Ordinance No. 121921

Council Bill No. 115362

AN ORDINANCE related to Seattle City Light's Security Improvements Project, removing a restriction that prohibits spending of Seattle City Light Finance and Administration CIP Budget Control Level appropriations in the 2005 Adopted Budget on that project.

CF No.

Date Introduced: SEP - 6 2005	
Date 1st Referred: SEP - 6 2005	To: (committee) Energy & Environmental Policy Committee
Date Re - Referred:	To: (committee)
Date Re - Referred:	To: (committee)
Date of Final Passage: 9-19-05	Full Council Vote: 8-0
Date Presented to Mayor: 9-20-05	Date Approved: 9/22/05
Date Returned to City Clerk: 9/23/05	Date Published: 2pgs T.O. ✓ F.T.
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Jean Godden
Councilmember

Committee Action:

9/12/05 DO PASS - JG, DD

9-19-05 Passed 8-0 (Excused: Compton)

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

Law Department

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

Sue Mar/cz
SCL Security Improvements Proviso Lifting ORD
7/25/05
version 7

ORDINANCE 121921

AN ORDINANCE related to Seattle City Light's Security Improvements Project, removing a restriction that prohibits spending of Seattle City Light's Finance and Administration CIP Budget Control Level appropriation in the 2005 Adopted Budget on that project.

WHEREAS, in adopting the 2005 Budget, the City Council enacted budget provisos that imposed restrictions on certain appropriations; and

WHEREAS, Seattle City Light has prepared and presented a cost-benefit analysis that establishes the prudence of investment in Seattle City Light's Security Improvements Project, and Council is satisfied that the restriction prohibiting spending on this project should be lifted; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The restriction imposed by the Green Sheet cited below is removed and it is no longer a restriction for any purpose, including for Subsection 1 (b) of Ordinance 121660:

Department	Green Sheet #	Proviso Description	Project ID(s)
Seattle City Light	058-1-B-1	Forbids spending of Seattle City Light's Finance and Administration CIP Budget Control Level appropriation on the Security Improvements Project until authorized by a future ordinance	9202

Section 2. Any act consistent with the authority of this ordinance, taken after its passage by Council, is hereby ratified and confirmed.

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Section 3. 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 19th day of September, 2005, and signed by me in open session in authentication of its passage this 19th day of September, 2005.

_____
President _____ of the City Council

Approved by me this 22nd day of September, 2005.

_____
Gregory J. Nickels, Mayor

Filed by me this 23rd day of September, 2005.

_____
City Clerk

(Seal)

CITY CLERK

City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

August 9, 2005

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

Dear Council President Drago:

The attached Council Bill proposes to remove a proviso prohibiting spending on the Seattle City Light Security Improvements Project. Lifting this proviso will enable Seattle City Light to implement its security plan, which among other things, calls for the installation of security systems to monitor the perimeters of critical sites and control access to them. These measures are intended to bring City Light into compliance with national standards for protection of facilities that control electrical systems.

In adopting the 2005 Adopted Budget and the 2005-2010 Capital Improvement Program (CIP), the City Council conditioned certain security improvement appropriations and CIP allocations with a proviso. The proposed Council Bill removes the restriction prohibiting spending of Seattle City Light's Finance and Administration CIP Budget Control Level appropriation in the 2005 Adopted Budget allocated to the Security Improvements Project in its Capital Improvement Program. City Light staff has provided Central Council staff with a cost-benefit analysis of the proposed investments of the security improvement project in the Utility's CIP. If the Council Bill is adopted, SCL will immediately undertake physical security improvements at facilities that are critical to its operations based on the results of vulnerability assessments and recommendations from its security consultant.

I appreciate your consideration in allowing the Utility to move forward in implementing its Security Plan. Should you have questions, please contact Sue Mar, Interim Security and Emergency Management Director for Seattle City Light, at 386-4502.

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
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Sue Mar/cz
7/25/05
SCL Security Improvements Proviso Lifting ORD
Version 6

Form revised December 9, 2004

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Sue Mar 386-4502	Thomas Dunlap 386-9120

Legislation Title:

AN ORDINANCE related to Seattle City Light's Security Improvements Project, removing a restriction that prohibits spending of Seattle City Light Finance and Administration CIP Budget Control Level appropriation in the 2005 Adopted Budget on that project.

