

Ordinance No. 121085

Council Bill No. 114466

The City of Seattle
Council Bill/Ordinance

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

Rush

3-3-03 Pass

CF No. _____

| | | |
|------------------------------|-------------------------------------|--|
| Date Introduced: | <u>FEB 3 - 2003</u> | |
| Date 1st Referred: | <u>FEB 3 - 2003</u> | |
| To: (committee) | <u>Water & Health Committee</u> | |
| Date Re - Referred: | <u>Feb. 25, 2003</u> | |
| To: (committee) | <u>Water & Health</u> | |
| Date Re - Referred: | | |
| To: (committee) | | |
| Date of Final Passage: | <u>3-3-03</u> | |
| Full Council Vote: | <u>9-0</u> | |
| Date Presented to Mayor: | <u>3-3-03</u> | |
| Date Approved: | <u>3/9/03</u> | |
| Date Returned to City Clerk: | Date Published: | T.O. _____ F.T. <input checked="" type="checkbox"/> |
| <u>3/4/03</u> | <u>5 PM</u> | |
| Date Vetoed by Mayor: | Date Veto Published: | |
| | | |
| Date Passed Over Veto: | Veto Sustained: | |
| | | |

*pass as amended - see page
bill passed as amended*

This file is complete and ready

LAW DEPARTMENT

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Margaret Pageler

PAGELER

Councilmember

*Signed by Mayor 3/3/03
L. Dale*

Committee Action:

3-3-03 Passed 9-0

FILED
CITY OF SEATTLE
03 MAR -4 PM 9:54
CITY CLERK

(10)
amended - see page. Pg. 4 - line 14 ^{Effective} March 1 to 7. 4-0
passed as amended. 4-0 MP, PS, RS, Hel, HW

This file is complete and ready for presentation to Full Council.

Committee: _____

(initial/date)

LAW DEPARTMENT

Law Dept. Review

OMP
Review

(10)
City Clerk
Review

(10)
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ORDINANCE 121085

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

WHEREAS, Seattle Public Utilities provides wholesale water service to many water utilities surrounding Seattle ("Wholesale Customers") under the provisions of various contracts; and

WHEREAS, the provisions of the Full Requirements Contract for Supply of Water and the Partial Requirements Contract for Supply of Water (collectively, the "Contracts") require Wholesale Customers to pay a new service fee at the time they connect new retail customers to their water systems; and

WHEREAS, the amount of the new service fees is based in part on Seattle Public Utilities' investments in new water supplies; and

WHEREAS, the new service fee authorized by Ordinance 120874 was based in part on the anticipated costs of the Second Supply Project, authorized by Ordinance 120150, which would have supplied additional water to the City; and

WHEREAS, the City has determined that it will not participate in the Second Supply Project, thereby decreasing Seattle Public Utilities' investments in new water supplies; and

WHEREAS, new service fees that exclude the costs of the Second Supply Project have been calculated and have been approved by the Operating Board of the Water System, in accordance with the Contracts; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Paragraph 2 of Subsection E of Seattle Municipal Code Section 21.04.440 is amended as follows:

SMC 21.04.440 Rates outside City.

E. Wholesale Customers.

* * *



1 2. Full or Partial Requirements Contracts. Prior to the date set forth in Section IV A of a
2 contract substantially in the form of the Full Requirements Contract for Supply of Water or
3 the Partial Requirements Contract for Supply of Water authorized by Ordinance 120362, the
4 commodity charge and base service charge set forth in SMC Subsection 21.04.440.E.1 shall
5 apply. On and after that date, the rate to be charged to wholesale customers being served
6 under such contracts shall be based on a commodity charge and new service fee as follows:

| ((Commodity Charge | Per 100 Cubic Feet |
|---|-------------------------------|
| Summer (May 16th - September 15th) | |
| All usage | \$ 1.10 |
| Winter (September 16th - May 15th) | |
| All usage | 0.72 |

