

Ordinance No. 120654

Council Bill No. 113953

AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions of service to wholesale water customers, and amending Seattle Municipal Code Section 21.04.440 in connection therewith.

The City of Seattle
Council Bill/Ordinance

11-16-01 Pass

11-26-01 Pass

CF No. _____

Date Introduced: <u>Nov 13 2001</u>	<u>PAGELER</u>	
Date 1st Referred: <u>NOV 13 2001</u>	To: (committee) <u>BUDGET</u>	<u>Water Resources</u>
Date 2nd Referred:	To: (committee)	<u>Public Works</u>
Date 3rd Referred:	To: (committee)	
Date of Final Passage: <u>11-26-01</u>	Full Council Vote: <u>8-0</u>	
Date Presented to Mayor: <u>11-26-01</u>	Date Approved: <u>11/30/01</u>	
Date Returned to City Clerk: <u>12/3/01</u>	Date Published: <u>OPR</u>	T.O. <input checked="" type="checkbox"/> P.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

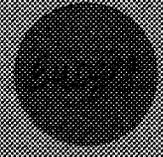
This file is complete and ready

LAW DEPARTMENT

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Margaret Rogers
Councilmember



Committee Action:

③

11-16-01 Pass As Amended 9-0

11-26-01 Pass 8-0 (Absent: McIver)

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

DEPARTMENT

Law Dept. Review

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City Clerk
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ORDINANCE 120654

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3 AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising
4 water rates and charges and terms and conditions of service to wholesale water
5 customers, and amending Seattle Municipal Code Section 21.04.440 in connection
6 therewith.

7
8 WHEREAS, Ordinance 120308 sets current and future rates for wholesale water customers;
9 and

10
11 WHEREAS, due to a clerical error, Ordinance 120308 mistakenly set the 2002 peak period
12 rate at the wrong level; and

13
14 WHEREAS, Ordinance 120362 authorizes the Director of Seattle Public Utilities to prepare
15 forms of and enter into new Full Requirements Contracts for Supply of Water or
16 Partial Requirements Contracts for Supply of Water with wholesale water customers
17 that currently are served under a 1982 Purveyor Agreement; and

18
19 WHEREAS, three wholesale water customers have entered into Full Requirements Contracts
20 for Supply of Water, and others may enter into one of the new types of contracts in
21 the future; and

22
23 WHEREAS, the City desires to set the water rates and charges and terms and conditions of
24 service for wholesale water customers served under new Full Requirements
25 Contracts for Supply of Water and Partial Requirements Contracts for Supply of
26 Water; **NOW, THEREFORE,**

27
28 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

29
30 Section 1. Subsection E of Seattle Municipal Code Section 21.04.440, Ordinance 65877, as
31 last amended by Ordinance 120408, is amended as follows:

32
33 **SMC 21.04.440 Rates outside City.**

34
35 E. Wholesale Customers((-))

36 1. Water Purveyor Contract. The rate to be charged ~~((to municipal water districts, other~~
37 ~~municipalities, and nonprofit water associations))~~ wholesale customers being served under
38 the provisions of a contract substantially in the form of the Water Purveyor Contract, version
39 A or version B ~~((prior to January 1, 1970, authorized to and engaging in the distribution of~~
40 ~~water under the laws of the state, and where such districts, municipalities, and associations,~~



1 operate, maintain and distribute water for resale purposes through a master meter furnished
2 by the City,) shall be based on a commodity charge and a base service charge, as follows:

