

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
5 Passed by the City Council the ____ day of _____, 2011, and
6 signed by me in open session in authentication of its passage this
7 ____ day of _____, 2011.

8
9
10 _____
11 President _____ of the City Council

12
13 Approved by me this ____ day of _____, 2011.

14
15 _____
16 Michael McGinn, Mayor

17
18 Filed by me this ____ day of _____, 2011.

19
20 _____
21 Monica Martinez Simmons, City Clerk

22 (Seal)

23
24 Attachment 1 – Agreement for the Sale of Water in an Emergency by the City of Renton to the
25 City of Seattle



Attachment 1

AGREEMENT FOR THE SALE OF WATER IN AN EMERGENCY BY THE CITY OF RENTON TO THE CITY OF SEATTLE

This AGREEMENT made and entered into this day of _____, 2011, by the CITY OF RENTON, a municipal corporation of the State of Washington, hereinafter called "RENTON" and the CITY OF SEATTLE, a municipal corporation of the State of Washington, acting through Seattle Public Utilities, hereinafter called "SEATTLE".

WHEREAS, SEATTLE and RENTON have existing interties between their water systems;

WHEREAS, SEATTLE may experience emergency situations that call for an augmentation of its water supply, such as certain water shortage periods due to low snowpack/precipitation, inflows in Cedar and Tolt River Watersheds, a transmission pipeline break or an episode of high turbidity in one of its reservoirs; and

WHEREAS, RENTON, in the spirit of intergovernmental cooperation during such water supply emergencies, is willing to sell an increment of water to SEATTLE when available during non-peak periods; and

WHEREAS, SEATTLE is willing to sell water to RENTON to allow RENTON's ground water aquifer to recharge, when water is available following a water shortage emergency; where RENTON has supplied emergency water to SEATTLE; and,

WHEREAS, the parties desire to enter into an AGREEMENT providing for the sale of water in an emergency from RENTON to SEATTLE, and for the subsequent sale of an equivalent amount of water from SEATTLE to RENTON, if necessary, to allow recharge of RENTON's Aquifer.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

- 1) **Term of AGREEMENT.** This agreement shall be in effect beginning on January 1, 2012 and shall remain in effect until January 1, 2062, unless terminated by either party in accordance with Section 16 of this AGREEMENT. The rates and quantities of water sold are set forth in Sections (2), (7), and (10).
- 2) **Sale Price of Renton Water.** SEATTLE shall pay to RENTON for all water delivered at the rate, in effect at the time of water delivery, of RENTON's wholesale water rate.

- 3) Location of Interties: This Agreement is limited to the two (2) intertie locations described as follows: Tiffany Park Pump Station Interties located at the intersection of Kirkland Avenue SE and the Cedar River Pipeline right-of-way (Section 21 Township 23 Range 5); and Union Avenue Intertie, located at the intersection of Union Avenue SE and SE 2nd Street (Section 16 Township 23 Range 5). The physical arrangement of the interties is shown in Exhibits 1 and 2.
- 4) Metering. SEATTLE shall provide, and RENTON shall own and maintain, an appropriate metering device to measure the water flowing from RENTON's system into SEATTLE's system at the point of service connection. Additional metering equipment approved by RENTON to transmit signals to RENTON's recording equipment located elsewhere shall be provided as determined by RENTON, all at SEATTLE's expense.
- 5) Priority and Continuity of Service. The determination of whether water is available for SEATTLE shall be at the sole discretion of RENTON. In the event of a condition requiring restrictions on the delivery of water, RENTON shall have the right to restrict or interrupt service to SEATTLE. RENTON may voluntarily interrupt or reduce deliveries of water to SEATTLE if RENTON determines that such interruption or reduction is necessary or reasonable. Except in cases of emergency and in order that SEATTLE's operations will not be unreasonably interfered with, RENTON shall give SEATTLE reasonable notice of any such interruption or reduction, the reason therefore, and the probable duration thereof. SEATTLE shall discontinue or reduce service from RENTON upon reasonable notice from RENTON. Service shall be reactivated or increased again subject to the aforementioned conditions.
- 6) Water Quality. The quality of water delivered under this AGREEMENT shall comply with all applicable provisions of State and Federal law and rules and regulations of the appropriate State agency governing water quality. In addition to the above requirements, RENTON agrees to deliver water which shall be of no less quality than is delivered to its customers throughout the RENTON service area. Prior to any delivery of water, information on current water quality will be provided to the receiving party so that blending, compatibility and other water quality issues can be evaluated and addressed, if practicable.
- (7) Quantity of Water. Depending upon water availability in the RENTON system, RENTON shall make available for purchase by SEATTLE up to the approximate amount of two million (2,000,000) gallons per day from the existing emergency intertie located at the Tiffany Park Pump Station. The rate of delivery of water from Tiffany Park Pump Station system to SEATTLE's system shall vary between zero and approximately 1,400 gallons per minute. Also in the fall and winter RENTON may make available an additional amount up to approximately three and one-half

