

ORDINANCE No. 121443

me

COUNCIL BILL No. 114860

The City of

AN ORDINANCE relating to Seattle Public Utilities; clarifying the charges for new connections to Seattle's water distribution system, and amending Seattle Municipal Code Chapter 21.04 by repealing sections 110, 120, 130, 340, and 350, and adding three new sections 105, 115, 125, and amending section 21.04.465.

Honorable President:

Your Committee on _____

to which was referred the within Council Bill, and report that we have considered the same.

COMPTROLLER FILE No. _____

Introduced: APR 5 - 2004	By: COMPTON
Referred: APR 5 - 2004	To: Utilities & Technology
Referred:	To:
Referred:	To:
Reported: 4-19-04	Second Reading:
Third Reading: 4-19-04	Signed: 4-19-04
Presented to Mayor: 4-19-04	Approved: 4/20/04
Returned to City Clerk: 4/20/04	Published: Full Copy 4/20/04
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

4-13-04 Pass As Amended

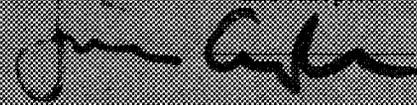
4-19-04 Passed 9-0

LAW DEPARTMENT

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted



City President:

Committee on _____

_____ was referred the within Council Bill No. _____

_____ that we have considered the same and respectfully recommend that the same:

②
①
Pass As Amended JC, JD, NL, RMC

Passed 9-0

DEPARTMENT

Committee Chair

3/27/14
Social Work Committee
Division
No objection
Full Committee
No objection
Chair

ORDINANCE 121443

1
2 AN ORDINANCE relating to Seattle Public Utilities; clarifying the charges for new connections to
3 Seattle's water distribution system, and amending Seattle Municipal Code Chapter 21.04 by
4 repealing sections 110, 120, 130, 340, and 350, and adding three new sections 105, 115, 125, and
5 amending section 21.04.465.

6 WHEREAS, RCW 35.92.025 authorizes a municipal water utility to require properties seeking to
7 connect to the water system to make a contribution to the system, in addition to fees charged for
8 establishing the installation of pipes, meter, appurtenances to the system; and

9 WHEREAS, properties seeking to connect to the Seattle water distribution system may contribute to the
10 system in one of several ways, i.e., by installing a standard water main, participating in a current
11 Utility Local Improvement District project for a water main installation, contributing to a
12 developer who is installing a water main, or paying a cash contribution to the Seattle Public
13 Utilities; and

14 WHEREAS, as a result of these different methods of paying or deferring a connection charge to the
15 water distribution system, there can be different relationships between the existing connections
16 on a substandard part of the distribution system; and

17 WHEREAS, there is consequently a need to clarify the applicability of connection charges in different
18 circumstances; Now Therefore,

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

20 Section 1. Seattle Municipal Code Sections 21.04.110, 21.04.120, 21.04.130, 21.04.340, and
21 21.04.350 are hereby repealed.

22 Section 2. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as
23 follows:

24 **21.04.105 Connection Charge**

A. In addition to water service installation fees and charges required by ordinance or administrative
rule, the owner of a property seeking either for the first time to connect that property to the water
distribution system for any water purposes, or to expand existing water service shall pay a
Connection Charge prior to connection.



1 B. A property may be exempt from paying the Connection Charge in circumstances where an
2 equivalent contribution is made at the time the owner of the property is seeking to connect or
3 reconnect to the water system, such as the construction of a water main accepted by Seattle Public
4 Utilities as part of its distribution system. Any such exemptions for equivalent contributions shall be
5 defined in Seattle Public Utilities Policy and Procedure, which may be amended from time to time
6 by the Director.

