

Ordinance No. 122545

Council Bill No. 116059

AN ORDINANCE relating to Seattle Public Utilities; amending the 2007 Adopted Budget, including the 2007-2012 Capital Improvement Program; changing appropriations in various budget control levels within the Drainage and Wastewater Fund; and revising allocations for certain projects.

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

Date Introduced:	<u>10-22-07</u>
Date 1st Referred:	<u>10-22-07</u>
Date Re - Referred:	To: (committee) <u>Environment, Emergency management and Utilities</u>
Date Re - Referred:	To: (committee)
Date of Final Passage:	Full Council Vote: <u>9-0</u>
Date Presented to Mayor:	Date Approved: <u>11-6-07</u>
Date Returned to City Clerk:	Date Published: <u>3</u> T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

The City of Seattle - Legislative Department Richard Conlin  
Council Bill/Ordinance sponsored by: \_\_\_\_\_  
Councilmember

**Committee Action:**

10/27/07 - passed yes - 3-0 Conlin, Clark, Wata

10-29-07 Passed 9-0

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

**LAW DEPARTMENT**

Law Dept. Review      OMP Review      City Clerk Review      Electronic Copy Loaded      Indexed



# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

October 9, 2007

Honorable Nick Licata  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

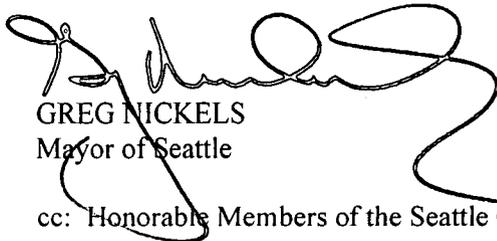
Dear Council President Licata:

I am pleased to transmit the attached proposed Council Bill which would make changes to the 2007 Adopted Budget and 2007-2012 Capital Improvement Program for Seattle Public Utilities (SPU). These changes are necessitated by companion proposed legislation that I am sending to Council authorizing SPU to acquire two residential properties in the Madison Valley neighborhood.

The proposed legislation would revise appropriation amounts and allocations for various SPU drainage and wastewater capital projects in order to add \$1.7 million to SPU's Madison Valley Long Term Solution Project. This additional funding will enable SPU to proceed immediately with the acquisition of two real estate parcels on 30<sup>th</sup> Avenue East near East John Street, which will give SPU important flexibility in designing a long-term solution to flooding problems in the Madison Valley area. The proposed legislation will result in no net change in the overall Drainage and Wastewater capital budget for 2007.

Thank you for your consideration of this legislation. Should you have questions, please contact Celia Kennedy, SPU Project Manager, at 684-4606.

Sincerely,



GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



ORDINANCE 122545

AN ORDINANCE relating to Seattle Public Utilities; amending the 2007 Adopted Budget, including the 2007-2012 Capital Improvement Program; changing appropriations in various budget control levels within the Drainage and Wastewater Fund; and revising allocations for certain projects.

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

Section 1. The appropriations for the following items in the 2007 Adopted Budget are modified, as follows. Appropriations in parentheses are being reduced and appropriations without parentheses are being increased.

Fund	Department	Budget Control Level	Amount
Drainage & Wastewater Fund (44010)	Seattle Public Utilities	C320B – Wastewater Conveyance	(\$1,000,000)
Drainage & Wastewater Fund (44010)	Seattle Public Utilities	C310B – Control Structures	(\$200,000)
Drainage & Wastewater Fund (44010)	Seattle Public Utilities	C334B – Low Impact Development	(\$500,000)
Drainage & Wastewater Fund (44010)	Seattle Public Utilities	C332B – Stormwater & Flood Control	\$1,700,000



1 Section 2. The total dollar amounts shown in the 2007 column for the following projects  
2 in the 2007-2012 Adopted Capital Improvement Program are hereby amended, as follows.

