



AGENDA

SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, October 9, 2017
5:30 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

TOPIC/GUESTS: Shoreline School District Board

SHORELINE CITY COUNCIL REGULAR MEETING

Monday, October 9, 2017
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Approving Minutes of Regular Meeting of August 14, 2017	<u>7a-1</u>	
(b) Approving Expenses and Payroll as of September 22, 2017 in the Amount of \$3,033,176.81	<u>7b-1</u>	
(c) Adopting Ordinance No. 798 – Authorizing the Extension of the Puget Sound Energy Franchise	<u>7c-1</u>	
(d) Authorizing the City Manager to Execute an Interlocal Agreement with Seattle Public Utilities for Coordination of Services on the Echo Lake Safe Routes to School Project	<u>7d-1</u>	
(e) Authorizing the City Manager to Execute a Professional Services Contract with Contract Land Staff	<u>7e-1</u>	
(f) Authorizing the City Manager to Obligate \$300,000 in King County Flood Control District Flood Reduction Grant Funding for the Hidden Lake Dam Removal Project	<u>7f-1</u>	

8. STUDY ITEMS

- | | | |
|---|-------------|------|
| (a) Discussing Ordinance No. 801 – Amending the Shoreline
Municipal Code 3.35.010 to Increase the Appropriation to the Petty
Cash and Change Fund | <u>8a-1</u> | 7:20 |
| (b) Presentation of the 2018 Proposed Budget and the 2018-2023
Capital Improvement Plan | <u>8b-1</u> | 7:30 |

9. ADJOURNMENT

8:00

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF REGULAR MEETING

Monday, August 14, 2017
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Roberts, Deputy Mayor Winstead, Councilmembers McGlashan, Scully, Hall, McConnell, and Salomon

ABSENT: None.

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Roberts who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Roberts led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

Mayor Roberts announced that the City is experiencing technical difficulties with the video equipment but the meeting's audio is currently being captured. He said he anticipates the video will be restored some time during the meeting.

3. REPORT OF CITY MANAGER

John Norris, Acting City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember Salomon offered comments on the event that took place in Virginia where a Nazi sympathizer ran over and murdered a pro-democracy supporter. He expressed his shock over President Trump's failure to quickly and adequately condemn Nazi racist violence. He shared a personal story about his grandmother growing up in Nazi Germany and events that lead to the rise of the Nazi Party. He said President Trump is sowing chaos and racial discord, and by equating pro-democracy supporters to racist fascist Nazi supporters, he has shown who he is really with. Councilmember Salomon urged people to not be intimidated, to be on guard, to speak out against hate, and to not contribute to the chaos.

5. PUBLIC COMMENT

Councilmember McGlashan moved to extend the public comment period to allow everyone signed up to speak for two minutes. The motion was seconded by Councilmember Salomon and passed unanimously, 7-0.

John Norris, Acting City Manager, announced that the video equipment is now operational and the meeting is being streamed live.

Gini Paulsen, Shoreline resident, said she has submitted online comments to the City Council and the City Manager regarding the proposal to cut down four acres of trees in Hamlin Park. She said the trees provide an oxygen enriched environment and when they are destroyed, so is the environment and people. She asked Council to not cut down the trees.

Phillip Ages, Shoreline resident, talked about the importance of preserving Hamlin Park and protecting the environment.

Birgit Ages, Shoreline resident, asked for better communication about meetings and talked about the difficulty of finding information on the City's website. She spoke about the lack of character and style of city development and asked what the plan for nature in the City is.

Ginny Scantlebury, Shoreline resident, asked if Councilmembers have spent time in Hamlin Park and shared why she does not think four acres of trees should be removed from the park. She questioned why the City did not accept North City Water District's offer to locate the facility at 155th and 15th, and said it is a more appropriate place for it. She shared that Hamlin Park came from King County Forward Thrust Funds and that the proposal needs to be discussed with King County. She pointed out that \$5.6 Million of 2006 Park Bond dollars was spent on different projects at Hamlin Park, and asked how the Community can be assured that money from the proposed 2018 Park Bonds will not be taken away and spent on something else.

Alice Keller, Shoreline resident, stated she is against removing trees from Hamlin Park and noted there are many uses for the park. She said Hamlin Yard is incompatible with the park and should be moved. She said there are many advantages of locating Hamlin Yard at the Brightwater site. She read the Public Works Department's mission statement and said the removal of the trees does not support the mission.

Richard Holtman, Shoreline resident, said North 159th Street is identified as a private road and is treated like one, and explained why it should not be. He distributed a packet of photographs for Councilmembers to review.

Marilyn Davies, Shoreline resident, asked that the trees not be cut in Hamlin Park and showed a picture her grandson drew of the trees. She asked Council to think of another creative solution.

Barbara Twaddell, Shoreline resident, said cutting down four acres of forest goes against what parks are for and that there has to be another location for the maintenance facilities. She read quotations from John Muir and Joni Mitchell.

Bill Franklin, Meridian Park Association, pointed to a petition signed by neighbors in support of making Darnell Park clean and safe. He suggested leveraging Darnell Park to help meet the park demand identified in the Parks, Recreation and Open Space Plan, and emphasized placing a priority on kids over dogs for new park development.

