

ORDINANCE No. 124367

COUNCIL BILL No. 117976

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

COMPTROLLER FILE No. _____

Introduced: 11.25.13	By:
Referred: 11.25.13	To: Libraries, Utilities, and Center
Referred:	To:
Referred:	To:
Reported:	Second Reading:
Third Reading: 12/9/13	Signed: 12/9/13
Presented to Mayor: 12/10/13	Approved: 12.16.13
Returned to City Clerk: 12.17.13	Published:
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported and Adopted _____

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____ report that we have considered the same and respectfully recommend that the same:

12-3-13 PASS 3-0 RC SB JC

Full Council: 12/9/13 En Passed 9-0

Jean Godden

LAW DEPARTMENT

Committee Chair

124367



MA56063

ORDINANCE

124367

1
2 AN ORDINANCE relating to water services of Seattle Public Utilities; revising water rates and
3 charges for service to wholesale customers, and amending Seattle Municipal Code
4 Chapter 21.04.440 in connection therewith.

5 WHEREAS, Seattle Public Utilities provides wholesale water service to many water utilities
6 surrounding Seattle ("Wholesale Customers") under the provisions of various long-term
7 water supply contracts; and

8 WHEREAS, there are no longer any Wholesale Customers being served under a current or
9 expired Water Purveyor Contract; and

10 WHEREAS, the provisions of the Full and Partial Requirements Contract for Supply of Water
11 ("Contracts") require Wholesale Customers pay a new service fee ("Facility Charge") at
12 the time the Wholesale Customers connect a new retail customer to their respective retail
13 water distribution systems; and

14 WHEREAS, the amount of the Facility Charge is based in part on recovering costs associated
15 with Seattle Public Utilities' investments in regional water conservation, which
16 Wholesale Customers participate in pursuant to their Contracts; and

17 WHEREAS, the existing Facilities Charges authorized by Ordinance 124074 were based on the
18 costs of Seattle Public Utilities' regional water conservation program from 2011 through
19 2013; and

20 WHEREAS, pursuant to the Contracts, the Operating Board of the Seattle Regional Water
21 Supply System has determined to recover costs for regional conservation for 2014
22 through 2018 through Facility Charges; and

23 WHEREAS, the Facilities Charges to recover the costs of the regional water conservation
24 program for 2014 through 2018 have been calculated; NOW, THEREFORE,

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

26 Section 1. Subsection 21.04.440 E of the Seattle Municipal Code is amended as follows:

27 **SMC 21.04.440 Rates outside City.**

28 * * *



E. Wholesale Customers – Commodity and Other Charges.

1. ~~((Water Purveyor Contract.))~~ Reserved

~~((The rate to be charged wholesale customers being served under the provisions of a contract substantially in the form of the Water Purveyor Contract, version A or version B, or who have an expired contract substantially in the form of the Water Purveyor Contract, version A or version B, shall be based on a commodity charge and a Base Service Charge, as follows:~~

Effective January 1, 2011 through December 31, 2011:

Commodity Charge _____ **Per 100 Cubic Feet**

Summer (May 16th – September 15th)

_____ All usage _____ \$2.15

Winter (September 16th – May 15th)

_____ All usage _____ 1.40

For each 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 year base period between January 1, 1979 and December 31, 1981, there shall be an additional charge of \$0.31.

Base Service Charge

Meter Size _____ **Monthly Charge**

_____ 1 inch _____ \$ 54.00

_____ 1 1/2 inch _____ 60.00



1	_____ 2 inch _____	66.00
2	_____ 3 inch _____	78.00
3	_____ 4 inch _____	108.00
4	_____ 6 inch _____	192.00
5	_____ 8 inch _____	300.00
6	_____ 10 inch _____	450.00
7	_____ 12 inch _____	528.00
8	_____ 16 inch _____	696.00
9	_____ 20 inch _____	948.00
	_____ 24 inch _____	1,236.00

11	Commodity Charge	Effective	Effective	Effective
12	Per 100 Cubic Feet of Water	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014
13	Summer (May 16th - September 15th)	\$2.58	\$2.59	\$2.61
14	Winter (September 16th - May 15th)	\$1.85	\$1.86	\$1.87))

2. Full or Partial Requirements Contracts. The rate to be charged to wholesale customers being served under the provisions of contracts substantially in the form of the Full and Partial Requirements Contracts for the Supply of Water that were authorized by Ordinance 120362 or 123559 ("Full or Partial Requirements Contract") shall consist of a commodity charge, surcharges, discounts, and facilities charges as follows:

22	Commodity Charge	((Effective — Effective))	Effective	Effective
23	Per 100 Cubic Feet of Water	((Jan. 1, 2011 — Jan. 1, 2012))	Jan. 1, 2013	Jan. 1, 2014
24	Summer (May 16th - September 15th)	(((\$1.79 — \$2.26))	\$2.26	\$2.27
25	Winter (September 16th - May 15th)	(((\$1.16 — \$1.52))	\$1.53	\$1.53