Summary and background of the Legislation:

In adopting the budget, the City Council enacted a number of budget provisos that imposed restrictions on certain capital projects. This legislation is submitted to remove the spending restrictions affecting the Security Improvements Project.

Project Name:	Project I.D.	Project Location:	Start Date:	End Date
Security Improvements	9202	Citywide	3rd Quarter 2005	2nd Quarter 2006

- *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.)*

__X__ **This legislation has financial implications.**
Lifting the spending restriction will allow Seattle City Light to expend funds that are already appropriated in the 2005 Adopted Budget. Please see the attachments to this Fiscal Note for additional information.

Attachment 1: SCL Security Improvements Proviso Lifting Ordinance Fiscal Note Detail
Attachment 2: Seattle City Light Project Proposal
Attachment 3: Seattle City Light Cost-Benefit Analysis Summary

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Department of Finance

SCL Security Improvements Proviso Lifting Ordinance Fiscal Note Detail

Section 1

Item	Dept	Green Sheet #	Proviso Description	Project ID(s)
1.	SCL	58-1-B-1	Prohibits spending on Security Improvements Project without further legislation	9202

A proviso adopted with the 2005 budget prohibits Seattle City Light from spending any of its Finance and Administration Capital Improvement Program Budget Control Level appropriations on the Security Improvements Project (Project ID 9202) until authorized by a future ordinance. Seattle City Light now requests the lifting of that proviso to allow it to implement security improvements in 2005. A description of issues and the scope of work follow.

Seattle City Light Project 9202 – Security Improvements

Background

Seattle City Light's objectives for this project are to create a physical security system that detects security breaches at critical facilities, restricts or delays unwanted or unauthorized access, and facilitates quick responses when intrusions occur.

This project will harden sites and enhance security systems at critical sites required for operation of Seattle City Light's electrical system based on a security master plan. These sites include major substations, control centers, generation powerhouses, communication facilities, and primary service centers. In addition, the project will implement a central monitoring system for the intrusion detection equipment and cameras. Projects to be funded in 2005 and 2006 will be determined by:

- Criticality to system operations and reliability (based on Seattle City Light's most critical sites)
- Compliance with standards for critical infrastructure protection
- Results of vulnerability assessments and recommended improvements
- Benefits and cost analysis to include capital improvements and operational costs and impacts on public safety
- Recent security breaches and acts of vandalism

Seattle City Light owns and operates infrastructure that is a critical element of the bulk electric system for the west coast. The Utility must comply with regulations established by the North American Electric Reliability Council (NERC). One such regulation, NERC 1300, establishes standards for protecting infrastructure equipment that, if destroyed, damaged, degraded, or otherwise rendered unavailable, would have a significant impact on the reliability or operability of the Northwest electric system. The Federal Energy Regulatory Commission (FERC) requires compliance with this requirement beginning the first quarter of 2006. In addition, FERC, which licenses Seattle City Light's Skagit and

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Boundary Dams, recently issued draft guidelines for coordination and communication in emergencies. These guidelines include recommendations for conducting vulnerability assessments and protecting critical infrastructure.

Current Security Activities In Progress

- In 2004, Seattle City Light received Urban Area Security Initiative (UASI) grants to complete vulnerability assessments for its critical facilities. Grants also were received to evaluate existing security systems, recommend improvements to them, and install fencing with intrusion detection equipment at our Massachusetts Street Substation as part of a pilot project. This work was performed as part of Project 7750, Substation Plant Improvements.

  All major projects to be funded will be evaluated for costs and benefits prior to startup.

Funding and Plan of Action

Consultant recommended a phased approach to improvements over the five-year period 2005 through 2009. During this five-year period, improvements would be made at nearly all of the sites, in each year of the five years, using selection by priority. The Consultant plan identifies these specific projects by site and year.

The Steering Committee and the Superintendent approved the Consultant proposals and master plan and gave direction to proceed with its implementation. Steps are now being taken to define space and equipment requirements to create a facility at Seattle City Light's System Control Center to monitor existing systems and to meet NERC requirements. This work is funded by the UASI grant, which was awarded to Seattle City Light for security planning. Design, construction, and equipment acquisition for this facility are expected to be funded by Project 9202 in our CIP.

A cost-benefit analysis was prepared describing the economic benefits of this project and is included with this legislation.

