nestle Reimbursement Agreement

Dear Seth:

PacWest Engineering is pleased to submit this proposal to provide Civil Engineering services to the City of Black Diamond in support of the Reimbursement Agreement with Nestle. It is our understanding that the agreement is being extended through June 2009 and the City would like to include a scope for our services into the agreement extension. This proposal has been developed based on our conversations with City staff, as well as our familiarity with your community.

SCOPE OF SERVICES

The following are included in the scope of services to be provided for completion of this project:

Task 101 - Project Management and Coordination

PacWest Engineering will provide general project management services. This phase includes overall project coordination services.

Task 102 – Rate Impact Analysis

PacWest Engineering will evaluate the proposed water usage of the Nestle Bottling plant in association with the water rates that were recently adopted. We will evaluate the proposed revenues to be collected from the Nestle Bottling plant, for the first six years of plant operation (assuming the plant goes online in 2010). We will also evaluate increased O&M costs for the City water utility as a result of the proposed Nestle Bottling Plant (i.e. increased testing requirements associated with the use of Tacoma Intertie water). We will consider the increased costs associated with the resulting use of Tacoma Water and calculate the net benefit for the City.

Task 103 –Water System Impact Analysis

PacWest Engineering will support the City in determining the impacts that the Nestle Bottling Plant may have on the City's water system. Specific items of work to be completed for this task are as follows:

Tacoma Water Impact Analysis

PacWest Engineering understands that Nestle desires to construct a waterline directly from the springs to their proposed bottling plant location. The addition of this high water usage customer to the City system will most likely require that the City of Black Diamond begin using Tacoma Water via the recently constructed intertie. We further understand that there are operational issues associated with the Tacoma Water that need to be identified and resolved prior to commencement of its use.

PacWest Engineering will evaluate usage of the Tacoma Water and provide recommendations for how best to address any concerns. Specific issues to be investigated include such topics as fluoridation, contact time requirements, etc.

PACWEST ENGINEERING LLC

5009 Pacific Highway E, Unit 9-0
Fife, WA 98424
(253) 926-3400
(253) 926-3402 fax

Meetings

Leonard L. Smith, PE/PLS will attend one coordination meeting a month for the time period of March 2009 through June 2009. He will also attend two meetings with City Council during this timeframe.

Water Modeling

We understand that the City will handle most water line routing issues related to the City's comprehensive plan. PacWest Engineering will support the City by completing any necessary water system modeling.

Task 104 –AC & Small Line Waterline Replacement Estimates

PacWest Engineering will prepare cost estimates for the replacement of all Asbestos Cement waterlines that are approaching their useful life. We will also prepare cost estimates for small diameter (less than 6") waterlines. These will be planning level cost estimates that include the replacement of individual services and reconstruction of the roadway as appropriate.

PROFESSIONAL STAFF

Leonard L. Smith, PE/PLS will serve as the Principal in Charge and Project Manager for all work associated with the Nestle Reimbursement Agreement for the City of Black Diamond. He will oversee the preparation of all planning and technical work and will serve as the lead in the development of the recommendations. Mr. Smith will participate in all meetings and presentations to the City of Black Diamond and the Council and serve as the primary point of contact for the City.

Christine J. Smith, PE will assist Mr. Smith in the evaluation of the impacts that the Nestle Water Bottling plant may have on the City of Black Diamond's water system. Ms. Smith will also complete any necessary water system modeling.

BUDGET

PacWest Engineering proposes to complete the work as outlined in this proposal on an hourly basis, not to exceed \$14,690 as detailed on the attached spreadsheet.

SCHEDULE

PacWest Engineering will begin work immediately upon receiving signed authorization from the City. PacWest Engineering will dedicate the required staff to ensure the project proceeds in a timely manner and achieves the client's goals. PacWest Engineering is committed to respond to the needs of the project throughout the project's life.

PacWest Engineering understands that the City is extending the reimbursement agreement with Nestle through the end of June 2009 and that it is the City's intention that all work covered under this scope of services will be completed prior to that date.

Thank you for the opportunity to submit this proposal. If you have any questions, please contact me at (253) 926-3400x433.