Donna Markley, Park Ridge Care Center Administrator, expressed concern about the Business and Occupation (B & O) Tax proposal, and said it jeopardizes their ability to remain viable. She said she would like to meet with City staff to discuss this further.

Serge Newberry, Shoreline Health and Rehabilitation Center, proposed that long term care facilities receive an exemption from the B & O Tax, and said the tax jeopardizes their ability to stay viable. He expressed concern about the limited number of businesses at the City's Business Outreach Workshop he attended, and said they would like to talk with the City about this matter.

Ken Klotz, Aegis Living, cautioned that the B & O Tax will be passed onto the seniors they serve who are on limited and fixed incomes. He asked that long term care facilities be exempted from the tax.

Lauri St. Ours, Washington Health Care Association Government and Legislative Affairs Director, offered her services to draft language to exempt care facilities from the B&O Tax. She shared that the State of Washington exempts Medicaid revenue from State B & O Tax, and asked the City for an exemption for care facilities.

Janet Way, Shoreline Preservation Society, shared she is opposed to cutting down trees for a utility facility in Hamlin Park and pointed out how it would negatively impact the Park. She said \$17 Million can be well spent to locate the facility somewhere else. She then read an excerpt from the Parks, Recreation, and Open Space Plan regarding ensuring adequate land and park acreage for future generations.

Jim DiPeso, Shoreline resident, said Hamlin Park is a crown jewel of public lands and it would be unwise for the City to take four acres of forest out for an industrial facility. He described Hamlin's environmental characteristics and sustainability benefits. He said as more people move to Shoreline, more parks will be needed. He noted that Brugger's Bog will not provide adequate mitigation and urged the Council to reject the proposal.

Jackson Owen, Shoreline Health and Rehab Administrator, echoed the request for an exemption from the B&O Tax for long term care facilities. He shared that the tax will only increase the cost of providing services to people on fixed incomes. He said the State's B & O Tax hits long term care facilities at one of highest rates and will be a burden to the elderly. He said he attended the outreach event for businesses and commented that City staff could not address why the City is projecting a financial shortage in twenty years.

Saskia Davis, speaking on behalf of Kathleen Davis, said that Jim Hardman, who was the Friends of Fircrest President, passed away. She reported his celebration of life will be held on Saturday, August 19, 2017. She then shared that she witnessed an owl flying and said it was

majestic and that habitat cannot be taken away from the wildlife living there, or from future generations.

Cynthia Knox, Meridian Park Neighborhood Association Boardmember, shared that homelessness has increased in Shoreline and parks are no longer safe because needles are everywhere. She said the number of people begging on street corners has also increased and asked Council to reprioritize its economic development goals to crisis management goals in order to handle the current problems in Shoreline.

Jeff Eisenbrey, Shoreline resident, talked about the fragility of the native upland forest habitat and said the removal of four acres will affect the integrity of the forest in Hamlin Park. He said the majority of the City’s minority population live in this area and cautioned against creating environmental racism by turning the area into an industrial zone. He said the proposal is wrong and questioned that it made it this far in the process.

Ian Taylor, Shoreline resident, talked about trusting the City Council’s previous decisions regarding the environment and said he is surprised and disappointed about this proposal. He said industrial development should be done were development has already happened and he hopes the Council rejects the proposal.

Lois Harrison, Shoreline resident, talked about a small grassroots citizen movement that sprung up thirty years ago to save trees in Hamlin Park and again in 2006. She explained why the trees are important to the residents of Shoreline and said it is unacceptable to cut down the trees.

6. APPROVAL OF THE AGENDA

Deputy Mayor Winstead moved to amend the Agenda to move Study Item 8.d the Business & Occupation Update and Work Plan to 8.b. The motion was seconded by Councilmember Salomon and passed unanimously, 7-0.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Winstead and seconded by Councilmember McConnell and unanimously carried, 7-0, the following Consent Calendar items were approved:

(a) Approving Minutes of Regular Meeting of July 17, 2017

(b) Approving Expenses and Payroll as of July 28, 2017 in the Amount of \$3,539,173.41

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
6/18/17-7/1/17	7/7/2017	72890-73139	15007-15057	67345-37350	\$579,926.89
7/2/17-7/15/17	7/21/2017	73140-73394	15058-15100	67401-67408	\$760,290.53

\$1,340,217.42

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
7/26/2017	1123	\$37,520.31
		<u>\$37,520.31</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
7/13/2017	67272	67300	\$432,325.86
7/13/2017	67301	67311	\$84,559.67
7/13/2017	67312	67339	\$18,209.04
7/13/2017	67340	67344	\$3,775.00
7/19/2017	67351	67352	\$42,275.98
7/19/2017	67353	67353	\$8,106.37
7/20/2017	67354	67374	\$152,534.33
7/20/2017	67375	67391	\$12,383.56
7/20/2017	67392	67398	\$1,655.93
7/25/2017	67327	67327	(\$88.26)
7/26/2017	67399	67400	\$4,453.79
7/26/2017	67409	67423	\$83,425.98
7/26/2017	67424	67441	\$62,336.07
7/27/2017	67442	67460	\$4,814.12
7/27/2017	67461	67468	\$35,822.89
7/27/2017	67469	67487	\$1,016,776.54
7/27/2017	67488	67504	\$197,728.66
7/27/2017	67505	67507	\$224.78
7/27/2017	67508	67508	\$115.37
			<u>\$2,161,435.68</u>