3
4 ~~((Effective December 31, 1999:~~

5
6 **Commodity Charge** ~~—————~~ **Per 100 Cubic Feet**

7 Summer (mid-May — mid-September)

8 — All usage ————— \$1.12

9 Winter (mid-September — mid-May)

10 — All usage ————— 0.73

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

15
16 **Base Service Charge**

17
18 **Meter Size** ~~—————~~ **Monthly Charge**

19 — 1 inch ————— \$45.00

20 — 1 1/2 inch ————— 50.00

21 — 2 inch ————— 55.00

22 — 3 inch ————— 65.00

23 — 4 inch ————— 90.00

24 — 6 inch ————— 160.00

25 — 8 inch ————— 250.00

26 — 10 inch ————— 375.00

27 — 12 inch ————— 440.00

28 — 16 inch ————— 580.00

29 — 20 inch ————— 790.00

30 — 24 inch ————— 1,030.00

31



1 ~~((Effective May 16, 2001:))~~

2 **Commodity Charge Per 100 Cubic Feet**

3 Summer (mid-May -- mid-September)

4 All usage \$1.17

5 Winter (mid-September -- mid-May)

6 All usage 0.77

7 In addition, ~~((from January 1st through December 31st,))~~ each one hundred (100) cubic feet
8 of consumption in a calendar year in excess of the average amount of water supplied to the
9 wholesale customer for a corresponding period of time in the three (3) year base period
10 between January 1, 1979 and December 31, 1981 shall be charged at Sixty-three Cents
11 (\$0.63).

12
13 **Base Service Charge**

14

15 Meter Size	Monthly Charge
16 1 inch	\$54.00
17 1 1/2 inch	60.00
18 2 inch	66.00
19 3 inch	78.00
20 4 inch	108.00
21 6 inch	192.00
22 8 inch	300.00
23 10 inch	450.00
24 12 inch	528.00
25 16 inch	696.00
26 20 inch	948.00
27 24 inch	1,236.00



Effective January 1, 2002:

Commodity Charge Per 100 Cubic Feet

Summer (mid-May -- mid-September)

All usage ~~(\$1.19)~~ \$1.17

Winter (mid-September -- mid-May)

All usage 0.77

In addition, ~~((from January 1st through December 31st,))~~ each one hundred (100) cubic feet of consumption in a calendar year 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 period between January 1, 1979 and December 31, 1981 shall be charged at Sixty-eight Cents \$0.68.

Base Service Charge

Meter Size Monthly Charge

1 inch	\$54.00
1 1/2 inch	60.00
2 inch	66.00
3 inch	78.00
4 inch	108.00
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City of Seattle

Paul Schell, Mayor

Seattle Public Utilities

Diana Gale, Director

November 5, 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 adoption of the attached rate ordinance for the Water Fund. The ordinance sets 2002 rates for the new water wholesale contracts, and corrects a clerical error in the summer period purveyor rate for 2002.

The City signed new wholesale contracts with three current wholesale customers during the summer. Working with these three customers, we have conducted a rate study for the new contracts, and this ordinance will set the resulting rates.

Purveyor rates under the old contract were last adjusted by the City Council in April of 2001 (Ordinance 120308). The rate adjustment was supported by a cost of service study and a review by an independent consultant. Ordinance 120308 contained one set rates for the period May 16, 2001 through December 31, 2001 and another set for 2002. Because of a clerical error on SPU's part, the peak period rate was set at \$1.19 per ccf instead of the intended level of \$1.17 per ccf. The proposed ordinance resets the rate at its intended level to be consistent with the cost of service study.

We request your favorable consideration of the proposed Ordinance.

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.

Department: Seattle Public Utilities	Contact Person/Phone: Chris Potter 6-1576	CBO Analyst/Phone: Cameron Keyes 4-8048
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Legislation Title: AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions of service to wholesale water customers, and amending Seattle Municipal Code Section 21.04.440 in connection therewith.

Summary of the Legislation:

This ordinance sets rates for wholesale customers being served under the new Full Requirements and Partial Requirements contracts. It also corrects a clerical error in the 2002 peak period wholesale rate under the old contract.

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

SPU has been negotiating new contracts with its wholesale customers. Three customers (Cedar River, Soos Creek and Coal Creek) signed the model Full Requirements contract over the summer. This ordinance sets the rates and fees these three customers will pay under the new contract.

In April of 2001, following a cost of service study and consultant review, new purveyors rates were approved for 2001 and 2002. Due to a clerical error, the peak period rate for 2002 was set at \$1.19/ccf instead of the intended \$1.17/ccf. The proposed legislation corrects this mistake.