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14 ~~In addition, each one hundred (100) cubic feet of consumption in a calendar year in excess of~~
15 ~~the average amount of water supplied to the wholesale customer for a corresponding period~~
16 ~~of time in the three (3) year base period between January 1, 1979 and December 31, 1981~~
17 ~~shall be charged at Sixty Cents (\$0.60).~~

18
19 ~~Effective September 16, 2002:))~~

| Commodity Charge | Per 100 Cubic Feet |
|---|-------------------------------|
| Summer (May 16th - September 15th) | |
| All usage | \$1.27 |
| Winter (September 16th - May 15th) | |
| All usage | 0.84 |

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27 For each one hundred (100) cubic feet of consumption in a calendar year in excess of the
28 average amount of water supplied to the wholesale customer for a corresponding period of
29 time in the three (3) year base period between January 1, 1979 and December 31, 1981, there
30 shall be an additional charge of Sixty Cents (\$0.60).
31



1 Wholesale customers agreeing by contract to pay the Southwest Subregion Surcharge shall
2 be charged an additional Two Cents (\$0.02) for each one hundred cubic feet of water.
3

4 **Effective January 1, 2004:**

| 5 Commodity Charge | Per 100 Cubic Feet |
|---|---------------------------|
| 6 Summer (May 16 th - September 15 th) | |
| 7 All usage | \$1.42 |
| 8 Winter (September 16 th - May 15 th) | |
| 9 All usage | 0.94 |

10
11 For each one hundred (100) cubic feet of consumption in a calendar year in excess of the
12 average amount of water supplied to the wholesale customer for a corresponding period of
13 time in the three (3) year base period between January 1, 1979 and December 31, 1981, there
14 shall be an additional charge of Sixty Cents (\$0.60).
15

16 Wholesale customers agreeing by contract to pay the Southwest Subregion Surcharge shall
17 be charged an additional Three Cents (\$0.03) for each one hundred cubic feet of water.
18

19 **New Service Fee**

20 Effective January 1, 2002, each wholesale customer served under a contract substantially in
21 the form of the Full Requirements Contract for Supply of Water or Partial Requirements
22 Contract for Supply of Water authorized by Ordinance 120362 that requires payment of a fee
23 for new service connection shall pay a fee at the time of installation of each metered water
24 service within its service area according to the following schedule:
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| Meter Size | One-Time New Service Fee |
|-------------------------------|---------------------------------|
| ¾ inch and smaller | \$1,349 |
| 1 inch | 2,698 |
| 1 ½ 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 ((longer)) larger | 321,062 |

Effective March 7, 2003:

| <u>Meter Size</u> | <u>One-Time New Service Fee</u> |
|---------------------------|--|
| <u>¾ inch and smaller</u> | <u>\$ 713</u> |
| <u>1 inch</u> | <u>1,426</u> |
| <u>1 ½ inch</u> | <u>3,565</u> |
| <u>2 inch</u> | <u>5,704</u> |
| <u>3 inch</u> | <u>15,686</u> |
| <u>4 inch</u> | <u>22,103</u> |
| <u>6 inch</u> | <u>47,058</u> |
| <u>8 inch</u> | <u>79,856</u> |
| <u>10 inch</u> | <u>120,497</u> |
| <u>12 inch and larger</u> | <u>169,694</u> |

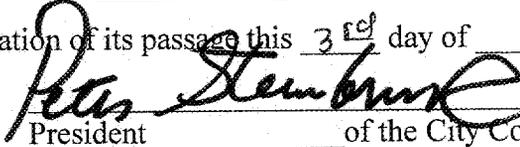
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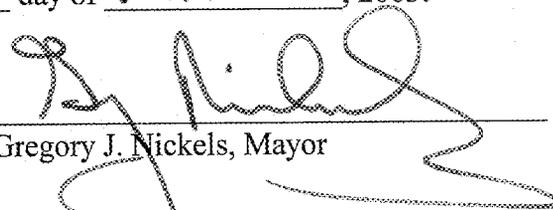
Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 3rd day of March, 2003, and signed by me in open session in authentication of its passage this 3rd day of March, 2003.