(c) Adopting Ordinance No. 788 - Development Code Amendment to Expand Use of Civil Fees and Other Fees Collected

(d) Authorize the City Manager to Execute a Contract with Integris LLC in the amount of \$25,000 for Process Consulting in Support of the Financial/HR System Implementation

(e) Authorize the City Manager to Execute an Amendment to the Agreement with Dorsey & Whitney LLP in an Amount Not to Exceed \$150,000 to Increase Funds for Legal Assistance with Matters Related to the City's Assumption of the Ronald Wastewater District

(f) Adoption of Ordinance No. 781 Granting a Non-Exclusive Franchise to MCIMetro Access Transmission Services Corp., dba Verizon Access Transmission Services, to Construct, Operate, and Maintain a Telecommunications Fiber Optic System Within City Rights-of-Way

8. STUDY ITEMS

- (a) Discussing Ordinance No. 796 - Amending the 2017 Salary Classification Table with the Removal of the Construction Inspection Supervisor, the Addition of a Development and Construction Manager Classification, the Removal of the Wastewater Utility Maintenance Manager, and the Addition of the Wastewater Manager

Tricia Juhnke, City Engineer; Lance Newkirk, Utilities and Operations Manager; and Rick Kirkwood, Budget Supervisor, provided the staff report. Ms. Juhnke explained that the 2017 Salary Classification Table is being amended to add a Development Review and Construction Manager and a Wastewater Manager, and to remove the Construction Inspection Supervisor and Wastewater Utility Maintenance Manager positions. She explained the shift in duties, salary changes, and the next steps in the process. She said the Ordinance is scheduled for adoption on September 11, 2017.

Mayor Roberts asked when job recruitments would begin. Ms. Juhnke responded recruitment will begin upon Council's adoption of the Ordinance. Mayor Roberts said the item can be placed on the Consent Calendar.

At 8:01 p.m., Mayor Roberts convened a two minute recess, and at 8:03 p.m., he reconvened the meeting.

- (b) Update of the Business & Occupation Tax Workplan

Sara Lane, Administrative Services Director, shared that the Business and Occupation (B & O) Tax is Strategy 6 of the City's 10 Year Financial Sustainability Plan. She said tax revenues are not growing as fast as expenditures due to inflation and rising costs that are out of the City's control, and she provided the rationale for implementing a B & O Tax. She reviewed the Business Outreach Workplan, and introduced BERK's Consultants Allegra Calder and Jennifer Tippins.

Ms. Calder reviewed the outreach performed with businesses which included a survey, business workshops, and telephone interviews, and presented the results. Ms. Tippins provided highlights from the phone interviews regarding businesses B & O tax structure and exemption preferences.

Councilmember Hall asked if taxes based on income is authorized by State Law. Ms. Lane replied that she did not think so.

Councilmember McGlashan asked if some exemptions are required by State law. Ms. Lane answered yes.

Ms. Lane reviewed policy options are:

- Exemption threshold in accordance with the State Model Ordinance which has a minimum threshold of \$20,000. She said staff's recommendation is to set the exemption threshold at \$200,000.
- Basis and rate of the tax with a recommendation to start with service at highest rate and all others at \$.001.
- Tax exemptions and deductions with recommendation to adopt mandatory and standard exemptions; exempt revenue subject to another Shoreline gross receipts tax; and exempt Non-profit 501(c)(3) revenue.
- Deductions, credits, and allocation with recommendation to adopt all Model Ordinance mandatory and standard deductions.
- Licensing and Tax Administration with recommendation to perform thorough cost-benefit analysis of options after deciding on tax structure.

Ms. Lane then reviewed implementation steps and said the B & O Tax could be implemented by January 1, 2019.

Councilmember Hall said he agrees with the \$200,000 exemption threshold, and expressed that it is a fair tax system that provides the business community a way to pay their fair share for City services. He asked if B & O taxes could be collected on gambling and marijuana businesses. Ms. Lane responded that they can be collected from marijuana businesses and that she will need to evaluate applying a B & O Tax to gambling businesses. Councilmember Hall requested a comparison of the City's gambling tax rate against that of other cities.

Councilmember McGlashan expressed concern about the low survey response rate and that one-third of the respondents said if a B & O Tax was assessed that they would close their business or move out of the City. Deputy Mayor Winstead asked if the survey identifies which businesses responded they would move and if they were under the \$200,000 threshold. She requested that data be presented to Council.

Councilmember Scully said he supports staff's recommended exemption level, and that he is not in favor of any additional exemptions.

Deputy Mayor Winstead explained a lot of work went into the City's 10 Year Financial Sustainability Model that forecasts the City's revenue needs and identifies strategies for making the City financially sustainable. She shared the B & O Tax serves as an equalizer to tax everyone in Shoreline so the City does not just rely on property taxes.