3 Department	4 Project Name	5 Project identification Code	6 2007 Amount
7 Seattle Public Utilities	8 No Dig Pipe & Maintenance Rehabilitation	9 C3AA403	10 (((\$2,346,000)) 11 <u>\$1,346,000</u> )
12 Seattle Public Utilities	13 Windermere Combined Sewer Overflow Storage	14 C302103	15 (((\$1,055,000)) 16 <u>\$855,000</u> )
17 Seattle Public Utilities	18 Capitol Hill Water Quality Project	19 C306001	20 (((\$1,653,000)) 21 <u>\$1,153,000</u> )
22 Seattle Public Utilities	23 Madison Valley Long Term Solution	24 C307014	25 (((\$1,032,000)) 26 <u>\$2,732,000</u> )

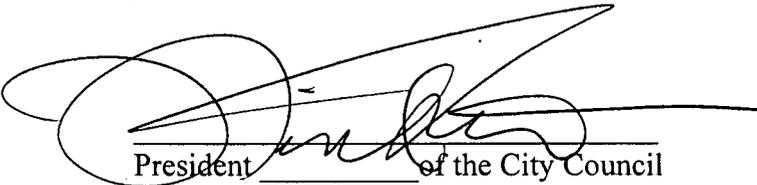
27 These amendments shall operate for the purposes of decreasing or increasing, respectively, the  
28 basis for the limit imposed by Subsection 4(c) of Ordinance 122298.



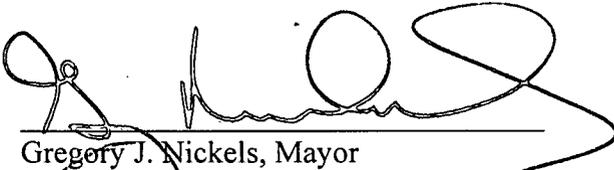
1 Section 3. Any act consistent with the authority of this ordinance that is taken after  
2 passage of this ordinance, but prior to its effective date is hereby ratified and confirmed.

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

6 Passed by the City Council the 29<sup>th</sup> day of October, 2007, and signed by me in open  
7 session in authentication of its passage this 29<sup>th</sup> day of October, 2007.

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12 President \_\_\_\_\_ of the City Council

13 Approved by me this 6<sup>th</sup> day of November, 2007.

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17 Gregory J. Nickels, Mayor

18 Filed by me this 7<sup>th</sup> day of November, 2007.

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22 City Clerk

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28 (Seal)



**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Seattle Public Utilities	Celia Kennedy 4-4606	John McCoy 5-0768

**Legislation Title:**

AN ORDINANCE relating to Seattle Public Utilities; amending the 2007 Adopted Budget, including the 2007-2012 Capital Improvement Program; changing appropriations in various budget control levels within the Drainage and Wastewater Fund; and revising allocations for certain projects.

**Summary and background of the Legislation:**

This legislation amends SPU's 2007 Adopted Budget for the Drainage & Wastewater Fund by changing appropriations in various budget control levels and revising allocations for certain projects in order to add \$1.7 million to the Madison Valley Long-Term Solution Project. The increased allocation in this project will be used to purchase two residential parcels in the Madison Valley neighborhood and pay associated relocation costs. Ownership of these properties would provide SPU more flexibility in designing a long-term solution to flooding problems in the area. These properties have sustained significant impacts from flooding and sewer backups because they are located at the bottom of the 700-acre Madison Valley basin. Property purchases are expected to be completed in the 4<sup>th</sup> quarter of 2007.

<b>Project Name:</b>	<b>Project I.D.</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date</b>
Madison Valley Long-Term Solution Project	C307014	Madison Valley Basin (vicinity of E. John St and 30 <sup>th</sup> Ave E)	Q1 2007	Q4 2013

- *Please check any of the following that apply:*

\_\_\_\_\_ **This legislation creates, funds, or anticipates a new CIP Project.** (Please note whether the current CIP is being amended through this ordinance, or provide the Ordinance or Council Bill number of the separate legislation that has amended/is amending the CIP.)

\_\_\_\_\_ **This legislation does not have any financial implications.** (Stop here and delete the remainder of this document prior to saving and printing.)