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

Estimated Expenditure Impacts:

WATER FUND	2001	2002
Water	NA	NA
TOTAL	NA	NA

One-time \$ _____ On-going \$ _____



Estimated Revenue Impacts:

FUND	2001	2002
Water	\$0	\$300,615
TOTAL	\$0	\$300,615

One-time \$ _____

On-going \$ _____

Estimated FTE Impacts:

FUND	1999	2000	2001
	NA	NA	NA
TOTAL			

Full Time _____

Part Time _____

TES _____

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

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

All of the expected change in revenues is due to the new contract fees and charges; the original budget proposal included the revenues with the corrected old contract rates. All of the \$300,615 in additional revenue is associated with connection fees. Given the economic downturn, there is a good chance that there will be a slowdown in new construction, and connection fee revenue could be less than this forecast. The revenue changes have no impact on expenditures, so no new budget authority is being requested.



ORDINANCE _____

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11 WHEREAS, due to a clerical error, Ordinance 120308 mistakenly set the 2002 peak period
12 rate at the wrong level; and

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14 WHEREAS, Ordinance 120362 authorizes the Director of Seattle Public Utilities to prepare
15 forms of and enter into new Full Requirements Contracts for Supply of Water or
16 Partial Requirements Contracts for Supply of Water with wholesale water customers
17 that currently are served under a 1982 Purveyor Agreement; and

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19 WHEREAS, three wholesale water customers have entered into Full Requirements
20 Contracts for Supply of Water, and others may enter into one of the new types of
21 contracts in the future; and

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23 WHEREAS, the City desires to set the water rates and charges and terms and conditions of
24 service for wholesale water customers served under new Full Requirements
25 Contracts for Supply of Water and Partial Requirements Contracts for Supply of
26 Water; **NOW, THEREFORE,**

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

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31 last amended by Ordinance 120408, is amended as follows:

32
33 **SMC 21.04.440 Rates outside City.**

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35 **E. Wholesale Customers((-))**

36 1. Water Purveyor Contract. The rate to be charged ~~((to municipal water districts, other~~
37 ~~municipalities, and nonprofit water associations))~~ wholesale customers being served under
38 the provisions of a contract substantially in the form of the Water Purveyor Contract,
39 version A or version B ~~((prior to January 1, 1970, authorized to and engaging in the~~
40 ~~distribution of water under the laws of the state, and where such districts, municipalities, and~~
41 ~~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 service 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 period between January 1, 1979 and December 31, 1981 shall be charged at Forty six Cents (\$0.46).~~

~~**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 580.00~~

~~20 inch 790.00~~

~~24 inch 1,030.00~~

~~((Effective May 16, 2001:))~~



Commodity Charge Per 100 Cubic Feet

Summer (mid-May -- mid-September)

All usage \$1.17

Winter (mid-September -- mid-May)

All usage 0.77

In addition, ~~((from January 1st through December 31st,))~~ each one hundred (100) cubic feet of consumption in a calendar year 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 period between January 1, 1979 and December 31, 1981 shall be charged at Sixty-three Cents (\$0.63).

Base Service Charge

Meter Size	Monthly Charge
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20 inch	948.00
24 inch	1,236.00

Effective January 1, 2002:

Commodity Charge	Per 100 Cubic Feet
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All usage	(\$1.19) <u>\$1.17</u>
Winter (mid-September -- mid-May)	
All usage	0.77

In addition, ~~((from January 1st through December 31st,))~~ each one hundred (100) cubic feet of consumption in a calendar year 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 period between January 1, 1979 and December 31, 1981 shall be charged at Sixty-eight Cents \$0.68.

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12 inch	528.00
16 inch	696.00
20 inch	948.00
24 inch	1,236.00

2. Full or Partial Requirements Contracts. On and after the date set forth in Section IV.A of a contract substantially in the form of the Full Requirements Contract for Supply of

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of Water authorized by Ordinance 120362, the commodity charge and base service charge set forth in SMC Section 21.04.440.E.1 shall apply.

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

Passed by the City Council the ____ day of _____, 2001, and signed by me in open session in authentication of its passage this ____ day of _____, 2001.

President ____ of the City Council

Approved by me this ____ day of _____, 2001.

Paul Schell, Mayor

Filed by me this ____ day of _____, 20____.