Sincerely,



Leonard L. Smith, PE/PLS
President, PacWest Engineering

City of Black Diamond
Engineering Services in Support of the Nestle Reimbursement Agreement

PacWest Engineering							
	Leonard L. Smith, PE/PLS	Christine Smith, PE	Hrs	Cost	Admin (5%)	Expenses	Total
Hourly Rate	\$145	\$125					
101 - Project Management & Coordination	10	0	10	\$1,450	\$73	\$50	\$1,573
102 - Rate Impact Analysis	3	12	15	\$1,935	\$97	\$50	\$2,082
103 - Water System Impact Analysis	24	40	64	\$8,480	\$424	\$50	\$8,954
104 - AC/Small Line Replacement Estimates	3	12	15	\$1,935	\$97	\$50	\$2,082
TOTAL PROJECT HOURS	40	64	104				
TOTAL PROJECT COST	\$5,800	\$8,000		\$13,800	\$690	\$200	\$14,690
PERCENTAGE OF TOTAL HOURS	38%	62%					
		100%					

RESOLUTION NO. 08-547

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO EXECUTE A
REIMBURSEMENT AGREEMENT WITH NESTLÉ WATERS
NORTH AMERICA FOR CONSULTANT COSTS
ASSOCIATED WITH FEASIBILITY EXPLORATION**

WHEREAS, in July 2008 the City Council directed City staff to begin exploring the feasibility of siting a Nestlé Waters North America Bottling Plant in Black Diamond ; and

WHEREAS, Nestlé Waters North America is investigating the possibility of entering into an agreement with the City to become a customer of the City for spring water to supply a bottling facility located within the City's limits; and

WHEREAS, Nestlé Waters North America desires to enter into discussions with the City, its staff and its consultants to aid both parties in determining the feasibility of a Facility; and

WHEREAS, the City desires to enter discussions and assess with Nestlé Waters North America the feasibility of a Facility, but requires the assistance of its own legal, engineering and other consultants to meaningfully participate in such discussions; and

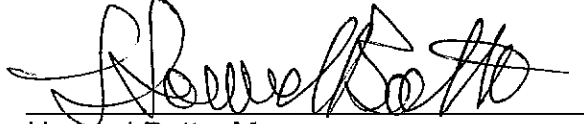
WHEREAS, both parties acknowledge and agree that the reasonable costs incurred by the City to participate in discussions and assessment with Nwana regarding the feasibility of a Facility should be borne by Nestlé Waters North America as provided in the attached agreement; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

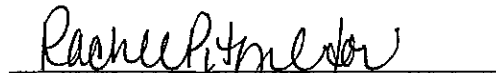
Section 1. The Mayor is hereby authorized to execute a Reimbursement Agreement with Nestlé Waters North America for consultant costs associated with feasibility exploration.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 16TH DAY OF OCTOBER, 2008.

CITY OF BLACK DIAMOND:


Howard Botts, Mayor

Attest:


Brenda L. Streepy, City Clerk

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is made and entered into between the City of Black Diamond, a municipal corporation of the State of Washington (hereinafter "City") and Nestlé Waters North America, Inc. (hereinafter "NWNA").

RECITALS

A. NWNA is investigating the possibility of entering into an agreement with the City to become a customer of the City for spring water to supply a bottling facility located within the City's limits ("Facility"); and

B. In order to further their investigation, NWNA desires to enter into discussions with the City, its staff and its consultants to aid both parties in determining the feasibility of a Facility; and

C. The City desires to enter discussions and assess with NWNA the feasibility of a Facility, but requires the assistance of its own legal, engineering and other consultants to meaningfully participate in such discussions; and

D. Both parties acknowledge and agree that the reasonable costs incurred by the City to participate in discussions and assessment with NWNA regarding the feasibility of a Facility should be borne by NWNA as provided below.

Now, therefore, for the mutual considerations set forth herein, the parties agree as follows:

1. The City agrees to engage in good faith discussions with NWNA for the purpose of determining the feasibility of a Facility. Determining the feasibility of a Facility shall mean assessing and identifying the availability of and impact upon water rights and resources available to the City, particularly spring water, the impact upon future water availability, the economic benefits to the community and the water utility, consistency with the comprehensive plan and land use regulations, and other matters that relate to the capability and suitability of accommodating the needs of the Facility and the City. Entering into this agreement is not intended to be a commitment by the City that it will enter into an agreement to sell any of its water to NWNA, or to allow NWNA facilities to be located on City property; nor is it intended to be a commitment by NWNA that it will locate a facility in the City, or agree to purchase water from the City, regardless of the outcome of the feasibility analysis.