**X This legislation has financial implications.** (Please complete all relevant sections that follow.)

**Appropriations:** This table should reflect appropriations that are a direct result of this legislation. In the event that the projects associated with this ordinance have appropriations that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Finally, if this legislation does not directly change an appropriation, but results in budget authority being moved within a Budget Control Level, or to a Budget Control Level (up to 10%), please explain in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2007 Appropriation	2008 Anticipated Appropriation
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	C320B – Wastewater Conveyance	(\$1,000,000)	N/A
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	C310B – Control Structures	(\$200,000)	N/A
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	C334B – Low Impact Development	(\$500,000)	N/A
Drainage and Wastewater Fund (44010)	Seattle Public Utilities	C332B – Stormwater & Flood Control	\$1,700,000	N/A
<b>Total</b>			<b>\$0</b>	



**Note:** The table above shows the change in the appropriation for each BCL resulting from this legislation. There is no net change in the overall Drainage & Wastewater CIP Budget. The 2007 Adopted Budget allocation for the Madison Valley Long Term Solution project is \$1.032M. Anticipated 2007 spending on the project including the property purchases is \$2.732M. This ordinance transfers budget appropriations from three Drainage & Wastewater BCLs to the Stormwater & Flood Control BCL, where this project resides, and adjusts project allocations accordingly. The projects whose allocations are being reduced to support the property purchases are:

- No Dig Pipe & Maintenance Rehabilitation (C3AA403): SPU does not expect to accomplish as much on this project in 2007 as originally planned.
- Windermere Combined Sewer Overflow Storage (C302103): This project has been delayed in preliminary engineering because of significant increases in the storage volume required and the need for increased flow monitoring to improve the hydrologic/hydraulic model. The project is also revisiting other alternatives, including wet weather treatment and performing an evaluation of the water quality impacts of wet weather treatment into Lake Washington.
- Capitol Hill Water Quality Project (C306001): This project has been delayed because additional preliminary engineering analysis is needed and negotiations with the developer are required to reach an agreement on an MOA.

**Spending Plan and Future Appropriations for Capital Projects:** Please list the timing of anticipated appropriation authority requests and expected spending plan. In addition, please identify your cost estimate methodology including inflation assumptions, the projected costs of meeting applicable LEED standards, and the percent for art and design as appropriate.

Spending Plan and Budget	2007	2008	2009	2010	2011	2012	Total
Spending Plan	\$2,732	\$3,725	\$15,776	\$12,931	\$110	\$56	\$35,330
Current Year Appropriation ('07 Adopted)	\$1,032						\$1,032
Future Appropriations ('08 Proposed)		\$3,725	\$15,776	\$12,931	\$110	\$56	\$32,598

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

Funding Source (Fund Name and Number, if applicable)	2007	2008	2009	2010	2011	2012	Total
SPU Drainage and Wastewater Fund (44010)	\$2,732	\$3,725	\$15,776	\$12,931	\$110	\$56	\$35,330
<b>TOTAL</b>	<b>\$2,732</b>	<b>\$3,725</b>	<b>\$15,776</b>	<b>\$12,931</b>	<b>\$110</b>	<b>\$56</b>	<b>\$35,330</b>



**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
<b>TOTAL</b>					

**Notes:** These expenditures will be part of the overall 2007 DWF CIP and financed with a mixture of cash and long-term debt. The most recent revenue bond issue was in November 2006, and consisted of 30-year, fixed-rate bonds in the amount of \$121.8 million, of which \$48 million was new financing and \$73.8 million was associated with refunding of 1995 and 1999 revenue bonds. The next DWF revenue bond issue is expected to be a 30-year, fixed-rate issue in April 2008.

**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	2007	2008	2009	2010	2011	2012	Total
<b>Uses</b>							
Start Up							
On-going costs (savings)							
<b>Sources (itemize)</b>							

**Notes:** Operation and maintenance costs will differ significantly based on the alternative selected for the long-term solution to Madison Valley flooding near 30<sup>th</sup> Avenue East and East John St. The property purchase is only a small portion of the larger project, and overall O&M project costs will be determined once an alternative is selected.