7 C. The collection of a Connection Charge to serve a single family residence may be deferred with
8 interest at the request of an owner who meets both of the following criteria: (1) is economically
9 disadvantaged, as defined in Section 20.12.020 B of the Seattle Municipal Code; and (2) also owns
10 and occupies the residence which will be connected to the water distribution system. Interest on the
11 principal will be calculated at the rate of 150 basis points (1.5%) added to the yield for 10-year U.S.
12 Treasury Constant Securities (e.g., if the yield is 5.02%, the interest charge would be 6.52%). The
13 interest rate shall be fixed for the duration of contract, using the Treasury yield for the most current
14 month listed on the Federal Reserve's internet website,
15 www.federalreserve.gov/releases/h15/data.htm#fnl13, or successor website, or other source. The
16 rate will be determined at the time the finance contract is signed by the property owner. Such
17 contract shall provide that any unpaid balance may be paid off in full at any time. All charges,
18 including interest so deferred, shall become a lien against the property and shall be recorded by the
19 Director of Seattle Public Utilities in the office of the County Recorder at the expense of the
20 property owner, and such deferred payment shall be due and payable in full at the time of sale or
21 transfer of the property or at the time the property ceases to be used as a single family residence.
22
23
24



1 Section 3. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as
2 follows:

3 **21.04.115 Payment of Connection Charge**

4 The Connection Charge shall be paid either in cash, or under an installment contract. An installment
5 contract shall provide for a down payment of a minimum of one-fortieth (1/40) of the total Connection
6 Charge, payable upon execution of such contract and for payment of the balance in equal installments of
7 the unpaid balance payable at specified intervals throughout the term of the contract, together with
8 interest as provided in this section. Interest on the principal will be calculated at the rate of 150 basis
9 points (1.5%) added to the yield for 10-year U.S. Treasury Constant Securities (e.g., if the yield is
10 5.02%, the interest charge would be 6.52%). The interest rate shall be fixed for the duration of contract,
11 using the Treasury yield for the most current month listed on the Federal Reserve's internet website,
12 www.federalreserve.gov/releases/h15/data.htm#fnl13, or successor website, or other source. The rate
13 will be determined at the time the finance contract is signed by the property owner. Such installment
14 contract shall be no more than ten years in duration and shall provide that any unpaid balance may be
15 paid off in full at any time. Such contract shall include a provision that in the event of failure to pay the
16 required installments, the Director of Seattle Public Utilities may disconnect the City's water service
17 from and refuse to supply water to the premises until the unpaid installments are paid. In addition, the
18 installment contract shall become a lien against the property and shall be recorded by the Director of
19 Seattle Public Utilities in the office of the County Recorder at the expense of the property owner, and
20 such deferred payment shall be due and payable in full at the time of sale or transfer of the property.

21
22 Section 4. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as
23 follows:
24



1 **21.04.125 Calculation of the Connection Charge**

2 The Connection Charge shall be calculated as the product of Connection Charge Units (CCU) and
3 Connection Charge Unit Rate (CCUR). The CCU is a measure of the size of the new water service
4 connection or connections or the increase in the size of an existing connection or connections. The
5 CCU is the aggregation of the new retail service connections being requested by the owner (or the
6 requested connections for existing services) weighted by their hydraulic capacities and expressed as a
7 multiple of a single 3/4-inch domestic service connection. The CCUR represents the equity value of the
8 water system, as represented by the total asset value of the system less the value of outstanding bonds as
9 detailed in the Water Fund's annual financial statement, attributable to a single customer with a 3/4-inch
10 service. Measurement of the CCU and administration of the Connection Charge will conform to
11 adopted Departmental Policy and Procedure.

12
13 Section 5. Seattle Municipal Code Section 21.04.465, as last amended by Ordinance 119267, is
14 amended as follows:

15 **SMC 21.04.465 Standard, connection, and administrative charges.**

16 A. The Director shall develop and update annually a schedule of charges for standard, recurring
17 services which are incidental to the sale of water. Such charges shall be based on a review of the
18 prevailing actual costs for providing these services.

19 B. The Director shall develop and update annually the Connection Charge Unit Rate (CCUR).
20 Updates to the CCUR shall make use of the most recent audited financial statements for the water
21 system.

22 ((B)) C. The Director may establish reasonable administrative charges for handling dishonored checks,
23 money orders, or other instruments; fees for turning water on or off; charges for delinquent accounts and
24



1 for related field visits; charges for meter tests, hydrant flow tests, and hydrant use; fees for customer
2 statements of prior billings; charges for utility crossing permits; and for other services not encompassed
3 in the schedule of standard charges.

4 ((C)) D. Any standard charges, including administrative charges, shall be developed and adopted
5 pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02, Ordinance
6 102228, as amended).