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Seattle City Light Capital Project Proposal

Project Number: 9202 **Title:** Security Improvements
Project Manager: Neal Knapper **Phone:** 684-3606

Synopsis: *(brief)*
Improve the security of facilities to comply with the North American Electric Reliability Council (NERC) Standard 1300, entitled Cyber Security Standards. The Standard addresses the following topics: Critical Cyber Assets, Security Management Controls, Personnel & Training, Electronic Security, Physical Security, Systems Security Management, Incident Reporting and Response Planning, and Recovery Plans.

Objectives:
1. Implement security improvements at all Seattle City Light facilities, following the strategic plan formulated by a consulting firm, and approved by Seattle City Light's Security Oversight
2. Support the NERC compliance schedule to achieve targets for entities being "Substantially Compliant" and "Auditably Compliant."
3. Reduce or eliminate thefts of tools and material from facilities.

Is the primary justification of this project economic? (Y/N) No

Qualitative Factors Supporting and Opposing the Project *(Add lines as needed.)*

(Weights should be "high", "medium", "low", or similar terms.)

		Weight
1.	Maintain compliance to NERC Standard 1300.	High
2.	Provide continuity of electrical supply within Seattle City Light's service area. Reduce the probability of outages, in particular, those impacting a large number of customers and/or extending over long periods of time.	High

Quantitative Costs and Benefits of the Project *(Add lines as needed.)*

(Quantitative factors should be reflected in the attached cost-benefit analysis summary.)

1. As indicated above, the justification for this project is compliance and service driven. However, losses of tools and material plus fence repair are estimated at $60,000 per year.

(List alternatives and their Net Present Values when choices among alternatives were made. Follow the alternative section in the narrative.)

Project Management Risk Analysis *(Add lines as needed.)*

Potential Project Management Risks	Cost	Probability	Mitigating Measures Recommended
1. Objections to identified security improvements at some sites, from nearby residents, the Design Commission, and the Department of Planning and Development.	300K	Medium	Sites will be designed to achieve security objectives, but also will include provisions for acceptable appearance and code compliance.
2. Revisions or expansion in scope of work driven by modifications to comply with electrical code as related to the security project elements. Example: expansion of a substation's ground mat.	150K	Medium	Early in the project, request an engineering review of each site's security improvement plan.
3. Work delays due to lack of safety watch staff, sometimes the result of electrical workers involved with repairs, maintenance, or equipment improvements.	100K	Low	Frequent workplan coordination meetings with electrical workers, contractors, and the project manager.

(This section is for risks related to the management of the project.)

Measures of Cost Effectiveness

Discount Rate	Net Present Value	Benefit/Cost Ratio	Internal Rate of Return
3.0%	6,734.3	1.4	17.3%
7.0%	3,412.2	1.3	
10.0%	1,911.8	1.2	

More information about the costs and benefits is available in the Analysis Summary.

Attachment 2 to Fiscal Note

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Seattle City Light Cost-Benefit Analysis Summary

Project Number 9202 Project Name: Security Improvements

Cost Projections

Numbers in thousands of mid-2005 constant dollars

	Development and Acquisition Costs	2005	2006	2007	2008	2009	2010	Other*	Comments:
1	Labor								
2	Construction Contracts	1,218.0	1,218.0	1,314.4	820.8	391.2		3,225.6	
3	Supplies and Materials								
4	Professional & Technical Services	304.5	304.5	328.6	205.2	97.8		806.4	20% of total w/o AFUDC
5	Interfund								
6	Training/Travel								
7	Other	16.7	28.8	31.2	19.5	9.3		68.6	AFUDC
	Total Development and Acquisition	1,539.2	1,551.3	1,674.2	1,045.5	498.3	0.0	4,100.5	

	Operations and Maintenance Costs	Org**	2005	2006	2007	2008	2009	2010	Other*	Comments:
1	Labor									
2	Construction Contracts									
3	Supplies and Materials									
4	Professional & Technical Services	573	0.0	77.0	153.0	235.0	286.0	310.6	4,348.4	Contract O&M service
5	Interfund									
6	Training/Travel									
7	Other	575	0.0	250.0	250.0	250.0	250.0	250.0	3,500.0	Security Monitoring Center Staffing
	Total Operations and Maintenance		0.0	327.0	403.0	485.0	536.0	560.6	7,848.4	
	Total Costs		1,539.2	1,878.3	2,077.2	1,530.5	1,034.3	560.6	11,948.9	