The following surcharges and discount apply to each wholesale customer that has agreed to them in a contract substantially in the form of the Full or Partial Requirements Contracts:

Additional Charge	((Effective — Effective))	Effective	Effective
Per 100 Cubic Feet of Water	((Jan. 1, 2011 — Jan. 1, 2012))	Jan. 1, 2013	Jan. 1, 2014
((Transition Growth Surcharge	\$0.60	expired	expired
Northwest Wheeling Rate Surcharge	(((\$0.02 — \$0.02))	\$0.02	\$0.02
Southwest Subregion Surcharge	(((\$0.05 — \$0.06))	\$0.07	\$0.07
East Subregion, Segment #3 Surcharge	(((\$0.15 — \$0.15))	\$0.15	\$0.16
East Subregion, Segment #4 Surcharge	(((\$0.07 — \$0.18))	\$0.19	\$0.19
Renton New Supply Discount	((N/A — \$0.02))	\$0.02	\$0.02

In addition, each wholesale customer served under a contract substantially in the form of the Full or Partial Requirements Contracts that requires payment of facilities charges based on each new metered service connection installed within its service area shall pay the facilities charges according to the following schedule:

((Meter Size	Facilities Charge
3/4 inch and smaller	\$783.00
1 inch	1,566.00
1 1/2 inch	3,915.00
2 inch	6,264.00



Regina Carpenter
SPU Facilities Charge ORD
10/15/2013
Version #1

1	3 inch	17,226.00
2	4 inch	24,273.00
3	6 inch	51,678.00
4	8 inch	87,696.00
5	10 inch	132,327.00
6	12 inch and larger	186,354.00
7		

8 Effective January 1, 2013:))

9 **Meter Size Facilities Charge**

10		
11	1 inch and smaller	\$ 877.00
12	1 1/2 inch	3,915.00
13	2 inch	6,264.00
14	3 inch	17,226.00
15	4 inch	24,273.00
16	6 inch	51,678.00
17	8 inch	87,696.00
18	10 inch	132,327.00
19	12 inch and larger	186,354.00

20 **Meter Size Facilities Charge**

21

22 Effective February 1, 2014:

23	<u>1 inch and smaller</u>	<u>\$ 936.00</u>
24	<u>1 1/2 inch</u>	<u>4,180.00</u>
25	<u>2 inch</u>	<u>6,688.00</u>
26	<u>3 inch</u>	<u>18,392.00</u>
27		



1	<u>4 inch</u>	<u>25,916.00</u>
2	<u>6 inch</u>	<u>55,176.00</u>
3	<u>8 inch</u>	<u>93,632.00</u>
4	<u>10 inch</u>	<u>141,284.00</u>
5	<u>12 inch and larger</u>	<u>198,968.00</u>

6 Section 2. This ordinance shall take effect and be in force 30 days from and after its
7 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
8 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
9

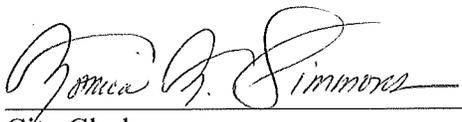
10 Passed by the City Council the 9th day of Dec., 2013, and signed by me in
11 open session in authentication of its passage this 9th day of Dec., 2013.
12

13
14 
15 President _____ of the City Council

16 Approved by me this 16th day of Dec, 2013.
17

18 
19 Michael McGinn, Mayor

20 Filed by me this 17th day of December, 2013.
21

22 
23 City Clerk

24
25 (Seal)
26
27
28

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Regina Carpenter/684-0836	Craig Stampher/684-0535

Legislation Title:

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

Summary of the Legislation:

This ordinance would remove charges for the expired Water Purveyor Contract and increase certain charges to wholesale water customers of the Seattle Regional Water Supply System consistent with the provisions of the Full and Partial Requirements Contract for Supply of Water (Contracts) between Seattle Public Utilities and these utilities.

Background:

The majority of Seattle's water contracts require wholesale customers pay a one-time new service fee (Facilities Charge) to Seattle when they connect new retail customers to their water distribution systems. The Facilities Charge is based on the costs of new water supply investments, which include regional water conservation. This is the "growth pays for growth" concept of the Contracts.

Under the Contracts, the Seattle Water Supply Operating Board can specify which new supply projects are paid for through Facilities Charges versus wholesale rates. In May 2013, the Operating Board elected to recover the capital cost of the 2014-2018 regional conservation program through Facilities Charges. This legislation implements that decision. The previous Facilities Charge was based on the capital costs of the regional conservation program from 2011 through 2013.

This legislation has no impact on current rates. Increases to Water Fund revenues are minimal (\$55,000 in 2014) but will be factored into the 2015-2017 water rates study.