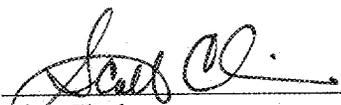
President _____ of the City Council

Approved by me this 3 day of March, 2003.



Gregory J. Nickels, Mayor

Filed by me this 4th day of March, 20 03.



City Clerk

(SEAL)

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Fiscal Note

Each piece of legislation that appropriates funds, creates position authority, or will create a financial impact through policy direction or otherwise, requires a fiscal note. The fiscal note should be drafted by department staff and should include all relevant financial information. After preparation by departmental staff, the Department of Finance will review and make necessary revisions before transmittal to Council.

| Department: | Contact Person/Phone: | DOF Analyst/Phone: |
|--------------------------|------------------------------|---------------------------|
| Seattle Public Utilities | Chris Potter 386-1576 | Cameron Keyes 684-8048 |

Legislation Title:

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

Summary of the Legislation:

This ordinance reduces certain charges to customer water utilities consistent with Seattle's contracts with these utilities. Seattle's new wholesale contracts require utilities that purchase water from Seattle pay a "new service fee" at the time they hook up new retail customers. The new service fees are set to recover the costs of new water supply investments, including conservation investments. The fees are being reduced because Seattle will not participate in the "Tacoma Project" connecting the Seattle and Tacoma transmission systems. Water rates and charges adopted in September are consistent with these reduced new service fees. The September 2002 rates ordinance did not include this change in order to allow for consultation with wholesale customers.

Appropriations (in \$1,000's):

| Fund Name and Number | Department | Budget Control Level* | 2002 Appropriation | 2003 Anticipated Appropriation |
|-----------------------------|-------------------|------------------------------|---------------------------|---------------------------------------|
| N/A | | | | |
| TOTAL | | | | |

** This is line of business for operating budgets, and program or project for capital improvements*

Notes: This ordinance has no effect on expenditures or appropriations.

Expenditures (in \$1,000's):

| Fund Name and Number | Department | Budget Control Level* | 2002 Expenditures | 2003 Anticipated Expenditures |
|-----------------------------|-------------------|------------------------------|--------------------------|--------------------------------------|
| | | | | |
| TOTAL | | | | |



Chris Potter
01/21/03
FC Ord Final
Version #1

** This is line of business for operating budgets, and program or project for capital improvements*

Notes: This ordinance has no effect on expenditures or appropriations.



Anticipated Revenue/Reimbursement (in \$1,000's):

| Fund Name and Number | Department | Revenue Source | 2002 Revenue | 2003 Revenue |
|----------------------|--------------------------|--------------------|--------------|--------------|
| Water Fund 43000 | Seattle Public Utilities | Facilities Charges | \$650 | \$325 |
| TOTAL | | | | |

Notes: The \$325,000 revenue level was assumed in the financial plans supporting the rate study and budget during the summer and fall of 2002. The new service fees were not adjusted in the rates ordinance passed in the summer to allow consultation with wholesale customers.

Total Permanent Positions Created Or Abrogated Through Legislation, Including FTE Impact; Estimated FTE Impact for Temporary Positions:

| Fund Name and Number | Department | Position Title* | 2002 FTE | 2003 FTE |
|----------------------|------------|-----------------|----------|----------|
| N/A | | | | |
| TOTAL | | | | |

* List each position separately

Do positions sunset in the future? (If yes, identify sunset date):

N/A

Background (Include brief description which states the purpose and context of legislation and include record of previous legislation and funding history, if applicable):

Seattle has signed new contracts to provide wholesale water service with some customer utilities. These contracts require the customer utilities to pay Seattle when new retail customers connect within their service areas. These connection fees are the "growth pays for growth" mechanism under the contracts. Fees are set to recover the costs of new supply development. Because Seattle will not participate in the Tacoma Project, the current costs of new supply development have decreased. The wholesale connection fees must therefore be reduced to remain consistent with contract provisions.

