



City Clerk's Office

Receiving #

1765

I-02-005

Seattle City Light

CITY OF SHORELINE
Clerk's Receiving
No: 1765
Date: 2/27/02

CITY OF SHORELINE/SEATTLE CITY LIGHT
STREETLIGHTS AND TRAFFIC LIGHTS/SIGNALS
TRANSFER OF RESPONSIBILITY FROM KING COUNTY TO THE CITY OF
SHORELINE
MEMORANDUM OF AGREEMENT

RECITAL

Payment for streetlights and traffic signals within the City of Shoreline has not been made since 1996. As of November 30, 2001, the total amount past due for the 49 identified accounts is \$417,768.64. Prior to transfer of streetlights and traffic signals, City Light continued to bill King County and King County forwarded bills to the City of Shoreline. Payment of these past due charges and assumption of future charges has been pending resolution of jurisdictional considerations related to incorporation and administrative considerations related to documentation of streetlight inventory within the City of Shoreline.

King County has provided an inventory of streetlights and traffic lights/signals (Attachment A) and associated account numbers (Attachment B). This inventory is based on City Light's SLIM System and was updated by King County in Year 2000. The inventory has been reviewed by City Light and is acknowledged to be substantially correct. At a meeting on August 31, 2001 hosted by King County and including Seattle City Light and City of Shoreline representatives, the City of Shoreline representative acknowledged responsibility for traffic signals, streetlights and associated payments since incorporation. All representatives indicated their willingness to accept the King County inventory as a baseline for transfer and billing of streetlights and traffic signals from King County to the City of Shoreline.

Based on this understanding, City Light has proceeded to transfer responsibility for identified accounts from King County to the City of Shoreline. This transfer is now completed consistent with Phase I below. Phase II and Phase III of this Memorandum of Agreement outline considerations for payment of arrears valued at \$417,768.64 and for future resolution of any outstanding issues.

PHASE I

Regarding assumption of responsibility to begin payment of traffic signals and streetlights within the City of Shoreline, Seattle City Light has completed the transfer from King County to the City of Shoreline based on the following:

1. The acceptance by both the City of Shoreline and Seattle City Light of the King County inventory of streetlights and traffic lights/signals within the incorporated area of the City of Shoreline as the basis for transferring accounts and for reconciling payment of arrears (Attachment A), and the list of associated account numbers (Attachment B).

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2. Both the City of Shoreline and Seattle City Light agree that the inventory is subject to potential revision based on future disclosures and that these disclosures will be reconciled.
3. Both the City of Shoreline and Seattle City Light agree that the Attachment A and Attachment B documents the following:
 - 39 identified separately metered traffic signal accounts
 - 10 streetlight accounts representing 1130 high pressure sodium streetlights and the following wattage:
 - 298 100 watt lights
 - 9 150 watt lights
 - 348 200 watt lights
 - 343 250 watt lights
 - 132 400 watt lights
4. At the request of the City of Shoreline, Seattle City Light has collapsed the 10 identified streetlight accounts into a single new streetlight account identified as City of Shoreline Streetlights and to attach streetlight inventory (Attachment A) to this account.
5. The City of Shoreline has acknowledged their intent to assume current and future payment of traffic signal and streetlight billings consistent with Seattle City Light's billing and payment requirements.

PHASE 2

Regarding the payment of past due accounts, The City of Shoreline and Seattle City Light agree to the following:

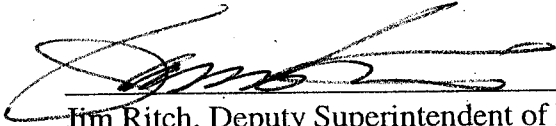
1. The City of Shoreline acknowledges responsibility for past due traffic signal and streetlight payments.
2. Based on the agreed to inventory Seattle City Light will adjust past due streetlight billings to be consistent with the inventory and the flat rates in effect each month. For past due amounts for identified traffic signal, the amount owed will be based on the current arrears at the time the account is transferred from King County to the City of Shoreline. On this basis, the total amount of arrears is including streetlights and traffic signals is \$417,768.64.
3. The City of Shoreline agrees to pay 25% of the delinquent amount owing each year for the next four years except that the final payment may be postponed to an agreed to future date pending resolution of any outstanding issue declared under the conditions of Phase 3.* The first payment of \$104,442.16 is due by December 30, 2001, the second payment of \$104,442.16 is due by December 30, 2002, the third payment of

\$104,442.16 is due by December 30, 2003, and the final payment of \$104,442.16 is due by December 30, 2004.

