

Ordinance No. 120308

Council Bill No. 113600

The City of Seattle  
Council Bill/Ordinance

AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions for service, and amending Seattle Municipal Code Chapter 21.04 in connection therewith.

*Pass 3/0 Pyela*  
*Mayor*  
*Carlin*

CF No. \_\_\_\_\_

|  |                                  |   |
|--|----------------------------------|---|
| Date Introduced:<br><i>MAR 19 2001</i>         |                                  |   |
| Date 1st Referred:<br><i>MAR 19 2001</i>       | To: (committee)                  | <i>Water Resources, Solid Waste &amp; Public Health Committee</i>         |
| Date Re - Referred:                            | To: (committee)                  |   |
| Date Re - Referred:                            | To: (committee)                  |   |
| Date of Final Passage:<br><i>4-2-01</i>        | Full Council Vote:<br><i>9-0</i> |   |
| Date Presented to Mayor:<br><i>4-3-01</i>      | Date Approved:<br><i>4/11/01</i> |   |
| Date Returned to City Clerk:<br><i>4/11/01</i> | Date Published:<br><i>SPP</i>    | T.O. <input checked="" type="checkbox"/><br>F.T. <input type="checkbox"/> |
| Date Vetoes by Mayor:                          | Date Veto Published:             |   |
| Date Passed Over Veto:                         | Veto Sustained:                  |   |

*4-2-01 Pass*

This file is complete and ready

*Law Department*

Law Dept. Review

The City of Seattle - Legislative Department

PAGELER

Council Bill/Ordinance sponsored by: Pageler D PR SR  
Councilmember

**Committee Action:**

*Pass 3/6  
Pags  
CMLR*

*4-2-01 Passed 9-0*

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

*Law Department*

Law Dept. Review

OMP  
Review

*(Signature)*  
City Clerk  
Review

*(Signature)*  
Electronic  
Copy Loaded

Indexed

ORDINANCE 120308

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AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions for service, and amending Seattle Municipal Code Chapter 21.04 in connection therewith.

WHEREAS, capital requirements and operating costs have increased in recent years in response to rehabilitation and repair needs, regulatory requirements, and environmental concerns; and

WHEREAS, as specified in the Water Purveyor Contract between Seattle and individual purveyors, Seattle Public Utilities has provided purveyors with advance notification that a rate increase was planned for 2001; and

WHEREAS, as specified in the Water Purveyor Contract between Seattle and individual purveyors, Seattle Public Utilities has transmitted to purveyors for their review a cost of service study, reviewed by an independent consultant, which allocates a share of the water system costs to wholesale customers;

WHEREAS, current wholesale rates do not fully recover the anticipated costs of serving wholesale customers in the 2001 and 2002 period; and

WHEREAS, Resolution 28553, adopted July 6, 1992, established general ratemaking policies for water rates; and

WHEREAS, the water rates authorized by this ordinance are consistent with policies set forth in Resolution 28553, **NOW, THEREFORE,**

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection E of Seattle Municipal Code Section 21.04.440, Ordinance 65877, as last amended by Ordinance 119769, is amended as follows:



1  
2 **SMC 21.04.440 Rates outside City.**

3  
4 E. Wholesale Customers. The rate to be charged to municipal water districts, other  
5 municipalities, and nonprofit water associations being served prior to January 1, 1970,  
6 authorized to and engaging in the distribution of water under the laws of the state, and where  
7 such districts, municipalities, and associations, operate, maintain and distribute water for  
8 resale purposes through a master meter furnished by the City, shall be based on a commodity  
9 charge and a base service charge, as follows:

10  
11  
12  
13 **Effective December 31, 1999:**

14  
15

| <b>Commodity Charge</b>              | <b>Per 100 Cubic Feet</b> |
|--------------------------------------|---------------------------|
| 16 Summer (mid-May -- mid-September) |                           |
| 17 All usage                         | \$1.12                    |
| 18 Winter (mid-September -- mid-May) |                           |
| 19 All usage                         | 0.73                      |

20 In addition, from January 1st through December 31st, each one hundred (100) cubic feet of  
21 consumption in excess of the average amount of water supplied to the wholesale customer  
22 for a corresponding period of time in the three (3) year base period between January 1, 1979  
23 and December 31, 1981 shall be charged at \$0.46.