Councilmember Salomon talked about the robust housing market and said the local business climate is fragile. He said a \$200,000 exemption level will help with his concerns, and that the information Deputy Mayor Winstead requested will also be helpful in the decision making process. He said he struggles with the fundamental question of whether a B & O Tax is fair. He

explained that the same business that sells something for \$20,000 and makes a \$1 profit would be taxed at the same rate as a business who sells something for \$20,000 and made a \$10,000 profit. He stated he understands the State dictates how the City is able to tax and noted that options are limited. He asked if businesses would prefer to cut the City's economic development budget rather than raise taxes. Ms. Lane responded that, in general, businesses replied that they value City services, and approximately 60% of respondents said they want to maintain services at the lowest possible rate. And if services were added, respondents said they would like to see human services, parks, and economic development improvements, which is consistent with the City's Citizen Satisfaction Survey.

Councilmember McConnell pointed out that about 70% of small businesses would be exempted. She questioned why so many long-term care facility administrators were here to testify against the B & O Tax. Ms. Lane responded that they were engaged, attended the workshops, and reached out to fellow businesses. She said it is not a common exemption and that their concern is due to lack of flexibility to increase prices due to State law. Councilmember McConnell stressed the need to be fair and equitable and said the \$200,000 threshold meets those requirements.

Mayor Roberts said larger businesses generally track their dollars carefully and are able to easily calculate their exemptions. He asked clarifying questions about potential revenue thresholds and if they are only based off sales tax. Ms. Lane said staff's recommendation was to achieve as much consistency as possible and stated it expands to other revenue than just sales tax revenue. Mayor Roberts said he remains convinced that a B & O Tax is not necessary, however, if the Council decides to move forward he is comfortable with staff's recommendations and wants more exemptions added for agencies who rely on state or federal grants (including money coming from Medicare).

Councilmember Hall pointed out that ten years ago the Long Range Citizen Financial Advisory Committee identified economic development as the preferred method for generating revenue for the City. He pointed out that Shoreline has been one of the slower growing cities in King County and the State for three decades now. He said the City is not seeing enough new revenue from new businesses to meet the expenses of serving the Community, and if you look at the 10 year forecast period, the City needs to move forward with the full set off financial strategies identified.

Councilmember Scully said he does not agree with providing exemptions for businesses just because they are receiving government funding and that he would rather support exempting specific industries. Deputy Mayor Winstead said she agrees with Councilmembers Hall and Scully.

Mayor Roberts recapped that a majority of the Council wants to move forward with the B & O Tax proposal, and having discussions regarding exemptions and rates. Ms. Lane stated an ordinance will be brought back in November or December 2017 for Council's discussion.

- (c) Discussing Ordinance No. 780 - Amending the Shoreline Municipal Code
Establishing City Governance Authority to Own and Operate a Wastewater Utility

Lance Newkirk, Utilities & Operations Manager, recapped the process and goals regarding amending the Shoreline Municipal Code to establish City governance authority to own and operate a wastewater utility. He provided a brief overview of code highlights and organization of Chapter 13.05. He pointed out a scrivener error on page 8b-15 of the staff report Section 13.05.140(a) and said it will be corrected. He said there are no policy implications at this time.

Councilmember Hall said he is pleased to see the reduced rate for qualifying seniors' carryover from the Ronald Wastewater District to the City.

Mayor Roberts asked staff to identify what has been newly added to the Code. Mr. Newkirk responded the goal was to keep the code familiar, consistent, and implementable, therefore, there are no significance changes. Mayor Roberts asked for the new changes to be called out in the next staff report. Mayor Roberts asked about the creation of a Utility Commission. Mr. Norris explained that the Ronald Waster Board will continue to exist under term limitations and since the Board will be sunseting, it was not included in the Code update.

- (d) Discussing: Resolution No. 417 - Establishing Customer Service Policies to Manage a Wastewater Enterprise; Ordinance No. 793 - Amending SMC Chapter 2.60 Purchasing Code; Ordinance No. 795 - Amending SMC Chapter 3.50 Sale and Disposal of Surplus Personal Property; Resolution No. 416 Amending the City's Business Expense Policy

Sara Lane, Administrative Services Director, explained that the City performed a review of the City's and Ronald Wastewater District (RWD) Policies and cleaned them up. She noted that City policies were adequate for financials and purchasing, but not for the customer services portion related to managing a utility. She shared that RWD Policies are also good and staff's recommendation is to adopt their policies by Resolution. She introduced Mark Greg, RWD Accounting Manager, to assist in answering Council's questions.

Councilmember McConnell thanked Mr. Greg for staying to answer questions and for all the work he has performed with City staff.

Councilmember Hall asked how many homes are served by onsite septic tanks instead of the sewer system in the City. Ms. Lane stated that she will get that data from the Maintenance Manager and report it to Council.

Mayors Roberts requested a grace period for delinquent accounts and expressed concern about the duplicate billing fee charges, and said he would rather see a charge of a \$1 per pay period.

Ms. Lane said Resolution No. 416 clarifies the policy for combining business and personal travel, and is scheduled for adoption on September 18, 2017.

Ms. Lane said Ordinance No. 793 amends the Shoreline Municipal Code Chapter 3.60 Purchasing Code and are primarily housekeeping changes to link to the RCW relating to bonding and purchase orders.

Ms. Lane said Ordinance No. 795 amends Shoreline Municipal Code Chapter 3.50 Sale and Disposal of Surplus Personal Property to increase Council's level of approval from \$2,000.00 to \$5,000.00, and allows surplus revenue to return to the City more quickly.

