

# City Council Goal # 2 Action Step Update: Acquisition of the SPU Water System

July 23, 2012

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# SPU Acquisition Issues this Meeting

- Follow-Up from June 11 briefing
- SPU Citizen Steering Committee Recommendation
- City of Seattle Resolution
- City Manager Recommendation
- Next Steps

# Acquisition of SPU's Water System

- Council Goal since 2009
- SPU system serves approximately 2/3 of Shoreline
- Total Cost = \$40.8 Million
  - Acquisition = \$26.6 Million
  - Initial Improvements and Separation = \$14.2 Million
  - Acquisition in 2020

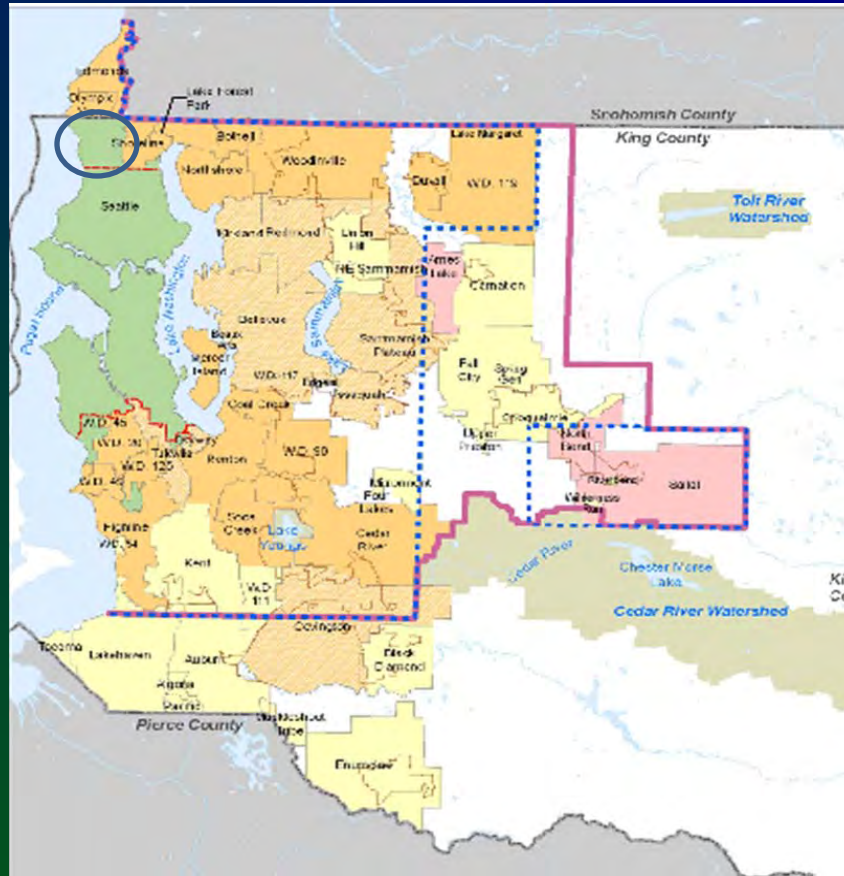
# Council & Community Goal

## Long-term Community Goal:

- Community Vision Statement & the Framework Goals:
  - **FG#2:** Provide high quality public services, utilities, and infrastructure that accommodate anticipated levels of growth, protect public health and safety, and enhance the quality of life.
  - **FG#14:** Designate specific areas for high density development, especially along major transportation corridors.
- Formal Council Goal since at least 2009



# Retail Water Service in Shoreline



# Follow-Up From June 11

- Olympic View Water & Sewer District, Shoreline Water District
  - Post Acquisition: Physical Capacity & Supply Reliability
  - CH2MHill Confirmed City's Post Acquisition System will:
    - Supply the demands of all customers
    - Supply from two places with very high reliability
    - Adequate water for Shoreline and water wheeled to adjoining water districts - "Full Service Requirement Contract" with SPU

# Steering Committee Criteria

- Diverse background and perspectives
- Engaged in our community
- Interested in Shoreline's long-term success, but may not have worked on a City issue in the past
- Having a technical or engineering background is not necessary



# SPU Citizen Steering Committee

- Jim Abbott
- Gretchen Atkinson
- Joe Bozick
- Mark Bunje
- Cynthia Esselman
- Kevin Grossman
- David Harris
- Marcia Harris
- Joseph Irons
- Warren Johnson
- Jeff King
- Cynthia Knox
- Lee Michaelis
- William Montero
- Edie Loyer Nelson
- Les Nelson
- Sis Polin
- Johanna Polit
- Diane Pottinger
- Robert Ransom
- Kyle Roquet
- Jesse Sycuro
- Dan Thwing



# SPU Citizen Steering Committee

## Recommendation

- 21 of 23 committee members recommend that City proceed with acquisition
- Reasons why?
  - Local control, representation, and investment
  - Acquire, operate, and maintain within SPU projected rate structure
  - Enhanced capital reinvestment in Shoreline system
  - Rates and taxes come to Shoreline – not Seattle

# Seattle Resolution

- Seattle Council - Library, Utilities, and Center Committee (“LUC”) passed resolution to negotiate purchase-sale agreement
  - Base purchase price expected to be at least \$26.6 million
  - Shoreline assume wheeling agreement responsibilities
  - Southeast Area
- Next step – Consideration by entire Seattle City Council

# City Manager Recommendation

- Long-term Council goal
- Due Diligence
  - Engineering & Financial Analysis
    - Risk Assessment & Sensitivity Analysis
  - Citizen Committee Recommendation
  - Community Support
    - 79% of Informed Residents Support Acquisition

# City Manager Recommendation

- Local accountability and control
- No increase in property taxes
- No increase in projected SPU water rates for Shoreline customers
  - Council condition of acquisition
- Reinvestment in Shoreline
  - 100% of the water rates used for maintenance and infrastructure investment will stay in Shoreline
  - Coordinate improvements to improve commercial districts and increase water flow for firefighting purposes
  - Vision 2029



# SPU Acquisition Timeline

- Tonight - Council Acquisition Direction
- August 6: Council Actions
  - Ballot language approval
  - Appoint Pro and Con committees
    - Statements in favor and in opposition of ballot measure and rebuttals
- November 2012: Community Vote
- 2013: Seattle/Shoreline Agreement

# SPU Acquisition Timeline

- 2013 – 2019: Continued analysis, initial capital improvements and develop operations plan
  - 2016: Prepare Comprehensive Water Plan
  - 2018: Interim Financing
  - 2018-2019: Separation & Initial Improvements
- 2020: Complete Acquisition Transaction

# Council Direction

- Staff is seeking Council direction to:
  - Return on August 6 with ballot language for the Council to adopt for the November ballot
  - Recruit members to serve on a Pro or Con Committee