Benefit Projections

Benefit descriptions:	IR/AC/IS***	Org**	2005	2006	2007	2008	2009	2010	Other*	Comments:
(A) Electrical supply continuity	IS		0.0	0.0	0.0	0.0	0.0	0.0	0.0	Qualitative benefit not assigned a value
(B) Reduced theft losses	AC		6.0	12.0	18.0	24.0	30.0	30.0	420.0	
(C) Substation physical protection	AC		25.7	51.4	77.0	102.7	128.4	128.4	1,797.6	
(D) Unauthorized access to substation	AC		9.2	18.4	27.6	36.8	46.0	46.0	644.0	
(E) Generation site security	AC		269.0	538.0	807.0	1,076.0	1,345.0	1,345.0	18,830.0	
(F) NERC Stnd 1300 Comp	AC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(G) System control center access	AC		14.0	28.0	42.0	56.0	70.0	70.0	980.0	
(H) SCC building protection	AC		26.4	52.8	79.2	105.6	132.0	132.0	1,848.0	
	Total Economic Benefits:		350.3	700.6	1,050.8	1,401.1	1,751.4	1,751.4	24,519.6	
	Cash Flow (Benefits - Costs)		(1,188.9)	(1,177.7)	(1,026.4)	(129.4)	717.1	1,190.8	12,570.7	

**Identify the org whose O&M budget will incur the cost or realize the benefit.

***Enter "IR" for Increased Revenue, "AC" for Avoided Cost, "IS" for Improved Service

*If there are costs or benefits beyond six years, the Measures of Cost Effectiveness will need to be calculated on a detail spreadsheet and linked or posted to this sheet.

Measures of Cost Effectiveness:

Discount Rate	Net Present Value	Benefit/Cost Ratio	Internal Rate of Return
3.0%	6,734.3	1.4	17.3%
7.0%	3,412.2	1.3	
10.0%	1,911.8	1.2	

Benefit descriptions and comments

(A) Electrical Supply Continuity

(B) Reduce losses from thefts

Action 5 - Many incidents occur at unattended substations. Most of these incidents are at the Skagit and related facilities. Boundary has 24/7 security guard coverage. SCC is 24/7 facility with staff and crews on site or reporting to this site throughout the day and night.

(C) Enhance the physical protection of substation perimeter and infrastructure to reduce the threat of losses due to attack by adversary upon substation equipment.

Action 1A and 1B - Destruction of Multiple Transformers: Temporary workaround in 2005 to replace or repair damage to transformers and cost of permanent system rebuilds in Year 2006. Assumes Seattle City Light has

Attachment 3 to Fiscal Note

ORIGINAL CITY CLERK

spares or will borrow transformer.

(D) Reduce, delay, and/or deter unauthorized access and threat of attack that results in deliberate damage to substation control systems to enhance protection over substation control room by reducing the threat of attack or vandalism.

Action 2 - Loss of Substation System Controls: Assumes replacement cost for new control equipment and relays on a fast track basis (within 3 weeks)

(E) Improved security at generation sites to protect critical facilities in terms of physical improvements, 24/7 monitoring of existing camera systems, more stringent access requirements, and possibly intrusion detection at critical sites.

Action 3 - Loss of Major Powerhouse: Based on loss of Diablo. Order of magnitude estimate to replace a powerhouse damaged by adversaries on a fast track basis (15 months) including costs for power purchases.

(F) NERC Standard 1300 Compliance - 24x7 enhanced security to protect command and control systems at the System Control Center.

Action 4A & 4B - NERC 1300 is expected to have penalty sanctions for non-compliance. Fines may be assessed for varying levels of non-compliance and number of occurrences for specified periods of time. Penalties may range from $1000 to $10,000 per occurrence if the formula is similar to Western Electricity Coordinating Council sanctions.

(G) Improved physical protection and security at System Control Center to ensure control of power system by reducing probability of unauthorized entry to SCC and access to control systems by adversaries that could cause SCC to lose control of system.

Action 4A - Loss of System Control at SCC: Loss of control system only at SCC. SCL would immediately activate back up control center to manage system. This system does not have the full range of capability that SCC has at its permanent facility and could be used until a permanent solution is found to manage and control system.