A discussion ensued on Resolution No. 416 Sister City Business Expense and on the Sister City Program. A majority of Councilmembers requested that the program be dissolved. Mr. Norris advised that in order to formally dissolve the program the Council will need to adopt a resolution to repeal the resolution that established it.

9. ADJOURNMENT

At 9:25 p.m., Mayor Roberts declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

DRAFT

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Expenses and Payroll as of September 22, 2017
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara S. Lane, Administrative Services Director

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expenses, material, purchases-advancements."

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$3,033,176.81 specified in the following detail:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
8/27/17-9/9/17	9/15/2017	74175-74413	15218-15244	68137-68142	\$570,302.77
					<u>\$570,302.77</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/12/2017	67962	67963	\$2,281.75
9/12/2017	67917	67917	(\$1,183.05)
9/13/2017	67964	67964	\$24,113.35
9/14/2017	67965	67982	\$178,140.36
9/14/2017	67983	67997	\$606,042.06
9/14/2017	67998	68019	\$1,022,100.54
9/14/2017	68020	68041	\$39,863.11
9/14/2017	68042	68056	\$958.82
9/14/2017	68057	68061	\$842.21
9/20/2017	68062	68063	\$90,003.77

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
9/21/2017	68064	68079	\$150,151.28
9/21/2017	68080	68096	\$97,730.22
9/21/2017	68097	68118	\$57,950.76
9/21/2017	68119	68136	\$193,878.86
			<u>\$2,462,874.04</u>

Approved By: City Manager **DT**

City Attorney **JAT**

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 798 - Authorizing a One Year Right-of-Way Franchise with Puget Sound Energy
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Alex Herzog, Management Analyst
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

As per SMC 12.25.010, all utilities which use the City's rights-of-way for operation and maintenance of their facilities are required to have a non-exclusive franchise with the City. The City's existing non-exclusive right-of-way franchise with Puget Sound Energy (PSE) (Attachment A) for the distribution of natural gas within the City was passed by Council on August 26, 2002. SMC 12.25.080 limits all right-of-way franchise agreements to 15 years and the existing franchise agreement's 15-year term will expire on October 31, 2017.

While the City and PSE have been in discussions and negotiation for a new right-of-way franchise for many months, the new proposed franchise has not yet been finalized. Staff is concerned that there is not enough time to complete the negotiations for the new franchise and have the franchise routed through the City of Shoreline's and PSE's approval process before the expiration date of the current franchise on October 31, 2017.

Council discussed Ordinance No. 798 (Attachment B) on September 25 and provided direction to staff to place this item on the Consent Agenda for October 9, 2017. Ordinance No. 798 provides for a new one-year franchise agreement with PSE and will terminate October 31, 2018, or upon the effective date of a new franchise, whichever occurs first. All terms and conditions of the proposed new one-year franchise agreement are unchanged from the existing franchise; only the term (length of the agreement) has been changed.

RESOURCE/FINANCIAL IMPACT:

This new franchise will have no financial impact to the City. The fees and taxes that the City currently receives from PSE will continue under this new one-year franchise agreement.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 798 granting a one year right-of-way franchise with Puget Sound Energy.

Approved By: City Manager ***DT*** City Attorney ***JAT***

BACKGROUND

As per SMC 12.25.010, all utilities which use the City's rights-of-way for operation and maintenance of their facilities are required to have a non-exclusive franchise with the City. The City's existing non-exclusive right-of-way franchise with Puget Sound Energy (PSE) (Attachment A) for the distribution of natural gas within the City was passed by Council on August 26, 2002. SMC 12.25.080 limits all right-of-way franchise agreements to 15 years and the existing franchise agreement's 15-year term will expire on October 31, 2017.

While the City and PSE have been in discussions and negotiation for a new right-of-way franchise for many months, the new proposed franchise has not yet been finalized. Staff is concerned that there is not enough time to complete the negotiations for the new franchise and have the franchise routed through the City of Shoreline's and PSE's approval process before the expiration date of the current franchise on October 31, 2017. The proposed one year franchise being discussed tonight would allow staff to negotiate a new long-term franchise agreement for natural gas service in the City.

Council discussed this proposed ordinance on September 25, 2017. The materials from that meeting are on the City's website, here:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport092517-8a.pdf>.

DISCUSSION

Proposed Ordinance No. 798 (Attachment B) would provide for a new one-year Franchise Agreement with PSE. The terms of the newly proposed Franchise are identical to the utility's current franchise agreement except for the term, which is limited to one year and would expire October 31, 2018.

New Franchise Agreement Consideration

As the City and PSE must enter into a new Franchise Agreement, SMC Section 12.25.070 identifies the considerations the City should review when granting a Right-of-way franchise:

1. The applicant's past service record in the city and in other communities
2. The nature of the proposed facilities and services
3. The proposed area of service
4. Whether the proposal would serve the public needs and the overall interests of the city residents
5. That the applicant has substantially complied with the material terms of the existing franchise
6. The quality of the applicant's service, response to consumer complaints, and billing practices
7. That the applicant has the financial, legal, and technical ability to provide the services, facilities, and equipment as set forth in the application

8. The applicant's proposal is reasonable to meet the future community needs and interests, taking into account the cost of meeting such needs and interests

Based on staff's coordination with PSE and PSE's history of operation in Shoreline over the years, staff is confident that PSE is in substantial compliance with the criteria identified in SMC Section 12.25.070 and recommends this new one-year franchise be granted.