million (3,500,000) gallons per day from the intertie at Union Avenue SE and SE 2nd Street. The rate of delivery of water from this intertie shall vary between zero and approximately 2,400 gallons per minute.

- 8) Miscellaneous Control Devices. RENTON reserves the right to require SEATTLE to install, as a condition of water service, pressure reducing valves, backflow preventative devices, pressure relief valves, back-pressure sustaining valves, pipeline flow limiting devices or similar devices at locations where RENTON determines a need to protect its facilities.
- 9) Coordination and Project Management.

A) Operations:

For the purpose of operating the interties between RENTON and SEATTLE, coordination shall occur between representatives of the systems, who are:

Lys Hornsby, Utility Systems Director, City of Renton
and
Tom Fox, City of Seattle
(or their designated representatives or replacements).

The coordination shall consist of exchanging operational information such as the interties used, the respective flow rates, back-pressure sustaining valve set points, system pressure effects, water quality characteristics, and other operational information as necessary to accomplish the purposes of this AGREEMENT while maintaining safe operation of both systems.

B. Engineering:

For the purposes of coordinating engineering issues regarding the RENTON and SEATTLE interties, the following personnel shall be the designated representatives:

Lys Hornsby, Utility Systems Director - City of Renton
and
Tom Fox, City of Seattle
(or their designated representatives or replacements)

The engineering issues addressed shall include operational criteria as well as hydraulic behavior, water quality considerations, and other appropriate engineering issues.

C. Administration:

For the purposes of AGREEMENT administration and AGREEMENT modifications or interpretations, the following personnel shall be the designated representatives:

Lys Hornsby, Utility Systems Director - City of Renton
Renton City Hall – 1055 S. Grady Way, Renton, WA. 98057

and

Tom Fox, City of Seattle
(or their designated representatives or replacements)
Seattle Public Utilities – 700th 5th Avenue, Suite 4900, Seattle, WA 98124-4018

- 10) RENTON's Aquifer Recharge. It is recognized that runoff into SEATTLE's surface water storage facilities generally exceeds the storage capacity during the winter and spring months. It may be necessary, due to RENTON supplying water to SEATTLE, to allow RENTON's aquifer to recharge during the winter and spring months. Following a water shortage emergency and recovery of SEATTLE's water system impoundments on the Cedar and Tolt Rivers, SEATTLE will sell water to Renton. The water sale will be based on availability at the intertie locations between SEATTLE and RENTON's systems and at such flow rate as is available from the intertie location during the following winter or spring. The quantity of SEATTLE's water, made available for allowing RENTON's Aquifer to recharge, shall not exceed the quantity of water that was supplied by RENTON to SEATTLE during the water shortage emergency. SEATTLE will sell the water to RENTON at the then applicable Commodity Charge Rates in effect for RENTON under Seattle Municipal Code Section 21.04.440.E.2, as it may be amended from time to time, plus any emergency surcharge, if applicable generally to the wholesale customers at that time.

The determination of whether water is available for RENTON, to allow RENTON's Aquifer to recharge, shall be at the sole discretion of SEATTLE. SEATTLE may voluntarily interrupt or reduce delivery of said water, providing that such interruption or reduction is necessary or reasonable. Except in cases of emergency, and in order that Renton's operations will not be unreasonably interfered with, SEATTLE shall give RENTON reasonable notice of such interruptions or reduction, the reason therefore, and the probable duration thereof.