This legislation does not have any financial implications.

This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:



Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
Water Fund 43000	Seattle Public Utilities	Facilities Charges	\$ 0	\$ 55,000
TOTAL			\$ 0	\$ 55,000

Revenue/Reimbursement Notes:

This is the projected increase in revenue from the 6.7% increase in the Facilities Charge.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No
- b) **What is the financial cost of not implementing the legislation?**
The cost of not implementing this legislation is lost revenue from wholesale customers.
- c) **Does this legislation affect any departments besides the originating department?**
No other departments are affected.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
There are no alternatives that would achieve similar objectives.
- e) **Is a public hearing required for this legislation?**
No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No
- g) **Does this legislation affect a piece of property?**
No
- h) **Other Issues:**
None

List attachments to the fiscal note below:

None





City of Seattle
Office of the Mayor

November 12, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am transmitting the attached proposed Council Bill that would adjust Seattle Public Utilities' facilities charges for wholesale water customers.

Certain SPU wholesale water customers pay facilities charges when they connect a new retail customer to their retail water systems. These charges recover costs of the regional water conservation program. Under SPU's water contracts, the Seattle Water Supply Operating Board has authority to decide which new supply projects are paid for through facilities charges versus wholesale rates. Last May, the Operating Board elected to recover the 2014-2018 costs of the regional water conservation program through facilities charges. The resulting proposed 6.7% rate adjustment will generate increased revenue and offset the retail revenue requirement in the rate study covering 2015 and beyond.

This legislation has no impact on current rates. Increases to Water Fund revenues are very minimal but will be factored into the 2014 water rates study. Thank you for your consideration of this legislation. Should you have questions, please contact Regina Carpenter at 684-0836.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



FILED
CITY OF SEATTLE
2014 FEB -6 PM 4:20
CITY CLERK

STATE OF WASHINGTON -- KING COUNTY

--SS.

306358
CITY OF SEATTLE, CLERKS OFFICE

No. 124366,367,368,369,370

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.

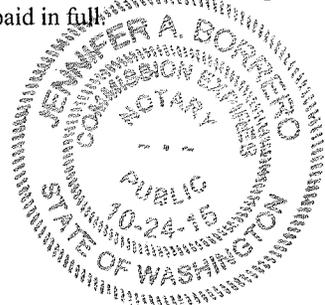
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT; TITLE ONLY ORDINANCE

was published on

01/10/14

The amount of the fee charged for the foregoing publication is the sum of \$119.60 which amount has been paid in full.



Samuel Coleby

Subscribed and sworn to before me on

01/10/2014

[Signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on December 9, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124366

AN ORDINANCE relating to the Department of Parks and Recreation, concerning Mount Claire Park, finding that an exchange of property between the City of Seattle and Elihu Estey and Cynthia L. David, owners of property adjacent to Mount Claire Park, is necessary, as required by Ordinance 118477, also known as Initiative 42; and authorizing the Superintendent of Parks and Recreation to sign as co-petitioner in an application for a Lot Boundary Adjustment; and, if the Lot Boundary Adjustment is approved, authorizing the Superintendent to accept a deed from Estey and David, or their successors in interest, for certain property meeting the criteria of Initiative 42; and executing and delivering a Quit Claim Deed for certain Mount Claire Park property to Estey and David, or their successors in interest, all to resolve encroachments onto park property.

ORDINANCE NO. 124367

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

ORDINANCE NO. 124368

AN ORDINANCE relating to the Seattle Department of Parks and Recreation; authorizing the Superintendent to enter into a lease agreement with the North Seattle Chamber of Commerce for the purpose of providing recreational and community programs to the public at the City of Seattle's Lake City Community Center.

ORDINANCE NO. 124369

AN ORDINANCE relating to the parking facility at the Woodland Park Zoo; amending the Woodland Park Zoo Operations and Management Agreement between The City of Seattle and the Woodland Park Zoological Society ("WPZS"); agreeing to the terms of repayment by WPZS of an outstanding obligation to the City for predevelopment costs incurred with respect to a proposed structured parking facility; agreeing to the City's payment of a portion of the costs for WPZS to provide a smaller surface parking lot to relieve parking congestion in the neighborhood surrounding the Zoo; amending Ordinance 124058, which adopted the 2013 Budget, including the 2013-2018 Capital Improvement Program (CIP); increasing appropriations in the Parks Infrastructure budget control level for the Zoo Parking Development Project; and revising project descriptions; all by a three-fourths vote of the City Council.

ORDINANCE NO. 124370

AN ORDINANCE relating to the Seattle Department of Parks and Recreation; authorizing the Superintendent to enter into a lease agreement with the Tiny Tots Development Center for the purpose of providing day care services and community programs to the public at the Hutchinson Community Center.

Date of publication in the Seattle Daily Journal of Commerce, January 10, 2014.

1/10(306358)