RESOURCE/FINANCIAL IMPACT

This new franchise will have no financial impact to the City. The fees and taxes that the City currently receives from PSE will continue under this new one-year franchise agreement.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 798 granting a one year right-of-way franchise with Puget Sound Energy.

ATTACHMENTS

- Attachment A: Ordinance No. 308, Granting Puget Sound Energy A Non-Exclusive Franchise to Construct, Maintain, Operate, Replace and Repair a Natural Gas Distribution System
- Attachment B: Proposed Ordinance No. 798, Authorizing a One Year Right of Way Franchise with Puget Sound Energy for the Distribution of Natural Gas within the City

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ORDINANCE NO. 308

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A NATURAL GAS DISTRIBUTION SYSTEM, IN, ACROSS, OVER, ALONG, UNDER, THROUGH AND BELOW PUBLIC RIGHTS-OF-WAY OF THE CITY OF SHORELINE, WASHINGTON.

WHEREAS, RCW 35A.11.020 grants the City broad authority to regulate the use of the public right-of-way; and

WHEREAS, RCW 35A.47.040 authorizes the City “to grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for ... poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of...gas...”; and

WHEREAS, the Council finds that it is in the best interests of the health, safety and welfare of residents of the Shoreline community to grant a non-exclusive franchise to Puget Sound Energy for the operation of a natural gas distribution system within the City right-of-way; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

1. **Definitions.** The following terms contained herein, unless otherwise indicated, shall be defined as follows:
 - 1.1. **City:** The City of Shoreline, a municipal corporation of the State of Washington, specifically including all areas incorporated therein as of the effective date of this Ordinance and any other areas later added thereto by annexation or other means.
 - 1.2. **City Manager:** The City Manager of the City of Shoreline or designee.
 - 1.3. **Days:** Calendar days.
 - 1.4. **Facilities:** All gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices; and all other equipment, appliances, attachments, and appurtenances utilized by PSE in the operation of activities authorized by this Ordinance. The abandonment by PSE of any Facilities as defined herein shall not act to remove the same from this definition.
 - 1.5. **PSE:** Means Puget Sound Energy, Inc. a Washington corporation, and its successors and assigns.
 - 1.6. **Permittee:** A person who has been granted a permit by the Permitting Authority, and PSE operating under Section 5.8 Blanket Permit of this agreement.

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- 1.7. **Permitting Authority:** The head of the City department authorized to process and grant permits required to perform work in the City's Right-of-way, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.
- 1.8. **Person:** An entity or natural person.
- 1.9. **Right-of-way:** As used herein shall refer to the surface of and the space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement, and/or road right-of-way now or hereafter held or administered by the City of Shoreline.
2. **Franchise Granted.**
- 2.1. Pursuant to RCW 35A.47.040, the City hereby grants to PSE, its heirs, successors, and assigns, subject to the terms and conditions hereinafter set forth, a franchise beginning on the effective date of this Ordinance ("Franchise").
- 2.2. This Franchise shall grant PSE the right, privilege and authority, subject to the terms and conditions hereinafter set forth, to install, construct, operate, maintain, repair, replace, and use Facilities for a natural gas distribution system, in, under, on, across, over, through, along or below the Right-of-way, as approved under City permits issued by the Permitting Authority pursuant to this Franchise and City ordinances.
- 2.3. This Franchise specifically does not authorize PSE to place facilities or to otherwise utilize Facilities in the Right-of-way to provide telecommunications, cable television, point-to-point data communications, or similar services either via wire or wireless technologies regardless of whether these services are provided to any person outside PSE's organization. This Section does not restrict PSE's ability to utilize telemetric devices to monitor and operate its natural gas distribution system or to monitor and control the usage of natural gas.
- 2.4. This Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any Right-of-way. Such Franchise shall in no way prevent or prohibit the City from using any Right-of-way or other City property or affect its jurisdiction over them or any part of them, and the City shall retain the authority to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of the same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of new Right-of-way or other public properties of every type and description.
3. **Franchise Term.** The term of the Franchise granted hereunder shall be for the period of fifteen (15) years counted from the last day of the calendar month in which this Ordinance becomes effective.

4. **City Ordinances and Regulations.**

- 4.1. Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating PSE's exercise of its rights under this Franchise. PSE shall promptly conform with all such regulations, unless compliance would cause PSE to violate requirements of state or federal law.

5. **Right-of-Way Management.**

- 5.1. PSE's Facilities shall be maintained within the Right-of-way and PSE's activities shall be undertaken in such a manner, so as not to unreasonably interfere with the free and safe passage of traffic and unobstructed use of adjoining property in accordance with City standards and regulations.