- 11) Payment. The party supplying water shall read the meter once each month at approximately thirty (30) day intervals. Payment shall be made by the party receiving water as soon as possible after receipt of statement from the party supplying water, and in any event, not later than the tenth (10) of the second month following the presentation of the bill.

In the event a meter shall fail to register or obviously register incorrectly, the amount of water considered delivered through said meter shall be the amount delivered the previous day or the last day that the meter was previously known to be properly functioning and the total amount registered shall be pro-rated based on the number of days multiplied times the reading used unless reasonable data is available evidencing a different total amount.

- 12) Damages for Late Payment. The party supplying water may assess a late charge on the party receiving water for failure to comply with the provisions in Section (11). This charge shall be at the rate of twelve percent (12%) per year. In the event that the party receiving water should fail to make any payment for a period of sixty (60) days after the same becomes due, the party supplying water shall have the right to terminate further water service until such delinquency is cured.
- 13) Procedure for Amending the Contract. Either party can request the other to consider an amendment of the AGREEMENT. Any proposed amendments shall be made in writing. Amendments may be made if they are mutually acceptable to RENTON and SEATTLE and signed by both parties.
- 14) Access to Facilities and Records. Each party shall be entitled to inspect the facilities of the other at any reasonable time. Both parties agree to make mutually available such information or records as are at their disposal and as may be reasonably necessary to properly implement any section of this AGREEMENT.
- 15) Non-Assignability. Neither this AGREEMENT nor any interest therein shall be transferred or assigned by SEATTLE without prior written consent of RENTON.
- 16) Termination. This AGREEMENT may be terminated in whole or in part by either party any time after one year from the date of this AGREEMENT, upon ninety (90) days written notice sent by certified mail to the other party.

Judi Gladstone
SPU Renton Intertie ORD
December 12, 2011
Version #2

IN WITNESS WHEREOF, the parties have hereunto set their hands this day and year above written.

CITY OF RENTON

By: _____
Denis Law, Mayor

CITY OF SEATTLE

By: _____
Ray Hoffman,
Director of Seattle Public Utilities

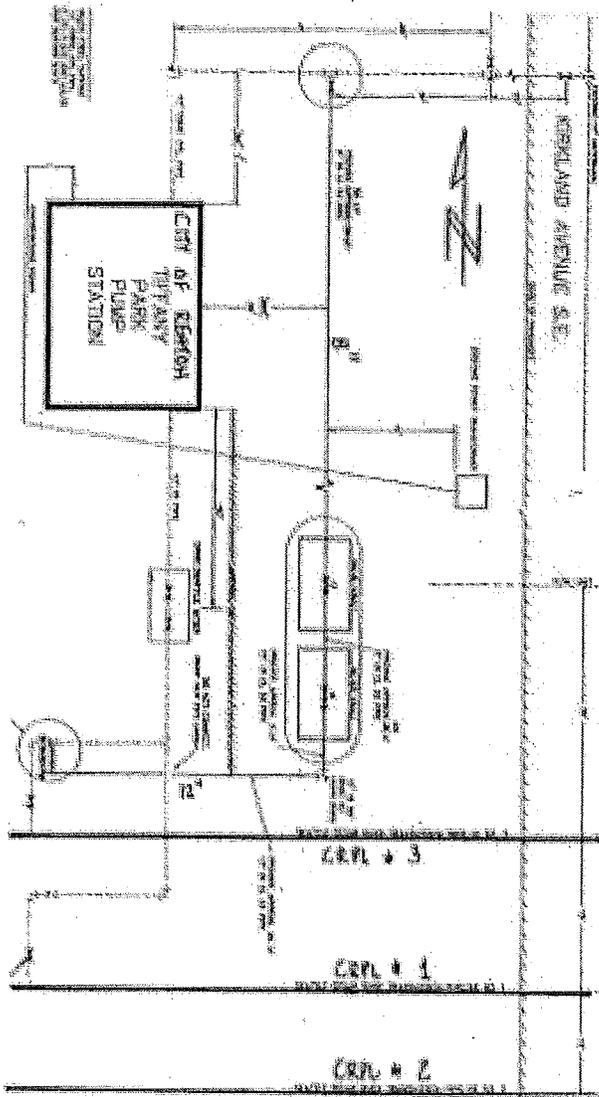
ATTEST/AUTHENTICATED:

Bonnie I. Walton, City Clerk

APPROVED AS TO LEGAL FORM:

Larry Warren, City Attorney

Exhibit I



**EXHIBIT I
TIFFANY PARK PUMP STATION INTERTIE**

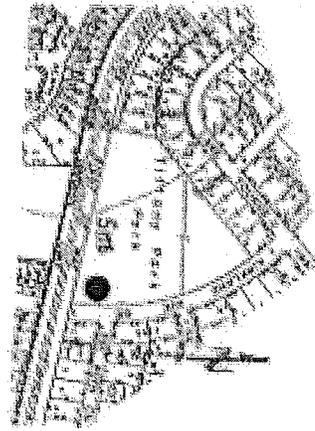
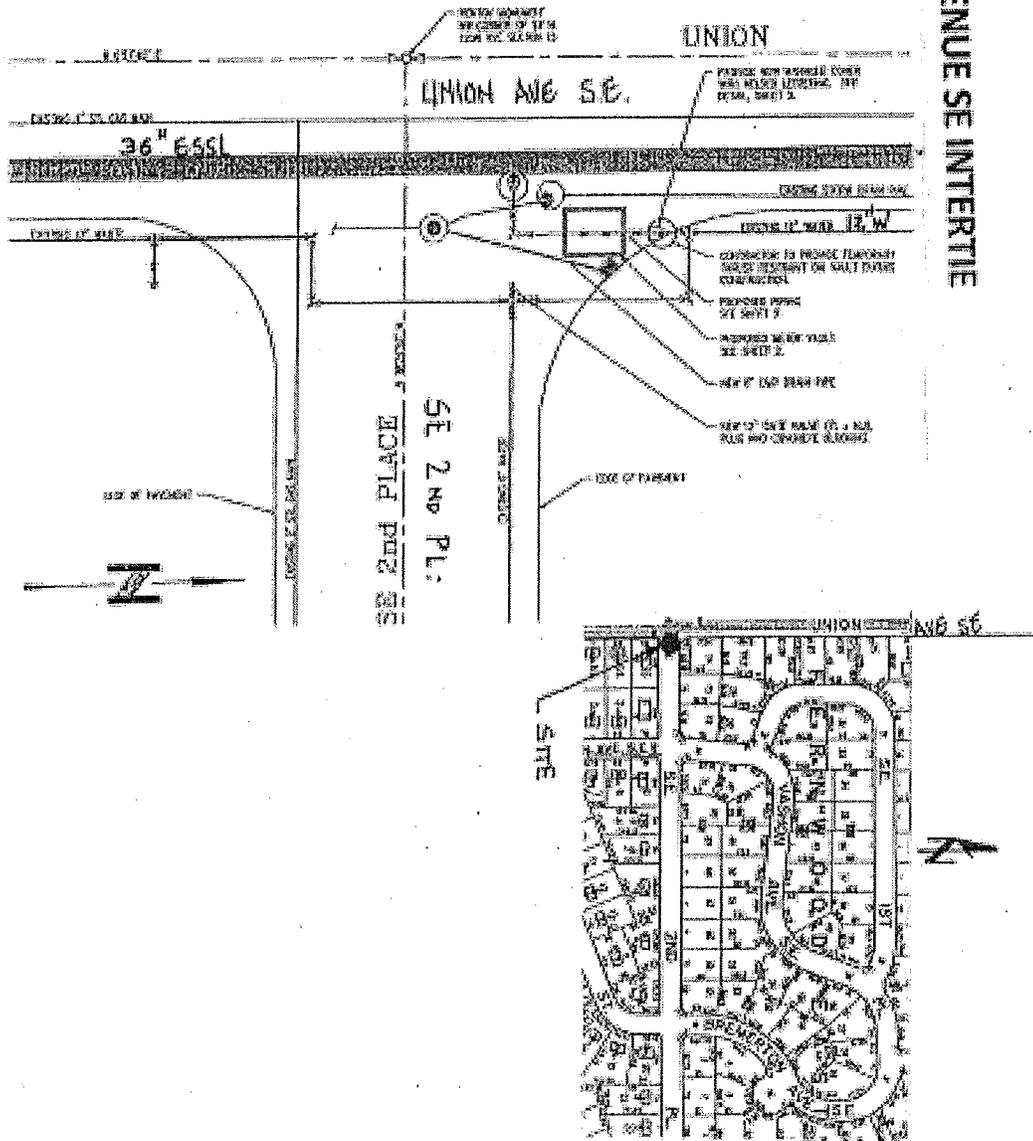


