

ORDINANCE No. 124463

COUNCIL BILL No. 118064

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to accept a loan from the Washington State Public Works Board and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

COMPTROLLER FILE No. _____

Introduced: <u>4/14/14</u>	By:
Referred:	To: <u>Seattle Public Utilities and Neighborhood</u>
Referred:	To:
Referred:	To:
Reported:	Second Reading:
Third Reading:	Signed: <u>4/28/14</u>
Presented to Mayor: <u>4/29/14</u>	Approved: <u>5/2/14</u>
Returned to City Clerk: <u>5/5/14</u>	Published: <u>T.O.</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

US5047

The City of Seattle--Legislative Department

E. J. [Signature]

Date Reported and Adopted

REPORT OF COMMITTEE

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:

4/22/14 pass 1-0 (SB)

Full Council Action

4/28/14 Passed 8-0 (excused: Rasmussen)

Legislative Department

Committee Chair

CITY OF SEATTLE
ORDINANCE 124463
COUNCIL BILL 118064

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to accept a loan from the Washington State Public Works Board and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

WHEREAS, the Drinking Water State Revolving Fund (DWSRF) program is a partnership of the state and federal governments to make low-interest loans to public water systems for capital improvements aimed at increasing public health protection; and

WHEREAS, the Washington State Public Works Board is the entity responsible for providing financial assistance to local governments and tribes in Washington under the DWSRF; and

WHEREAS, Seattle Public Utilities applied for and has been awarded \$12,120,000 from the Public Works Board in the form of a low-interest loan; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of the Seattle Public Utilities is authorized to accept, execute, deliver and perform on behalf of the City of Seattle the agreement for the following loan from the Washington State Public Works Board for the purposes described below, and is authorized to obligate the City to repay the loan according to the terms of the loan agreement. The funds, when received, shall be deposited in the receiving fund identified below to support, or as reimbursements for, spending on the purposes set forth in the loan agreement.

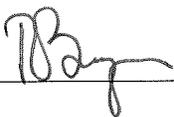
Loan Provider	Purpose	Amount	Receiving Fund
Washington State Public Works Board	Morse Lake Pump Plant Project	\$12,120,000	Water Fund (43100)

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



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

4 Passed by the City Council the 20th day of April, 2014, and
5 signed by me in open session in authentication of its passage this
6 20th day of April, 2014.

7
8
9 
10 _____
11 President _____ of the City Council

12
13 Approved by me this 2nd day of May, 2014.

14
15 
16 _____
17 Edward B. Murray, Mayor

18
19 Filed by me this 5th day of May, 2014.

20
21 
22 _____
23 Monica Martinez Simmons, City Clerk

24 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Dan Enrico/4-7413	Saroja Reddy/5-1232

Legislation Title: AN ORDINANCE related to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to accept a loan from the Washington State Public Works Board and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation would authorize Seattle Public Utilities (SPU) to accept a \$12.1 million low interest loan from the Washington State Public Works Board for the Morse Lake Pump Plant Project (C103032).

Background:

The proposed project is in SPU's Cedar River Municipal Watershed near North Bend. Chester Morse Lake is the major storage reservoir for Seattle's water supply system, providing up to two-thirds of the region's average annual drinking water supply. During drought conditions, the barge-mounted pump stations installed under the project will supply 240 million gallons of water daily from Chester Morse Lake for SPU water utility uses and to meet in-stream and municipal demands. The project consists of four major facility additions or improvements, including a pumping facility and discharge pipelines to convey water from Chester Morse Lake to the outlet channel. Total cost of the project is approximately \$50 million. The Washington Public Works Board has awarded SPU a loan for the project at a 1.5 percent rate over 24 years. Accepting the loan will save ratepayers approximately \$3.8 million in present value borrowing costs.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Additional appropriations are not needed. Project funding is included in the 2014 Adopted Budget.



Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
Water Fund - 43100	Seattle Public Utilities	Washington Public Works Board	\$4.4 Million	\$7.7 Million
TOTAL				

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2014 Expenditures	2015 Anticipated Expenditures
Water Fund - 43100	Seattle Public Utilities	C150B		
TOTAL				

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

Spending/Cash Flow Notes:

This ordinance would authorize acceptance of a low interest loan from the Washington Public Works Board totaling \$12.1 million dollars. Draws on the loan would be made after applicable expenses are paid. The terms of this loan stipulate that any expenses made after July 1, 2013 are eligible for reimbursement. It is estimated that \$1 million of expenses from 2013 are eligible for reimbursement, and funds will be received in 2014. In addition, another \$3.4 million in eligible expenses are anticipated to be reimbursed in 2014. The remaining \$7.7 million will be drawn on the loan as construction on the Morse Lake Pump Plant accelerates 2015 and 2016.

The current budget calls for 2014 spending on Morse Lake Pump Plant of \$2.6 million, with another \$7.7 million in 2015. It is anticipated that spending will accelerate beyond those levels, allowing the loan to be fully drawn upon by the end of 2015. Roll forwards from this project and others will be used, meaning there will be no additional budget appropriations required.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
 This legislation allows SPU to access capital dollars at lower interest rates.
- b) **What is the financial cost of not implementing the legislation?**
 If this legislation is not implemented, it will cost SPU approximately \$3,800,000 in additional debt service costs over the next 30 years.
- c) **Does this legislation affect any departments besides the originating department?**
 No
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
 There are no alternatives to this method of securing low interest financing of SPU water quality projects.



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:**

List attachments to the fiscal note below:



City of Seattle
Edward B. Murray
Mayor

April 1, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that would authorize acceptance of a \$12.1 million loan from the Washington State Public Works Board for the Morse Lake Pump Plant project at Chester Morse Lake.

Chester Morse Lake, in the Cedar River Municipal Watershed, provides up to two-thirds of the region's average annual drinking water supply. The Morse Lake Pump Plant project consists of several major improvements, including a pumping facility and discharge pipelines to pump water from Chester Morse Lake to the outlet channel to meet in-stream and municipal demands. During drought conditions, the barge-mounted pump stations installed under the project could supply 240 million gallons of water daily. The total cost of the project is approximately \$50 million.

The Washington State Public Works Board helps local governments finance public works projects. To help manage costs to ratepayers, Seattle Public Utilities is diligent about seeking grants and loans to help fund major capital investments. Seattle was awarded this loan because the Morse Lake Pump Plant project ranked highly in the categories of health, safety and need.

This loan will help finance a critical project to maintain high quality drinking water and save our ratepayers about \$3.8 million in borrowing costs. Thank you for your consideration of this legislation. Should you have questions, please contact Dan Enrico at 206-684-7413.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



STATE OF WASHINGTON -- KING COUNTY

--SS.

311121
CITY OF SEATTLE, CLERKS OFFICE

No. 124462,463,464,465,466

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.

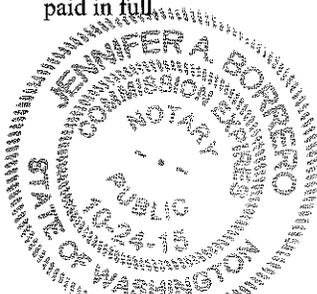
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCES

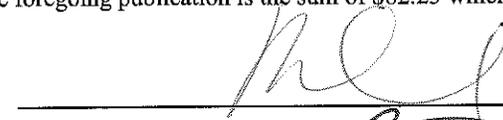
was published on

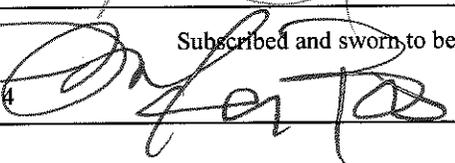
05/15/14

The amount of the fee charged for the foregoing publication is the sum of \$82.23 which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
05/15/2014 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

The full text of the following legislation, passed by the City Council on April 23, 2014, 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. 124462

AN ORDINANCE relating to grant funds from non-City sources; authorizing the Director of Transportation (Director) to accept specified grants and execute related agreements for and on behalf of the City; amending Ordinance 124349, which adopted the 2014 Budget, including the 2014-2019 Capital Improvement Program (CIP); changing appropriations to the Seattle Department of Transportation (SDOT); adding new projects; revising allocations for certain projects in the 2014-2019 CIP; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124463

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to accept a loan from the Washington State Public Works Board and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124464

AN ORDINANCE amending Ordinance 124349 that adopted the 2014 Budget; correcting errors in fund codes and budget control level codes, names, and purposes; correcting appropriations for various departments; abrogating and modifying positions; and correcting the spending plan for a project in the 2014-2019 Capital Improvement Program.

ORDINANCE NO. 124465

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

ORDINANCE NO. 124466

AN ORDINANCE relating to the 2014 Budget; carrying forward certain unexpended appropriations and funds for non-capital purposes from the 2013 budget of various departments; ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

Date of publication in the Seattle Daily Journal of Commerce, May 15, 2014.

5/15(311121)