24  
25 **Base Service Charge**

26  
27

| <b>Meter Size</b> | <b>Monthly Charge</b> |
|-------------------|-----------------------|
| 28 1 inch         | \$45.00               |
| 29 1 1/2 inch     | 50.00                 |
| 30 2 inch         | 55.00                 |
| 31 3 inch         | 65.00                 |



ja/bf/pmh

J:\F&A\Finance\RATES\Legislation\WaterOrd2001P.doc

03/13/01

V#1

|   |         |          |
|---|---------|----------|
| 1 | 4 inch  | 90.00    |
| 2 | 6 inch  | 160.00   |
| 3 | 8 inch  | 250.00   |
| 4 | 10 inch | 375.00   |
| 5 | 12 inch | 440.00   |
| 6 | 16 inch | 580.00   |
| 7 | 20 inch | 790.00   |
| 8 | 24 inch | 1,030.00 |

9  
10 **Effective May 16, 2001:**

11  
12 **Commodity Charge**                      **Per 100 Cubic Feet**

13 **Summer (mid-May -- mid-September)**

14        All usage                                      \$1.17

15 **Winter (mid-September -- mid-May)**

16        All usage                                      0.77

17 In addition, from January 1st through December 31st, each one hundred (100) cubic feet of  
18 consumption in excess of the average amount of water supplied to the wholesale customer  
19 for a corresponding period of time in the three (3) year base period between January 1, 1979  
20 and December 31, 1981 shall be charged at \$0.63.

21  
22 **Base Service Charge**

23  
24 **Meter Size**                                      **Monthly Charge**

|    |                   |                |
|----|-------------------|----------------|
| 25 | <u>1 inch</u>     | <u>\$54.00</u> |
| 26 | <u>1 1/2 inch</u> | <u>60.00</u>   |
| 27 | <u>2 inch</u>     | <u>66.00</u>   |
| 28 | <u>3 inch</u>     | <u>78.00</u>   |
| 29 | <u>4 inch</u>     | <u>108.00</u>  |
| 30 | <u>6 inch</u>     | <u>192.00</u>  |
| 31 | <u>8 inch</u>     | <u>300.00</u>  |



|   |                |                 |
|---|----------------|-----------------|
| 1 | <u>10 inch</u> | <u>450.00</u>   |
| 2 | <u>12 inch</u> | <u>528.00</u>   |
| 3 | <u>16 inch</u> | <u>696.00</u>   |
| 4 | <u>20 inch</u> | <u>948.00</u>   |
| 5 | <u>24 inch</u> | <u>1,236.00</u> |

6  
7  
8 **Effective January 1, 2002:**

9  
10 **Commodity Charge**                      **Per 100 Cubic Feet**

11 **Summer (mid-May -- mid-September)**

12     All usage                                      \$1.19

13 **Winter (mid-September -- mid-May)**

14     All usage                                      0.77

15 In addition, from January 1st through December 31st, each one hundred (100) cubic feet of  
16 consumption in excess of the average amount of water supplied to the wholesale customer  
17 for a corresponding period of time in the three (3) year base period between January 1, 1979  
18 and December 31, 1981 shall be charged at \$0.68.

19  
20 **Base Service Charge**

21  
22 **Meter Size**                                      **Monthly Charge**

|    |                   |                |
|----|-------------------|----------------|
| 23 | <u>1 inch</u>     | <u>\$54.00</u> |
| 24 | <u>1 1/2 inch</u> | <u>60.00</u>   |
| 25 | <u>2 inch</u>     | <u>66.00</u>   |
| 26 | <u>3 inch</u>     | <u>78.00</u>   |
| 27 | <u>4 inch</u>     | <u>108.00</u>  |
| 28 | <u>6 inch</u>     | <u>192.00</u>  |
| 29 | <u>8 inch</u>     | <u>300.00</u>  |
| 30 | <u>10 inch</u>    | <u>450.00</u>  |
| 31 | <u>12 inch</u>    | <u>528.00</u>  |



|   |                |                 |
|---|----------------|-----------------|
| 1 | <u>16 inch</u> | <u>696.00</u>   |
| 2 | <u>20 inch</u> | <u>948.00</u>   |
| 3 | <u>24 inch</u> | <u>1,236.00</u> |

4  
5  
6 Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its  
7 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
8 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

9  
10 Passed by the City Council the 2<sup>nd</sup> day of April, 2001, and signed by me  
11 in open session in authentication of its passage this 2<sup>nd</sup> day of April, 2001.