City Clerk

(SEAL)



STATE OF WASHINGTON – KING COUNTY

--SS.

139187
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 12th 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:120654 ORD. IN FULL

was published on

12/14/01



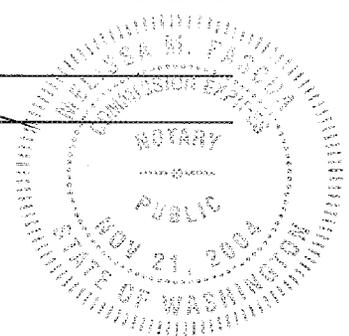
Subscribed and sworn to before me on

12/17/01



Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

ORDINANCE 120454

AN ORDINANCE relating to wholesale water services of Seattle Public Utilities; revising water rates and charges and terms and conditions of service to wholesale water customers, and amending Seattle Municipal Code Section 21.04.440 in connection therewith.

WHEREAS, Ordinance 120308 sets current and future rates for wholesale water customers; and

WHEREAS, due to a clerical error, Ordinance 120308 mistakenly set the 2002 peak period rate at the wrong level; and

WHEREAS, Ordinance 120362 authorizes the Director of Seattle Public Utilities to prepare forms of and enter into new Full Requirements Contracts for Supply of Water or Partial Requirements Contracts for Supply of Water with wholesale water customers that currently are served under a 1982 Purveyor Agreement; and

WHEREAS, three wholesale water customers have entered into Full Requirements Contracts for Supply of Water, and others may enter into one of the new types of contracts in the future; and

WHEREAS, the City desires to set the water rates and charges and terms and conditions of service for wholesale water customers served under new Full Requirements Contracts for Supply of Water and Partial Requirements Contracts for Supply of Water; 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 120408, is amended as follows:

SMC 21.04.440 Rates outside City.

E. Wholesale Customers(-):

1. Water Purveyor Contract. The rate to be charged ((to municipal water districts, other municipalities, and nonprofit water associations)) wholesale customers being served under the provisions of a contract substantially in the form of the Water Purveyor Contract, version A or version B (prior to January 1, 1970, 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 service 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 period between January 1, 1970 and December 31, 1981 shall be charged at Forty six Cents (\$0.46).

Base Service Charge

Meter Size _____ Monthly Charge _____

Commodity Charge	Per 100 C
Summer (mid-May - mid-September)	
All usage	\$1.12
Winter (mid-September - mid-May)	
All usage	0.73

In addition, each one hundred (100) cubic feet of the average amount of water supplied to the wholesale customer for a corresponding period of time in the three (3) year base period between January 1, 1970 and December 31, 1981 shall be charged at Sixty Cents (\$0.60).

New Service Fee

Each wholesale customer served under a Full Requirements Contract for Supply of Water or a Partial Requirements Contract for Supply of Water shall be charged for the installation of each new metered water service within the following schedule:

Meter Size	One-Time New Service Fee
1/4 inch and smaller	\$1,349
1 inch	2,698
1 1/2 inch	6,745
2 inch	10,792
3 inch	29,678
4 inch	41,819
6 inch	89,034
8 inch	151,088
10 inch	227,981
12 inch and larger	321,062

Prior to the date set forth in Section IV.A of a contract substantially in the form of a Full Requirements Contract for Supply of Water or the Partial Requirements Contract for Supply of Water authorized by Ordinance 120362, the commodity charge and base service charge set forth in SMC Section 21.04.440.E.1 shall apply.

Section 2. This ordinance shall take effect and be in force upon approval by the Mayor, but if not approved and returned by the Mayor within 30 days after presentation, it shall take effect as provided by Municipal Code Section 21A.02.020.

Passed by the City Council the 26th day of November 2001, in open session in authentication of its passage this 26th day of November 2001.

MARGARET PAGELER,
President of the City Council.
Approved by me this 30th day of November, 2001.
PAUL SCHELL,
Mayor.

Filed by me this 3rd day of December, 2001.
(Seal) JUDITH E. PIPPIN,
City Clerk.

Publication ordered by JUDITH E. PIPPIN, City Clerk.
Date of official publication in Daily Journal of Commerce: _____, 2001.