**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 Regular Positions Created Or Abrogated Through This Legislation, Including FTE**

**Impact:** This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2007 Positions	2007 FTE	2008 Positions**	2008 FTE**
<b>TOTAL</b>							

\* List each position separately

\*\* 2008 positions and FTE are total 2008 position changes resulting from this legislation, not incremental changes. Therefore, under 2008, please be sure to include any continuing positions from 2007.

**Notes:** No positions would be created.

- **Do positions sunset in the future?** (If yes, identify sunset date): N/A

- **What is 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):

If the City does not acquire these two properties at this time, the cost of acquiring them could be expected to increase appreciably in the coming months. In addition, these properties will continue to be vulnerable to damage and potential health problems from future flooding and wastewater backups. Additionally, SPU's Drainage and Wastewater Fund may continue to experience claims for costs including clean up and replacement of damaged property.

- **What are the possible alternatives to the legislation that 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):



One alternative is to do nothing. Forgoing purchasing the two homes would reduce the flexibility SPU would have in designing the long-term solution to reduce flooding and sewer backups in this area. Also, under a “do nothing” alternative the City could be required to pay claims if flooding and sewer backups occur again to these two homes.

Another alternative would be to wait until a final decision is made regarding the option selected for the long-term solution, before purchasing these two properties. SPU believes acquiring these properties would be beneficial for essentially every alternative being considered. In the unlikely event that SPU does not need the properties, they could be sold. Another risk of not purchasing these homes now is that the price of these homes is likely to increase.

- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future?)* No.
- **Other Issues** *(including long-term implications of the legislation):*

Action on the part of the City to purchase these properties demonstrates to the residents of Madison Valley that SPU and the City are taking serious steps toward implementing a long-term solution to flooding in the vicinity of 30<sup>th</sup> Avenue East and East John St.



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STATE OF WASHINGTON – KING COUNTY

--SS.

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217294  
CITY OF SEATTLE, CLERKS OFFICE

No. ~~122547~~ 122545

**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.

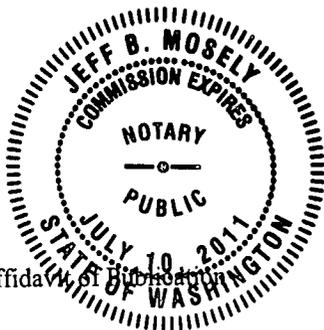
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE-ONLY ORDINANCE

was published on

11/09/07

The amount of the fee charged for the foregoing publication is the sum of \$ 69.75, which amount has been paid in full.



*James Taylor*  
Subscribed and sworn to before me on

11/09/07

*JA*  
Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication

State of Washington, King County

**City of Seattle**

**TITLE-ONLY PUBLICATION**

The full text of the following ordinances, passed by the City Council on October 29, 2007, and published here by title only, will be mailed, at no cost, on request for two months after this publication. For further information, contact the Seattle City Clerk at 684-8344.

**ORDINANCE NO. 122547**

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

**ORDINANCE NO. 122546**

AN ORDINANCE relating to City employment; authorizing the execution of a Memorandum of Understanding between the City of Seattle, City Light Department and the International Brotherhood of Electrical Workers, Local 77, City Light Unit reducing the hours of the Lineworker Apprenticeship

Program and adjusting associated salary steps and rates of pay; revising language of the current Collective Bargaining Agreement; and ratifying and confirming prior acts.

**ORDINANCE NO. 122545**

AN ORDINANCE relating to Seattle Public Utilities; amending the 2007 Adopted Budget, including the 2007-2012 Capital Improvement Program; changing appropriations in various budget control levels within the Drainage and Wastewater Fund; and revising allocations for certain projects.

**ORDINANCE NO. 122543**

AN ORDINANCE authorizing, in 2007, acceptance of funding from non-City sources; authorizing the heads of the Department of Parks and Recreation, the Department of Planning and Development, the Department of Information Technology, the Department of Neighborhoods, the Human Services Department, the Seattle Department of Transportation, the Seattle Police Department, the Seattle Fire Department, and Seattle Public Utilities; to accept specified grants and private funding and to execute, deliver, and perform corresponding agreements.

Date of publication in the Seattle Daily Journal of Commerce, November 9, 2007.

11/9(217284)