5.2. **Excavation And Notice Of Entry.**

- 5.2.1. PSE shall at all times post and maintain proper barricades and comply with all applicable safety regulations during any period of construction or maintenance activities within the Right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems.
- 5.2.2. Whenever PSE excavates in the Right-of-way for the purpose of installation, construction, repair, maintenance or relocation of its Facilities, it shall apply to the City for a permit to do so in accordance with the ordinances and regulations of the City requiring permits to operate in the Right-of-way. In no case shall any such work commence within any Right-of-way without a permit, except as otherwise provided in this Ordinance. PSE shall provide the City with plans, maps, and information showing the proposed and final location of any Facilities in accordance with Section 5.12 of this Franchise.
- 5.2.3. At least ten (10) days prior to its intended construction of Facilities, except those activities exempted from permit requirements in accordance with Sections 5.7 & 5.8 or activities that will impact the use of the adjacent property for less than a four (4) hour period. PSE shall inform all residents in the immediately affected area, that a construction project will commence, the dates and nature of the project, and provide a toll-free or local number which the resident may call for further information. A pre-printed door hanger may be used for this purpose.
- 5.2.4. PSE shall make a good faith effort to comply with the property owner/resident's preferences, if any, regarding the location or placement of Facilities that extend above ground level consistent with sound engineering practices, City regulations, and state law.
- 5.2.5. At least twenty-four (24) hours prior to entering Right-of-way adjacent to or on private property to perform the installation, maintenance, repair, reconstruction, or removal of facilities, except those activities exempted from permit requirements in accordance with Sections 5.7 & 5.8 or activities that will impact the use of the adjacent property for less than a four (4) hour period, a written notice describing the nature and location of the work to be performed shall be physically posted upon the affected private property by PSE.

- 5.3. Abandonment of PSE's Facilities. PSE shall not abandon in place any of its Facilities within the Right-of-way without the prior written consent of the City Manager. Absent consent to abandon in place, abandoned Facilities shall be removed from the Right-of-way within 180 days of the discontinuation of their active utilization, or in accordance with a written removal plan authorized by the City Manager. All necessary permits must be obtained prior to such work.
- 5.4. Restoration after Construction.
- 5.4.1. PSE shall, after any installation, construction, relocation, maintenance, or repair of Facilities within the Right-of-way, promptly restore the Right-of-way to at least the condition the same was in immediately prior to any such installation, construction, relocation, maintenance or repair in accordance with City standards at its sole cost and expense. All concrete encased monuments, which have been disturbed or displaced by such work, shall be restored pursuant to all federal, state and local standards and specifications.
- 5.4.2. If it is determined that PSE has failed to restore the Right-of-way in accordance with Section 5.4, the City shall provide PSE with written notice including a description of actions the City believes necessary to restore the Right-of-way. If the Right-of-way is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Right-of-way. PSE shall be responsible for all costs and expenses incurred by the City in restoring the Right-of-way in accordance with this Section. The remedy granted to the City under this Section shall be in addition to those otherwise provided by this Franchise.
- 5.5. Bonding Requirement: Before undertaking any of the work authorized by this Franchise, PSE shall furnish a bond executed by PSE and a corporate surety authorized to do a surety business in the State of Washington, in a sum to be set and approved by the City Manager as reasonably sufficient to ensure performance of PSE's obligations under this Franchise. The bond shall be conditioned so that PSE shall observe all the covenants, terms and conditions and faithfully perform all of the obligations of this Franchise, and to restore or replace any defective work or materials discovered in the restoration of the Right-of-way discovered within a period of two years from the final City inspection date of any such restoration. PSE may meet the obligations of this Section with one or more bonds acceptable to the City. In the event that a bond issued pursuant to this Section is canceled by the surety, after proper notice and pursuant to the terms of said bond, PSE shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this Section.
- 5.6. Recourse Against Bond: With respect to undertaking any of the work authorized by this Franchise, in the event PSE fails to perform its obligations in accordance with the terms and conditions of this Franchise and further fails to cure its deficiency within a reasonable period of time after receipt of written notice of such deficiency by the City, then the City may use any bond(s) furnished by PSE pursuant to Section 5.5 to cure such deficiency.

- 5.6.1. In the event the City makes use of such bond(s) furnished by PSE pursuant to Section 5.5, the City shall promptly provide written notice of same to PSE. Within thirty (30) days of receipt of such notice, PSE shall replenish or replace such bond(s) pursuant to Section 5.5.
- 5.6.2. The rights reserved to the City by this Section 5.6 are in addition to all other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of a right under this Section 5.6 shall constitute an election or waiver of any rights or other remedies the City may have.
- 5.7. Emergency Work, Permit Waiver. In the event of any emergency where any Facilities located in the Right-of-way are broken or damaged, or if PSE's construction area within the Right-of-way is in such a condition as to place the health or safety of any person or property in imminent danger, PSE shall immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its construction area safe without first applying for and obtaining a permit as required by this Franchise. However, this emergency provision shall not relieve PSE from later obtaining any necessary permits for the emergency work. PSE shall apply for the required permits the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical.
- 5.8. Blanket Permit. PSE shall be authorized to perform Minor Activities without a City permit of any kind and Blanket Activities under the terms and conditions of this Section 5.8 provided that the terms "Minor Activities" and "Blanket Activities" are defined in a specifically negotiated Blanket Permit Definitions, a copy of which shall be filed with the City Clerk and identified by Clerk's Receiving Number 1910. All other activities will require a separate permit in accord with City ordinances.
- 5.8.1. The Permittee shall pay the City a permit inspection/processing fee in the amount set out in Blanket Permit Definitions.
- 5.8.2. The Permittee shall provide a quarterly list of permit activity by the 10th of the months of April, July, October, and January listing the previous quarter's activity authorized under this Section.
- 5.8.3. The Permittee shall provide payment of inspection fees for the quarterly activity on a quarterly basis in accordance with Section 5.8. No statements will be provided by the City.
- 5.8.4. For each separate use of the Right-of-way under this Section, and prior to commencing any work on the Right-of-way under this Section, the Permittee shall:
- 5.8.4.1. Fax or otherwise deliver to the Permitting Authority, at least twenty-four (24) hours in advance of entering the Right-of-way, a City Inspection Request Form, as provided by the Permitting Authority, which shall include at a minimum the following information: Franchise number, street address nearest to the proposed work site, and description of work to be performed.