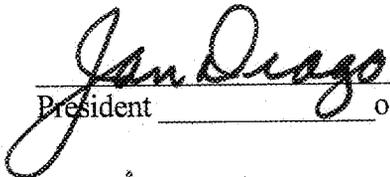
7 ((D)) E. Administrative charges and interest rates developed and adopted pursuant to subsection ((C)) D
8 of this section shall apply to all delinquent sewer and solid waste charges that are assessed through the
9 combined utility bill; provided that interest rates shall not exceed the maximum rate allowed by law. See
10 RCW 35.67.200.

11
12
13
14
15
16
17
18
19
20
21
22
23
24

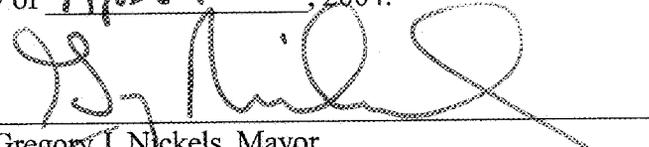


1 Section 6. This ordinance shall take effect and be in force thirty (30) days from and after its
2 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after
3 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

4
5 Passed by the City Council the 19th day of April, 2004, and signed by me in open
6 session in authentication of its passage this 19th day of April, 2004.

7
8 
President _____ of the City Council

9 Approved by me this 20 day of April, 2004.

10
11 
Gregory J. Nickels, Mayor

12
13 Filed by me this 20th day of April, 2004.

14
15 
City Clerk

16 (Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle Public Utilities	Audrey Hansen 684-5877	Cameron Keyes 684-8048

Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; clarifying the charges for new connections to Seattle's water distribution system, and amending Seattle Municipal Code Chapter 21.04 by repealing sections 110, 120, 130, 340, and 350, and adding three new sections 105, 115, 125, and amending section 21.04.465.

• **Summary of the Legislation:**

As authorized by RCW 35.92.025, this legislation establishes a Connection Charge for those properties seeking to connect or reconnect to the City's water system, based on the size of the water service or services. The legislation repeals existing sections of the Seattle Municipal Code that relate to a Special Tap Charge.

The legislation allows Seattle Public Utilities (SPU) to exempt properties from paying the Connection Charge in certain circumstances where a property owner has made an equivalent contribution to the water system, based on SPU Policy and Procedure. The legislation also authorizes SPU to defer collection of the Connection Charge for property owners who are economically disadvantaged and who will occupy the residence which will be connected to the water system, and allows SPU to enter into installment contracts for payment of the Collection Charge by other property owners.

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

This legislation replaces prior legislation in effect since the 1930s whereby properties' contributions were based on the size of the property and the age of the particular main serving the property rather than on the size and type of its water use.

• *Please check one of the following:*

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

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 project/ programs 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.

Fund Name and Number	Department	Budget Control Level*	2004 Appropriation	2005 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes:

Anticipated Revenue/Reimbursement: Resulting From This Legislation: This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Fund Name and Number	Department	Revenue Source	2004 Revenue	2005 Revenue
Water Fund (43000)	SPU	Property owner contributions to water system	\$550,000	\$1,000,000
TOTAL			\$550,000	\$1,000,000

Notes: Currently about 1,000 new service connections per year are installed in the city. Of these about 690 are three-quarter inch services and 130 are one inch services; the remainder are 1.5 inch or larger. If all of these installations were first time, domestic services (i.e., if there were no fire service installations or service enlargements of an existing service), these connections would generate \$2.7 million per year in revenue under the Connection Charge proposed by this ordinance. Allowing for the presence of some service enlargements and fire-meters (both of which will pay the Connection Charge at a lower rate than first time only domestic service) reduces the revenue estimate to \$1.3 million per year. This revenue estimate contrasts with the approximately \$200,000 per year in revenue that the existing Special Tap Charge is generating. Under the proposed Connection Charge, some property owners seeking to connect or reconnect to the water system will pay a lower charge than they would have under the existing Special Tap Charge, and some will pay a higher charge. The revenue projections shown above reflect the following other assumptions:

- 2004 and 2005 revenue estimates display net revenues (Connection Charge revenue less Special Tap Charge revenue) after passage of the Connection Charge Ordinance.



- 2004 and 2005 revenue estimates assume that all of the Connection Charges are paid up front rather than over time.
- 2004 net revenue is estimated at approximately 50% assuming the Connection Charge ordinance and policy take effect mid-year 2004.
- Connection Charge revenues will decline slightly over time as the number of vacant parcels in the city shrinks.