Exhibit II

**EXHIBIT 2
 UNION AVENUE SE INTERTIE**





City of Seattle
Office of the Mayor

November 22, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill authorizing Seattle Public Utilities to enter into an intertie agreement with the City of Renton.

SPU has an emergency intertie agreement to buy water from the City of Renton in the event of a water supply emergency. That agreement expires December 31, 2011. This ordinance authorizes SPU to enter into a new emergency intertie agreement, which contains terms very similar to those of the existing agreement. The new agreement, which would expire in 2062, eliminates the meter charge Renton has been charging Seattle. The rates in the new agreement are linked to existing Renton wholesale rates in lieu of the more complex formula identified in the agreement expiring at the end of this year.

By approving this legislation, Seattle will have the reliability of an emergency water source that uses existing infrastructure. Thank you for your consideration of this legislation. Should you have questions, please contact Judi Gladstone at 684-4642.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Judi Gladstone 684-4642	Karen Grove 684-5805

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities, authorizing the Director of Seattle Public Utilities to enter into an agreement with the City of Renton for the sale of water in an emergency from the City of Renton to the City of Seattle; and ratifying and confirming certain prior acts.

Summary of the Legislation: This legislation authorizes the Director of Seattle Public Utilities (SPU) to enter into an agreement with the City of Renton allowing Renton to sell water to Seattle in an emergency, and providing for subsequent sale of equivalent amount of water from Seattle to Renton, all through existing interties.

Background: SPU has an intertie with the City of Renton in the event of a water supply shortage. The facilities for delivering the emergency water were constructed as a result of an agreement with Renton that expired in 2000. The subsequent emergency supply agreement authorized in 2002 by Ordinance Number 120959 expires at the end of 2011. No water sales occurred under either of these agreements. Continuing the agreement allowing the potential use of the intertie better prepares SPU for an emergency.

This agreement links the cost of water that Seattle pays Renton to their established wholesale rate, which is a change from the existing contract that spells out a specially designed wholesale rate. The meter charge Seattle has been paying Renton under the existing agreement has been eliminated. The cost to Renton to purchase water from Seattle under this contract is at the wholesale rate in effect at the time for full and partial requirements contract holders. Under the existing contract the price is linked to wholesale water supply agreements that are no longer in existence.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Not applicable

Appropriations Notes:



Since SPU would buy water from Renton only in the event of an emergency, there are no anticipated expenditures. If Seattle required water pursuant to the agreement, SPU would pay the Renton wholesale rate in effect at the time (\$1.57 per ccf at 2010 rates).

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
SPU would only buy water from Renton in the event of an emergency so there are no immediate anticipated expenditures. If water is needed for an emergency, SPU would pay Renton's wholesale rate (\$1.57 per ccf at 2010 rates).
- b) **What is the financial cost of not implementing the legislation?**
It is not possible to estimate the avoided costs since the nature and extent of the emergency under which this agreement would be exercised are not known. However, Seattle would not be assured the facilities connecting SPU's and Renton's water systems would be maintained in working condition or have certainty about the price Renton would charge for delivery of water.
- 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?**
Alternative sources of emergency supply could be authorized.
- 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:

