

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to execute a wheeling agreement with Shoreline Water District, and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation authorizes the Director of Seattle Public Utilities (SPU) to sign a long-term wheeling agreement negotiated between the City of Seattle and the Shoreline Water District. It contains a ratified and confirmed clause because the Shoreline Water District has already begun wheeling water.

Background:

Shoreline Water District is a Seattle wholesale water customer with a contract for water deliveries using the Regional Transmission System. Shoreline Water District installed two new points of delivery for receiving Seattle water via the Northwest Sub-regional System which is owned and operated by SPU.

The Northwest Sub-regional System has dual uses: it distributes water to retail customers within the City of Shoreline, and it conveys water to wholesale customers Olympic View Water District and, with this agreement, Shoreline Water District. The Shoreline Water District's water supply contract with Seattle does not include terms and conditions for delivering water through the Northwest Sub-regional System to the new delivery points. Shoreline Water District and Seattle have negotiated a wheeling agreement that:

1. Allows the Shoreline Water District to receive its purchased water through the Northwest Sub-regional System to the new delivery points;
2. Requires the Shoreline Water District to pay part of the cost of the Northwest Sub-regional System via a wheeling rate and sets the initial wheeling rate (two cents per hundred cubic feet); and
3. Allows for assignment of the wheeling agreement to the City of Shoreline in the event the City of Shoreline purchases the Northwest Sub-regional System as part of the retail area transfer.

Please check one of the following:

This legislation does not have any financial implications.

x 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	Shoreline Water District	\$3,500	\$3,500
TOTAL			\$3,500	\$3,500

Revenue/Reimbursement Notes:

The non-operating revenue above reflects the current wheeling rate of two cents per hundred cubic feet. This rate is consistent with the rate Seattle negotiated previously with Olympic View Water District to wheel water through the Northwest Sub-regional System.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

Yes. This legislation authorizes SPU to enter into a long-term wheeling agreement that expires at the end of 2062

b) What is the financial cost of not implementing the legislation?

Seattle would not receive wheeling revenue of about \$3,500 annually from Shoreline Water District.

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 the legislation.

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:

Olympic View Water District was required to sign a similar wheeling agreement to wheel Seattle drinking water through assets of the Northwest Sub-regional System. Passing this

legislation allows Seattle to treat its wholesale customers equitably, by requiring a similar wheeling agreement for the Shoreline Water District. It also provides more certainty to Shoreline Water District that it will be able to wheel water to its new connection points even if the City of Shoreline takes over Seattle's retail water delivery assets within Shoreline.

List attachments to the fiscal note below:

None