(H) Improved physical protection and security at System Control Center Building to reduce probability of significant physical damage and/or destruction of the SCC and the systems and staff it houses by adversaries.

Action 4B - Loss of System Control Center Building and All Functions: Estimated cost for complete rebuild of the System Control Center Building (on its existing site) over 4 year period starting with design in 2005, to include replacement of the Energy Management System used for Supervisory Control and Data Acquisition.

CITY CLERK

121921

STATE OF WASHINGTON – KING COUNTY

--ss.

190480 No. TITLE ONLY

CITY OF SEATTLE,CLERKS OFFICE

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:121916,920-121930

was published on

10/03/05

The amount of the fee charged for the foregoing publication is the sum of $ 145.75, which amount has been paid in full.

Subscribed and sworn to before me on

10/03/05

Notary public for the State of Washington,
residing in Seattle

JENNIFER A. PATTERSON
COMMISSION EXPIRES
NOTARY
PUBLIC
OCT 24, 2006
STATE OF WASHINGTON

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 September 19, 2005, and published here by title only, will be mailed upon request, or can be accessed electronically at http://clerk.ci.seattle.wa.us. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 121930

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

ORDINANCE NO. 121929

AN ORDINANCE relating to security from terrorism; reducing appropriations in the 2005 Budgets of the Police Department, City Light, the Department of Planning and Development, Seattle Public Utilities, the Department of Information Technology, and the Seattle Department of Transportation; and reappropriating that money to the Fleets & Facilities Department, Seattle Center, and the Fire Department.

ORDINANCE NO. 121928

AN ORDINANCE relating to the acquisition and management of real property and property interests on the Cedar River below Landsburg Dam, in King County; authorizing Seattle Public Utilities to acquire specified properties or conservation easements and to accept applicable deeds; authorizing Seattle Public Utilities to enter into an agreement with Cascade Land Conservancy for land acquisition and management services; and authorizing Seattle Public Utilities to convey easements or stewardship assignments in connection with the Conservancy's management responsibilities.

ORDINANCE NO. 121927

AN ORDINANCE removing a budget proviso that restricted an appropriation in the Department of Information Technology's 2005 budget.

ORDINANCE NO. 121926

AN ORDINANCE authorizing City Light to accept funds from the Washington State Attorney General's Office to collaborate on a refund program to provide restitution back to the business consumers who paid high electricity prices during the energy crisis; authorizing the necessary agreements; and authorizing City Light to take the actions necessary to allocate the settlement funds proportionately to Commercial and Industrial customers by providing a credit on the bill of the receiving businesses.

ORDINANCE NO. 121924

AN ORDINANCE revising a budget proviso that had restricted spending on the Arterial Asphalt and Concrete Program; authorizing the Director of Transportation to enter into interlocal funding agreements with the Cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, and Yarrow Point; authorizing the Director of Transportation to enter into interlocal funding agreements with the Washington State Department of Transportation (WSDOT) and the deposit of funds to be received; contingently increasing an appropriation to the Seattle Department of Transportation; and amending the 2005-2010 Capital Improvement Program.

ORDINANCE NO. 121922

AN ORDINANCE relating to the City Light Department; accepting various easements for overhead and underground electrical distribution rights in King County, Washington; and placing said easements under the jurisdiction of the City Light Department.

ORDINANCE NO. 121921

AN ORDINANCE related to Seattle City Light's Security Improvements Project, removing a restriction that prohibits spending of Seattle City Light's Finance and Administration CIP Budget Control Level appropriation in the 2005 Adopted Budget on that project.

ORDINANCE NO. 121920

AN ORDINANCE relating to the City Light Department; authorizing the acceptance of deeds to two properties in Skagit County, Washington, and authorizing the grant of a Conservation Easement on one of said properties to Skagit Land Trust, all for salmonid habitat protection purposes.

ORDINANCE NO. 121916

AN ORDINANCE relating to Seattle Public Utilities' security from terrorism; authorizing that department to accept grants from the State of Washington and King County for security improvements to certain City water system facilities and for creation of a regional contaminant response team; amending the 2005-2010 Adopted Capital Improvement Program with respect to such projects, and increasing that department's 2005 Adopted Budget by making appropriations reimbursable with grant funds.

Publication ordered by JUDITH PIPPIN, City Clerk

Date of publication in the Seattle Daily Journal of Commerce, October 3, 2005.

10/3(190480)