The financial cost of not implementing the legislation (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented):

This change will reduce revenue by about \$325,000 per year. On the expenditure side, Seattle will not pay to participate in the Tacoma Project.

Possible alternatives to the legislation which could achieve the same or similar objectives (Include any potential alternatives to the proposed legislation, including using an existing facility to fulfill the uses envisioned by the proposed project, adding components to or subtracting components from the total proposed project, contracting with an outside organization to provide the services the proposed project would fill, or other alternatives):



None.

Is the legislation subject to public hearing requirements (If yes, what public hearings have been held to date):

No.

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

None. These fees will be adjusted in future years as new supply development costs change.

FOR CAPITAL PROJECTS ONLY

Background (Include brief description that states the purpose and context of legislation, the expected useful life, anticipated customers/users, assumed level of LEED or other sustainable design elements. Also include record of previous legislation and funding history, if applicable):

N/A

| Project Name: | Project Location: | Start Date: | End Date: |
|---------------|-------------------|-------------|-----------|
| | | | |

Spending Plan and Future Appropriations for Capital Projects (Estimate cost of legislation over time; list timing of anticipated appropriation authority requests and expected spending plan. Please identify your cost estimate methodology including inflation assumptions and key assumptions related to the timing of appropriation requests and expected expenditures. In addition, include the projected costs of meeting the LEED Silver standard in all facilities and buildings with over 5,000 gross square feet of occupied space. Also, be sure to include percent for art and percent for design as appropriate):

| Spending Plan and Budget | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Total |
|----------------------------|------|------|------|------|------|------|-------|
| Spending Plan | | | | | | | |
| Current Year Appropriation | | | | | | | |
| Future Appropriations | | | | | | | |

Key Assumptions:

Funding source (Identify funding sources including revenue generated from the project and the expected level of funding from each source):

| Funding Source | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Total |
|----------------|------|------|------|------|------|------|-------|
| | | | | | | | |
| TOTAL | | | | | | | |



Bond Financing Required (If the project or program requires financing, please list type of financing, amount, interest rate, term and annual debt service or payment amount. Please include issuance costs of 3% in listed amount):

| Type | Amount | Assumed Interest Rate | Term | Timing | Expected Annual Debt Service/Payment |
|--------------|--------|-----------------------|------|--------|--------------------------------------|
| | | | | | |
| TOTAL | | | | | |

Uses and Sources for Operation and Maintenance Costs for the Project (Estimate cost of one-time startup, operating and maintaining the project over a six year period and identify each fund source available. Estimate the annual savings of implementing the LEED Silver standard. Identify key assumptions such as staffing required, assumed utility usage and rates and other potential drivers of the facility's cost):

| O&M | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | Total |
|--------------------------|------|------|------|------|------|------|-------|
| Uses | | | | | | | |
| Start Up | | | | | | | |
| On-going | | | | | | | |
| Sources (itemize) | | | | | | | |
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Key Assumptions:

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Periodic Major Maintenance costs for the project (Estimate capital cost of performing periodic maintenance over life of facility. Please identify major work items, frequency):

| Major Maintenance Item | Frequency | Cost | Likely Funding Source |
|------------------------|-----------|------|-----------------------|
| | | | |
| TOTAL | | | |

Funding sources for replacement of project (Identify possible and/or recommended method of financing the project replacement costs):

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City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

January 21, 2003

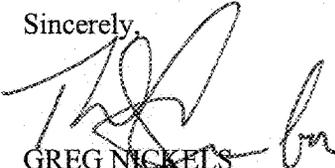
Honorable Peter Steinbrueck
President
Seattle City Council
Municipal Building, 11th Floor

Dear Council President Steinbrueck:

The attached ordinance reduces certain charges for water sold to customer utilities consistent with Seattle's contracts with these utilities. Seattle's new wholesale contracts require utilities that purchase water from Seattle to pay a "new service fee" at the time they hook up new retail customers. The new service fees are set to recover the costs of new water supply investments, including conservation investments. The fees are being reduced because Seattle will not participate in the "Tacoma Project" connecting the Seattle and Tacoma transmission systems. Water rates and charges adopted in September are consistent with these reduced new service fees.