PHASE 3

Regarding the potential need to reconciliation inventory, and associated billing issues, the City of Shoreline and Seattle City Light agree to the following:

1. Seattle City Light reserves the right to review the agreed to inventory, document discrepancies, and propose reconciliation to the City of Shoreline. All issues must be acknowledged by December 30, 2004.
2. Seattle City Light reserves the right to review the number and manner of traffic signals and flashers installations in the City of Shoreline in order to ensure that they are individually metered and billed consistent with Seattle City Light policy.
3. The City of Shoreline reserves the right to review the agreed to inventory, document discrepancies, and propose reconciliation to Seattle City Light. All issues must be acknowledged by December 30, 2004.



Jim Ritch, Deputy Superintendent of Finance and Administration
Seattle City Light

Date: 2/20/02



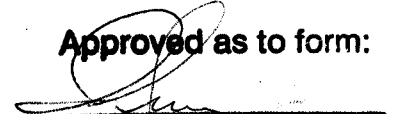
for the City of Shoreline

Date: 2/27/02

City of Shoreline MOA 1
10/30/01
11/30/01

*provided, further that payments in December 2002, 2003 and 2004 are subject to SCL's supplying inventories of private street light accounts as detailed in the letter of February 14, 2002 from Steven Burkett to Gary Zarker.

Approved as to form:


Shoreline City Attorney

SHORELINE
CITY COUNCIL

Scott Jepsen
Mayor

Kevin Grossman
Deputy Mayor

John Chang

Rich Gustafson

Ron Hansen

Linda Montgomery

Robert Ransom

February 14, 2002

Gary Zarker, Superintendent
Seattle City Light
700-5th Avenue, Suite 3300
Seattle, WA 98104-5031

Dear Mr. Zarker:

Enclosed is a signed copy of the Memorandum of Understanding (MOU) regarding traffic signals and street lights within the City of Shoreline. The MOU provides, in summary, that:

1. The City of Shoreline will begin payment of past billings as the responsible government since incorporation, and accepts the Seattle City Light (SCL) inventory of traffic signals and streetlights as the basis for that payment.
2. Payments on the accumulated unpaid billings will be made over a four-year period, with the first payment due in December 2001.
3. Payment for current 2002 and future year's billings for traffic signal and street light electrical power will also be made, as submitted by SCL on a quarterly basis.
4. If discrepancies in the baseline inventory of traffic signals and streetlights are identified by either the City of Shoreline or SCL, either party may propose an appropriate reconciliation, as described in the MOU.

Please note that the MOU has been signed and the first payment is being made with a condition, as directed by the Shoreline City Council. As discussed with Mr. Henry Brown of your staff, that condition is to require that Seattle City Light provide a detailed inventory of private street light accounts that are being paid for by residents and/or homeowner associations within the City of Shoreline. This inventory should include the specific locations of the streetlights, their meter numbers, and any available GIS coordinates for their locations. The purpose of requesting this inventory is to learn the location and size of all such private accounts, and to ensure that billings to the City of Shoreline do not include any private streetlights.

We request that the inventory of private street light accounts be made available in a timely manner, and that questions from City staff regarding the inventory of private accounts be resolved at least sixty (60) days before the date of the 2002 payment for past accumulated but unpaid billings. If that inventory of private accounts and resolution of

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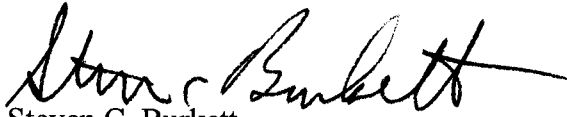
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questions cannot be accomplished within this time period, please let me know. In accordance with City Council direction, if the inventory of private accounts and resolution of related questions is not achieved by December 31, 2002, payment of the 2002 billing will have to wait until the question of potential double billings has been fully resolved.

In keeping with the MOU, payment of the first installment of accumulated billings in the amount of \$104,442.16 is enclosed.

Please send two (2) copies of the final MOU to the City of Shoreline after it has been fully executed. Thank you for your support of the City of Shoreline. I look forward to working with you and your staff in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven C. Burkett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steven C. Burkett
City Manager

cc: Art Maronek, Interim Public Works Director
Jesus Sanchez, Operations Manager
Phil Ramon, Management Analyst
Glenn Namatame, Management Analyst