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. None

Position Title and Department*	Fund Name	Fund Number	Part-Time/Full Time	2004 Positions	2004 FTE	2005 Positions**	2005 FTE**
TOTAL							

* List each position separately

** 2005 positions and FTE are total 2005 position changes resulting from this legislation, not incremental changes. Therefore, under 2005, please be sure to include any continuing positions from 2004

Notes:

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

Spending/Cash Flow: This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.

Fund Name and Number	Department	Budget Control Level*	2004 Expenditures	2005 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes:

- **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.)

By not implementing the legislation, the City would forego both the additional Water Fund revenue that would be generated by the proposed Connection Charge, and the opportunity to provide property owners with a clearer and fairer method of contributing to the water system.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

The City could continue to implement the existing Special Tap Charge, but this existing charge results in inequity among customers and avoidable administrative costs. Most water utilities have converted to a system that charges properties based on water use rather than on property size.

- **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):*

The current method used by Seattle Public Utilities for charging customers for new and revised connections to the City's water system was established in 1935 under different conditions and results in inequity among customers and avoidable administrative costs. This proposed ordinance corrects the inequities of the current system and provides property owners with a more predictable, clearer and fairer method of contributing to the water system.



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

March 23, 2004

Honorable Jan Drago
President
Seattle City Council
City Hall, 2nd Floor

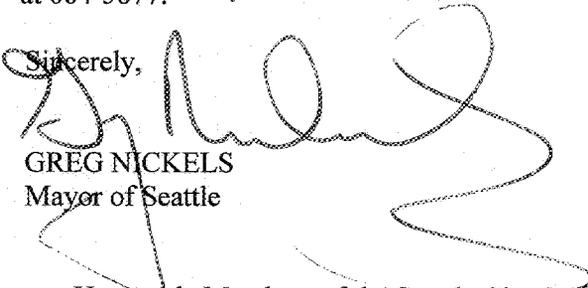
Dear Council President Drago:

The current method used by Seattle Public Utilities for charging customers for new and revised connections to the City's water system was established in 1935 under different conditions and results in inequity among customers and avoidable administrative costs. The attached Council Bill implements a new and more equitable Water Connection Charge by repealing all existing language in Municipal Code concerning the existing charge and creating a new Connection Charge based on water service size, consistent with RCW 35.92.025. The Connection Charge would apply to any property seeking either to connect to the system for the first time or to re-connect in a new way.

In addition to the charges designed to cover the actual costs of installation of a water service to a property, it is common water utility practice to have properties contribute to the water system when they receive water from it. The contribution can be in either of two basic forms: installation of infrastructure to be owned by the utility, or a cash contribution. For Seattle's water system, this cash contribution has been called the Special Tap Charge (STC) and was authorized by Seattle Municipal Code in 1935 based on a formula using the size of the property to be served and the age of the water main directly serving the property. However, the STC creates equity disparities among properties of various sizes and water uses, and also high administrative costs to SPU in calculating the charge and explaining it to property owners. The proposed Connection Charge will charge property owners based on the size of their water service, rather than the size of their property.

This Council Bill corrects the inequities of the current system and provides property owners with a more predictable, clearer and fairer method of contributing to the water system. Thank you for your consideration of this legislation. Should you have questions, please contact Audrey Hansen of SPU at 684-5877.

Sincerely,


GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E-mail: mayors.office@seattle.gov

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.



1 B. A property may be exempt from paying the Connection Charge in circumstances where an
2 equivalent contribution is made at the time the owner of the property is seeking to connect or
3 reconnect to the water system, such as the construction of a water main accepted by Seattle Public
4 Utilities as part of its distribution system. Any such exemptions for equivalent contributions shall be
5 defined in Seattle Public Utilities Policy and Procedure, which may be amended from time to time
6 by the Director.

7 C. The collection of a Connection Charge to serve a single family residence may be deferred with
8 interest at the request of an owner who meets both of the following criteria: (1) is economically
9 disadvantaged, as defined in Section 20.12.020 B of the Seattle Municipal Code; and (2) also owns
10 and occupies the residence which will be connected to the water distribution system. Interest on the
11 principal will be calculated at the rate of 150 basis points (1.5%) added to the yield for 10-year U.S.
12 Treasury Constant Securities (e.g., if the yield is 5.02%, the interest charge would be 6.52%). The
13 interest rate shall be fixed for the duration of contract, using the Treasury yield for the most current
14 month listed on the Federal Reserve's internet website,
15 www.federalreserve.gov/releases/h15/data.htm#fnl13, or successor website, or other source. The
16 rate will be determined at the time the finance contract is signed by the property owner. Such
17 contract shall provide that any unpaid balance may be paid off in full at any time. All charges,
18 including interest so deferred, shall become a lien against the property and shall be recorded by the
19 Director of Seattle Public Utilities in the office of the County Recorder at the expense of the
20 property owner, and such deferred payment shall be due and payable in full at the time of sale or
21 transfer of the property or at the time the property ceases to be used as a single family residence.
22
23
24



1 Section 3. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as
2 follows:

3 **21.04.115 Payment of Connection Charge**

4 The Connection Charge shall be paid either in cash, or under an installment contract. An installment
5 contract shall provide for a down payment of a minimum of one-fortieth (1/40) of the total Connection
6 Charge, payable upon execution of such contract and for payment of the balance in equal installments of
7 the unpaid balance payable at specified intervals throughout the term of the contract, together with
8 interest as provided in this section. Interest on the principal will be calculated at the rate of 150 basis
9 points (1.5%) added to the yield for 10-year U.S. Treasury Constant Securities (e.g., if the yield is
10 5.02%, the interest charge would be 6.52%). The interest rate shall be fixed for the duration of contract,
11 using the Treasury yield for the most current month listed on the Federal Reserve's internet website,
12 www.federalreserve.gov/releases/h15/data.htm#fn13, or successor website, or other source. The rate
13 will be determined at the time the finance contract is signed by the property owner. Such installment
14 contract shall be no more than ten years in duration and shall provide that any unpaid balance may be
15 paid off in full at any time. Such contract shall include a provision that in the event of failure to pay the
16 required installments, the Director of Seattle Public Utilities may disconnect the City's water service
17 from and refuse to supply water to the premises until the unpaid installments are paid. In addition, the
18 installment contract shall become a lien against the property and shall be recorded by the Director of
19 Seattle Public Utilities in the office of the County Recorder at the expense of the property owner, and
20 such deferred payment shall be due and payable in full at the time of sale or transfer of the property.

21
22 Section 4. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as
23 follows:
24



1 **21.04.125 Calculation of the Connection Charge**

2 The Connection Charge shall be calculated as the product of Connection Charge Units (CCU) and
3 Connection Charge Unit Rate (CCUR). The CCU is a measure of the size of the new water service
4 connection or connections or the increase in the size of an existing connection or connections. The
5 CCU is the aggregation of the new retail service connections being requested by the owner (or the
6 requested connections for existing services) weighted by their hydraulic capacities and expressed as a
7 multiple of a single 3/4-inch domestic service connection. The CCUR represents the equity value of the
8 water system attributable to a single customer with a 3/4-inch service. Measurement of the CCU and
9 administration of the Connection Charge will conform to adopted Departmental Policy and Procedure.

10
11 Section 5. Seattle Municipal Code Section 21.04.465, as last amended by Ordinance 119267, is
12 amended as follows:

13 **SMC 21.04.465 Standard, connection, and administrative charges.**

14 A. The Director shall develop and update annually a schedule of charges for standard, recurring
15 services which are incidental to the sale of water. Such charges shall be based on a review of the
16 prevailing actual costs for providing these services.

17 B. The Director shall develop and update annually the Connection Charge Unit Rate (CCUR).
18 Updates to the CCUR shall make use of the most recent audited financial statements for the water
19 system.

20 ~~(B)~~ C. The Director may establish reasonable administrative charges for handling dishonored checks,
21 money orders, or other instruments; fees for turning water on or off; charges for delinquent accounts and
22 for related field visits; charges for meter tests, hydrant flow tests, and hydrant use; fees for customer
23
24

1 statements of prior billings; charges for utility crossing permits; and for other services not encompassed
2 in the schedule of standard charges.