Thank you for your consideration of this legislation. Should you have questions please contact Chris Potter at 386-1576.

Sincerely,



GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



ORDINANCE _____

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

WHEREAS, Seattle Public Utilities provides wholesale water service to many water utilities surrounding Seattle ("Wholesale Customers") under the provisions of various contracts; and

WHEREAS, the provisions of the Full Requirements Contract for Supply of Water and the Partial Requirements Contract for Supply of Water (collectively, the "Contracts") require Wholesale Customers to pay a new service fee at the time they connect new retail customers to their water systems; and

WHEREAS, the amount of the new service fees is based in part on Seattle Public Utilities' investments in new water supplies; and

WHEREAS, the new service fee authorized by Ordinance 120874 was based in part on the anticipated costs of the Second Supply Project, authorized by Ordinance 120150, which would have supplied additional water to the City; and

WHEREAS, the City has determined that it will not participate in the Second Supply Project, thereby decreasing Seattle Public Utilities' investments in new water supplies; and

WHEREAS, new service fees that exclude the costs of the Second Supply Project have been calculated and have been approved by the Operating Board of the Water System, in accordance with the Contracts; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Paragraph 2 of Subsection E of Seattle Municipal Code Section 21.04.440 is amended as follows:

SMC 21.04.440 Rates outside City.

E. Wholesale Customers.

* * *



2. Full or Partial Requirements Contracts. Prior to the date set forth in Section IV A of a contract substantially in the form of the 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 Subsection 21.04.440.E.1 shall apply. On and after that date, the rate to be charged to wholesale customers being served under such contracts shall be based on a commodity charge and new service fee as follows:

| Commodity Charge | Per 100 Cubic Feet |
|---|-------------------------------|
| Summer (May 16th - September 15th) | |
| All usage | \$ 1.10 |
| Winter (September 16th - May 15th) | |
| All usage | 0.72 |

~~In addition, 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 Cents (\$0.60).~~

~~Effective September 16, 2002:))~~

| Commodity Charge | Per 100 Cubic Feet |
|---|---------------------------|
| Summer (May 16 th - September 15 th) | |
| All usage | \$1.27 |
| Winter (September 16 th - May 15 th) | |
| All usage | 0.84 |

For 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, there shall be an additional charge of Sixty Cents (\$0.60).



1 Wholesale customers agreeing by contract to pay the Southwest Subregion Surcharge shall
2 be charged an additional Two Cents (\$0.02) for each one hundred cubic feet of water.

3
4 **Effective January 1, 2004:**

| 5 Commodity Charge | Per 100 Cubic Feet |
|---|---------------------------|
| 6 Summer (May 16 th - September 15 th) | |
| 7 All usage | \$1.42 |
| 8 Winter (September 16 th - May 15 th) | |
| 9 All usage | 0.94 |

10
11 For each one hundred (100) cubic feet of consumption in a calendar year in excess of the
12 average amount of water supplied to the wholesale customer for a corresponding period of
13 time in the three (3) year base period between January 1, 1979 and December 31, 1981, there
14 shall be an additional charge of Sixty Cents (\$0.60).

15
16 Wholesale customers agreeing by contract to pay the Southwest Subregion Surcharge shall
17 be charged an additional Three Cents (\$0.03) for each one hundred cubic feet of water.

18
19 **New Service Fee**

20 Effective January 1, 2002, each wholesale customer served under a contract substantially in
21 the form of the Full Requirements Contract for Supply of Water or Partial Requirements
22 Contract for Supply of Water authorized by Ordinance 120362 that requires payment of a fee
23 for new service connection shall pay a fee at the time of installation of each metered water
24 service within its service area according to the following schedule:



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| Meter Size | One-Time New Service Fee |
|-------------------------------|---------------------------------|
| ¾ inch and smaller | \$1,349 |
| 1 inch | 2,698 |
| 1 ½ 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 ((longer)) larger | 321,062 |

Effective March 1, 2003:

| <u>Meter Size</u> | <u>One-Time New Service Fee</u> |
|---------------------------|--|
| <u>¾ inch and smaller</u> | <u>\$ 713</u> |
| <u>1 inch</u> | <u>1,426</u> |
| <u>1 ½ inch</u> | <u>3,565</u> |
| <u>2 inch</u> | <u>5,704</u> |
| <u>3 inch</u> | <u>15,686</u> |
| <u>4 inch</u> | <u>22,103</u> |
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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 _____, 2003, and signed by me in open session in authentication of its passage this _____ day of _____, 2003.

President _____ of the City Council

Approved by me this _____ day of _____, 2003.

Gregory J. Nickels, Mayor

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

City Clerk

(SEAL)



STATE OF WASHINGTON – KING COUNTY

--SS.

155728
City of Seattle, Clerk's Office

No. ORDINANCE IN FULL

Affidavit of Publication

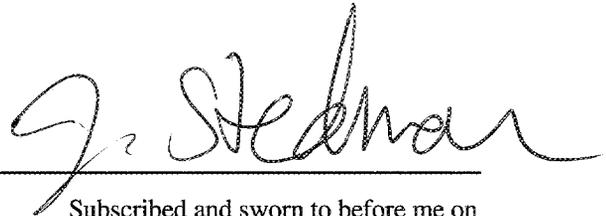
The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published 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:ORDINANCE 121085

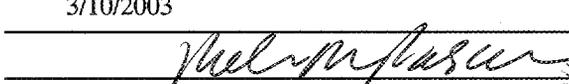
was published on

3/10/2003

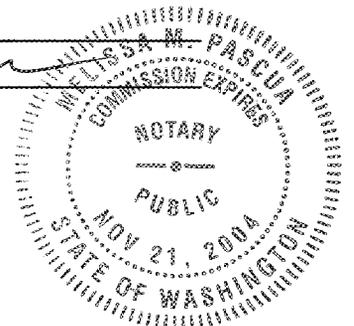


Subscribed and sworn to before me on

3/10/2003


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication



State of Washington, King County

City of Seattle

Ordinance 121085

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

WHEREAS, Seattle Public Utilities provides wholesale water service to many water utilities surrounding Seattle ("Wholesale Customers") under the provisions of various contracts; and

WHEREAS, the provisions of the Full Requirements Contract for Supply of Water and the Partial Requirements Contract for Supply of Water (collectively, the "Contracts") require Wholesale Customers to pay a new service fee at the time they connect new retail customers to their water systems; and

WHEREAS, the amount of the new service fees is based in part on Seattle Public Utilities' investments in new water supplies; and

WHEREAS, the new service fee authorized by Ordinance 120874 was based in part on the anticipated costs of the Second Supply Project, authorized by Ordinance 120150, which would have supplied additional water to the City; and

WHEREAS, the City has determined that it will not participate in the Second Supply Project, thereby decreasing Seattle Public Utilities' investments in new water supplies; and

WHEREAS, new service fees that exclude the costs of the Second Supply Project have been calculated and have been approved by the Operating Board of the Water System, in accordance with the Contracts; NOW, THEREFORE,

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SMC 21.04.440 Rates outside City.

E. Wholesale Customers.

2. Full or Partial Requirements Contracts. Prior to the date set forth in Section IV A of a contract substantially in the form of the 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 Subsection 21.04.440.E.1 shall apply. On and after that date, the rate to be charged to wholesale customers being served under such contracts shall be based on a commodity charge and new service fee as follows:

((Commodity Charge — Per 100 Cubic Feet

Summer (May 15th-September 15th)

All usage — \$1.10

Winter (September 15th-May 15th)

All usage — \$0.75

In addition, 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 corresponding period of time in the three (3) years base period between January 1, 1971 and December 31, 1981 shall be charged at Sixty Cents (\$0.60).

Effective September 16, 2000.)

Commodity Charge — Per 100 Cubic Feet

Summer (May 15th-September 15th)

All usage — \$1.27