12 Margaret Cooper  
13 \_\_\_\_\_  
14 President of the City Council

15 Approved by me this 11<sup>th</sup> day of APRIL, 2001.

16 Margaret Cooper  
17 \_\_\_\_\_  
18 Paul Schell, Mayor *Pro Tem*

19  
20 Filed by me this 11<sup>th</sup> day of April, 2001.

21 Julith E. Pappi  
22 \_\_\_\_\_  
23 City Clerk  
24

(SEAL)





# City of Seattle

Paul Schell, Mayor

## Seattle Public Utilities

Diana Gale, Director

March 12, 2001

Margaret Pageler, President  
City Council  
City of Seattle

VIA: Mayor Paul Schell  
ATTN: Joan Walters, Budget Director  
Executive Service Department

Dear Council President Pageler:

Seattle Public Utilities respectfully requests the City Council's enactment of legislation to raise wholesale water rates in 2001 and 2002.

The attached ordinance would increase retail water rates by 4.3% in 2001 and 4.6% in 2002. This increase, combined with rates already approved for direct service customers would provide sufficient revenues to meet the financial obligations of the water fund for the 2001 and 2002 period. The rates will become effective on May 16, 2001 and January 1, 2002.

SPU has now completed the necessary procedural steps required by our contracts with purveyors that precede a wholesale rate increase. These steps include a six month advance notice of an intent to raise rates, a cost of service study to identify the share of costs attributable to purveyors, and a review of this cost analysis by an independent consultant.

Should you have any further question regarding this legislation will you please contact Jerry Allen at 3-7905 in the Finance Division of SPU.

Sincerely,

Diana Gale, Managing Director  
Seattle Public Utilities

Enclosures: Proposed Ordinance

cc: Ernie Dunston, Seattle Public Utilities  
Cameron Keyes, City Budget Office



## Legislation Fiscal Note

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

|  |  |   |
|--|--|---|
| <b>Department:</b><br>Seattle Public Utilities | <b>Contact Person/Phone:</b><br>Jerry Allen 3-7905 | <b>CBO Analyst/Phone:</b><br>Cameron Keyes 4-8048 |
|--|--|---|

**Legislation Title:** AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions for service, and amending Seattle Municipal Code Chapter 21.04 in connection therewith.

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**Summary of the Legislation:**

This ordinance establishes new wholesale water rates for 2001 and 2002 which together with the direct service rates already adopted, are intended to generate adequate revenue in the 2001-02 period to satisfy the revenue requirements for the utility.

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**Background (Include justification for the legislation and funding history, if applicable):**

In November of 2000, the City adopted retail water rates for 2001 and 2002 with the expectation that revised wholesale water rates would be proposed for adoption in the Spring of 2001 after the proposal was reviewed by purveyors. This ordinance would set new wholesale rates for 2001 and 2002. The proposed rates are based on a cost of service assessment and would generate revenues consistent with the cost of serving purveyors during the biennium.

Under the proposal, wholesale rates would increase by 4.3% in 2001 and 9.0% in 2002.

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**Sustainability Issues (related to grant awards):** N/A

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**Legislation Fiscal Note**

Each piece of legislation that is financial in nature will be accompanied by a fiscal note. The fiscal note should be drafted by department staff and will identify operating, capital, revenue, and FTE impacts of the legislation.

|  |  |  |
|--|--|--|
| <b>Department:</b><br>Seattle Public Utilities | <b>Contact Person/Phone:</b><br>Jerry Allen 3-7905 | <b>CBO Analyst/Phone:</b><br>Jeff Davis 4-8071 |
|--|--|--|

**Legislation Title:** AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions for service, and amending Seattle Municipal Code Chapter 21.04 in connection therewith.