2. NWNA agrees to reimburse the City for certain outside consultant and legal expenses and City staff costs ("Reimbursable Costs") incurred by the City in supporting discussions regarding the feasibility of a Facility, up to a maximum amount of \$25,000.00. For the purpose of this agreement, "City staff costs" includes only those costs incurred by outside consultants serving as members of the City staff, such as the City Attorney and City Engineer, and not those costs incurred by salaried City employees. Reimbursable Costs are the reasonable

costs incurred by the City, its staff and its consultants in supporting discussions regarding the feasibility of a Facility and reviewing this agreement, the right of entry agreement, and any subsequent agreements between the parties. In the event the Reimbursable Costs exceed \$25,000.00, the City may request NWNA to reimburse those costs. Approval of those additional Reimbursable Costs will be made following a reasonableness review of the costs; provided that, the City will have no obligation under this agreement to continue incurring costs that NWNA does not agree to reimburse.

3. The City will provide monthly invoices to NWNA for the Reimbursable Costs incurred by the City in the prior month. NWNA will remit payment of the Reimbursable Costs within 45 days of receipt of the City's invoice. In the event NWNA disagrees with any item on the City's invoice, NWNA's representative or his designee shall contact the City Administrator to attempt informal resolution of the disagreement.

4. This Agreement shall be governed and construed in accordance with the laws of the State of Washington. The venue for any lawsuit to enforce any provision of this agreement shall be King County, Washington.

5. This Agreement may be terminated by either party with 30 days advance notice to the other party. NWNA shall remain responsible for all Reimbursable Costs incurred by the City prior to the termination date. This Agreement may only be amended by the written mutual assent of the Parties. Unless extended by written mutual consent of both parties, this Agreement shall expire no later than January 1, 2009. Upon expiration or receipt of notice of termination by NWNA or issuance of Notice of Termination by the City, NWNA will be responsible for only those Reimbursable Costs incurred by the City up to the date of expiration or receipt of Notice of Intent to Terminate.

Notice given hereunder shall be in writing and shall be deemed effective either, (i) upon hand delivery to the person then holding the office shown on the attention line of the address below, or, if such office is vacant or no longer exists, to a person holding a comparable office, or (ii) when delivered by a nationally recognized overnight mail delivery service, to the Party and at the address specified below, or (iii) on the third business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, properly sealed and addressed as follows:

NWNA's address: **Nestlé Waters North America, Inc.**
c/o Christopher Kemp
777 West Putnam Avenue
Greenwich, CT 06830

with a copy to:

Mr. William H. Chapman
K&L Gates, LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104

The City's Address: **City of Black Diamond**
c/o Gwendolyn Voelpel
City Administrator
PO Box 599
Black Diamond, WA 98010

with a copy to:

Mr. Loren D. Combs
VSI Law Group
3600 Port of Tacoma Road, Suite 311
Tacoma, WA 98424

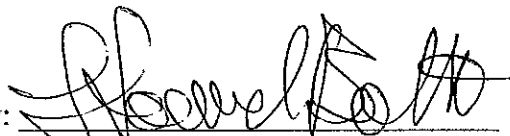
6. NWNA acknowledges that its rights under this Agreement are limited and that the City has not made any representation or warranty with respect to NWNA's ability to obtain any permit or regulatory approval, to obtain a water service agreement, or to meet any other legal requirements for development of the Facility. Nothing in this Agreement is intended or shall be construed to require that the City exercise its discretionary authority under its regulatory ordinances or its legislative authority to further the Facility nor binds the City to do so. NWNA understands that the City will process applications for permits and approvals in accordance with its normal processes and that the sole purpose of this Agreement is to provide for reimbursement to the City for its reasonable costs associated with participating with NWNA in determining the feasibility of the Project.


7. No Joint Venture. It is not intended by this Agreement to create any partnership, joint venture, or principal-agent relationship or other arrangement between NWNA and the City. Neither Party is authorized to, nor shall either Party act toward third Persons or the public in any manner which would indicate any such relationship with the other.

APPROVED BY:

City of Black Diamond

Nestlé Waters North America, Inc.

By: 
Howard Botts, Mayor

By: 
Christopher Kemp, Project Manager

Date: 10-16-08

Date: 10/17/08

ATTEST:

By: Rachael Pitre, for
Brenda Streepy, City Clerk

APPROVED AS TO FORM:

By: [Signature]
Loren D. Combs, City Attorney