3 ~~((C))~~ D. Any standard charges, including administrative charges, shall be developed and adopted
4 pursuant to the provisions of the Administrative Code (Seattle Municipal Code Chapter 3.02, Ordinance
5 102228, as amended).

6 ~~((D))~~ E. Administrative charges and interest rates developed and adopted pursuant to subsection ~~((C))~~ D
7 of this section shall apply to all delinquent sewer and solid waste charges that are assessed through the
8 combined utility bill; provided that interest rates shall not exceed the maximum rate allowed by law. See
9 RCW 35.67.200.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Section 6. 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 _____, 2004, and signed by me in open session in authentication of its passage this _____ day of _____, 2004.

President _____ of the City Council

Approved by me this _____ day of _____, 2004.

Gregory J. Nickels, Mayor

Filed by me this _____ day of _____, 2004.

City Clerk

(Seal)



STATE OF WASHINGTON – KING COUNTY

--SS.

171493
CITY OF SEATTLE, CLERKS 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:121443 ORD IN FULL

was published on

4/29/2004

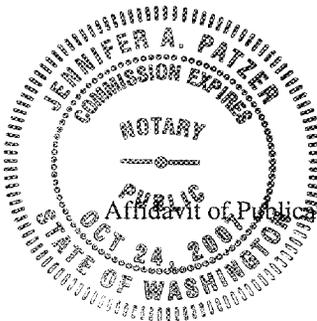
Phil Dond

Subscribed and sworn to before me on

4/29/2004

Jennifer Patzer

Notary public for the State of Washington,
residing in Seattle



Affidavit of Publication

State of Washington, King County

City of Seattle

ORDINANCE 121443

AN ORDINANCE relating to Seattle Public Utilities; clarifying the charges for new connections to Seattle's water distribution system, and amending Seattle Municipal Code Chapter 21.04 by repealing sections 110, 120, 130, 340, and 350, and adding three new sections 105, 115, 125, and amending section 21.04.465.

WHEREAS, RCW 35.92.025 authorizes a municipal water utility to require properties seeking to connect to the water system to make a contribution to the system, in addition to fees charged for establishing the installation of pipes, meter, appurtenances to the system; and

WHEREAS, properties seeking to connect to the Seattle water distribution system may contribute to the system in one of several ways, i.e., by installing a standard water main, participating in a current Utility Local Improvement District project for a water main installation, contributing to a developer who is installing a water main, or paying a cash contribution to the Seattle Public Utilities; and

WHEREAS, as a result of these different methods of paying or deferring a connection charge to the water distribution system, there can be different relationships between the existing connections on a substandard part of the distribution system; and

WHEREAS, there is consequently a need to clarify the applicability of connection charges in different circumstances; Now Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Sections 21.04.110, 21.04.120, 21.04.130, 21.04.340, and 21.04.350 are hereby repealed.

Section 2. A new section of the Seattle Municipal Code is added to Chapter 21.04 to read as follows:

21.04.105 Connection Charge

A. In addition to water service installation fees and charges required by ordinance or administrative rule, the owner of a property seeking either for the first time to connect that property to the water distribution system for any water purposes, or to expand existing water service shall pay a Connection Charge prior to connection.

B. A property may be exempt from paying the Connection Charge in circumstances where an equivalent contribution is made at the time the owner of the property is seeking to connect or reconnect to the water system, such as the construction of a water main accepted by Seattle Public Utilities as part of its distribution system. Any such exemptions for equivalent contributions shall be defined in Seattle Public Utilities Policy and Procedure, which may be amended from time to time by the Director.

C. The collection of a Connection Charge to serve a single family residence may be deferred with interest at the request of an owner who meets both of the following criteria: (1) is economically disadvantaged, as defined in Section 20.12.020 B of the Seattle Municipal Code; and (2) also owns and occupies the residence which will be connected to the water distribution system. Interest on the principal will be calculated at the rate of 150 basis points (1.5%) added to the yield for 10-year U.S. Treasury Constant Securities (e.g. if the yield is 5.02%, the interest charge would be 6.52%). The interest rate shall be fixed for the duration of contract, using the Treasury yield for the most current month listed on the Federal Reserve's internet website, www.federalreserve.gov/releases/H15/data.htm#H13, or successor website, or other source. The rate will be determined at the time the finance contract is signed by the property owner. Such contract shall provide that any unpaid bal-