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Under the proposal, wholesale rates would increase by 4.3% in 2001 and 9.0% in 2002.

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**Sustainability Issues (related to grant awards):** N/A

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**Estimated Expenditure Impacts:**

| FUND         | 2000 | 2001 | 2002 |
|--------------|------|------|------|
| Water        | NA   | NA   | NA   |
|              |      |      |      |
| <b>TOTAL</b> |      |      |      |

One-time \$ \_\_\_\_\_ On-going \$ \_\_\_\_\_

**Estimated Revenue Impacts:**

| FUND         | 2000 | 2001        | 2002        |
|--------------|------|-------------|-------------|
| Water        | \$0  | \$1,367,683 | \$2,898,978 |
|              |      |             |             |
| <b>TOTAL</b> |      |             |             |

One-time \$ \_\_\_\_\_ On-going \$ \_\_\_\_\_

**Estimated FTE Impacts:**

| FUND         | 1999 | 2000 | 2001 |
|--------------|------|------|------|
|              | NA   | NA   | NA   |
|              |      |      |      |
| <b>TOTAL</b> |      |      |      |

# Full Time \_\_\_\_\_ # Part Time \_\_\_\_\_ # TES \_\_\_\_\_

Do positions sunset in the future? If so, when?

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**Other Issues (including long-term implications of the legislation):**

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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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130223  
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:120308 ORD IN FULL

was published on

04/19/01



---

Subscribed and sworn to before me on

04/19/01



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Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication



# State of Washington, King County

## City of Seattle

### ORDINANCE 120308

AN ORDINANCE relating to wholesale water services of Seattle Public Utilities, revising water rates and charges and terms and conditions for service, and amending Seattle Municipal Code Chapter 21.04 in connection therewith.

WHEREAS, capital requirements and operating costs have increased in recent years in response to rehabilitation and repair needs, regulatory requirements, and environmental concerns; and

WHEREAS, as specified in the Water Purveyor Contract between Seattle and individual purveyors, Seattle Public Utilities has provided purveyors with advance notification that a rate increase was planned for 2001; and

WHEREAS, as specified in the Water Purveyor Contract between Seattle and individual purveyors, Seattle Public Utilities has transmitted to purveyors for their review a cost of service study, reviewed by an independent consultant, which allocates a share of the water system costs to wholesale customers;

WHEREAS, current wholesale rates do not fully recover the anticipated costs of serving wholesale customers in the 2001 and 2002 period; and

WHEREAS, Resolution 28553, adopted July 6, 1993, established general ratemaking policies for water rates; and

WHEREAS, the water rates authorized by this ordinance are consistent with policies set forth in Resolution 28553, NOW THEREFORE

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection E of Seattle Municipal Code Section 21.04.440, Ordinance 65877, as last amended by Ordinance 119769, is amended as follows:

#### SMC 21.04.440 RATES OUTSIDE CITY.

E. Wholesale Customers. The rate to be charged to municipal water districts, other municipalities, and nonprofit water associations being served prior to January 1, 1979, authorized to and engaging in the distribution of water under the laws of the state, and where such districts, municipalities, and associations operate, maintain and distribute water for resale purposes through a master meter furnished by the City, shall be based on a commodity charge and a base charge, as follows:

EFFECTIVE DECEMBER 31, 1999

COMMODITY CHARGE — PER 100 CUBIC FEET

Summer (mid-May — mid-September)

All usage — \$1.12

Winter (mid-September — mid-May)

All usage — 0.73

In addition, from January 1st through December 31st, each one hundred (100) cubic feet of consumption in excess of the average amount of water supplied to the wholesale customer for a corresponding period of time in the three (3) year base between January 1, 1979 and December 31, 1981 shall be charged at \$0.45.

#### BASE SERVICE CHARGE

##### METER SIZE — MONTHLY CHARGE

1 inch — \$45.00

1 1/2 inch — 50.00

2 inch — 55.00

3 inch — 65.00

4 inch — 90.00

6 inch — 160.00

8 inch — 250.00

10 inch — 375.00

12 inch — 440.00

16 inch — 680.00

20 inch — 790.00