- 5.8.4.2. Fax or deliver to the Permitting Authority a notice of completion in the form provided by the Permitting Authority within twenty-four (24) hours after completing work.
- 5.8.5. In the event the Permittee fails to comply with any of the conditions set forth in Section 5.8, the City is authorized to suspend or terminate the Permittee's authority to operate under this Section by providing Permittee written notice of such suspension or termination and the basis therefore.
- 5.8.6. The City reserves the right to alter the terms and conditions of Section 5.8 and the terms and conditions of the Blanket Permit Definitions by providing thirty (30) days written notice to the Permittee. Any change made pursuant to this Paragraph, including any change in the permit inspection/processing fee stated in Blanket Permit Definitions, shall thereafter apply to all subsequent work performed pursuant to this Section 5.8. Further, the City may terminate the Permittee's authority to work in the Right-of-way under a Blanket Permit as provided by the terms of this Section at any time without cause by providing thirty (30) days written notice to the Permittee. Any such modification or termination shall not affect the remaining terms and conditions of this Franchise or impair the rights and obligations of the Parties under those remaining terms and conditions.
- 5.9. Safety.
- 5.9.1. PSE shall exercise the rights granted in this Franchise in accordance with applicable safety rules and regulations.
- 5.10. Dangerous Conditions, Authority for City to Abate.
- 5.10.1. In the event that PSE's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the adjoining Right-of-way, public or private property, the City Manager may direct PSE, at no charge or expense to the City, to take actions to resolve the condition or remove the endangerment. Such directive may include compliance within a prescribed time period.
- 5.10.2. In the event PSE fails to promptly take action as directed by the City, or fails to fully comply with such direction, or if emergency conditions exist which require immediate action to prevent imminent injury or damages to persons or property, the City may take such actions as it believes are necessary to protect persons or property and PSE shall be responsible to reimburse the City for its costs. The City's authority to act upon PSE's Facilities hereunder is specifically limited to actions, taken by trained emergency response personnel, to stop the flow of natural gas actively contributing to a dangerous condition in the face of PSE's failure to timely respond to the City's request for such action.

5.11. Relocation of Facilities.

5.11.1. PSE agrees to protect, support, temporarily disconnect, relocate or remove from the Right-of-way its Facilities without cost to the City, when so required by the City to facilitate the completion of or as a result of a public project, provided that PSE shall in all such cases have the privilege to temporarily bypass, in the authorized portion of the Right-of-way and upon approval by the City, any Facilities required to be temporarily disconnected or removed. As used in this Section, the term "public project" is a project included in any future City adopted six-year Capital Improvement Program and consistent with the City's Comprehensive Plan as currently adopted or hereinafter amended.

5.11.2. If the City determines that a Public Project necessitates the relocation of PSE's existing Facilities, the City shall:

5.11.2.1. As soon as possible, but not less than sixty (60) days prior to the commencement of such Public Project, provide PSE with written notice requiring such relocation; and

5.11.2.2. Provide PSE with copies of any plans and specifications pertinent to the requested relocation and a proposed temporary or permanent relocation for PSE's Facilities.

5.11.2.3. After receipt of such notice and such plans and specifications, PSE shall complete relocation of its Facilities at no charge or expense to the City at least ten (10) days prior to commencement of the Public Project or at such later time as mutually agreed by the City and PSE.

5.11.3. PSE may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise PSE in writing if any of the alternatives are suitable to accommodate the Public Project. If so requested by the City, PSE shall submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by PSE full and fair consideration. In the event the City ultimately determines that there is no other reasonable alternative, PSE shall relocate its Facilities as provided in this Section.

5.11.4. If the City requires the subsequent relocation of Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section, then the City shall bear the entire cost of such subsequent relocation.

5.11.5. If the City vacates any Right-of-way with PSE Facilities, the City shall reserve an easement in its vacation ordinance adequate for the repair, maintenance and replacement of the Facilities and sited along the location of the Facilities, provided that no easement shall be reserved if the vacation is for a Public Project and the Facilities are to be relocated under this Section 5.11. No easement shall be reserved if the vacation is conditioned upon a vacation petitioner's payment for the cost of relocating existing Facilities to another Right-of-way or private easement including necessary service reconnections caused by the relocation.

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5.11.6. The provisions of this Section 5.11 shall in no manner preclude or restrict PSE from making any arrangements it may deem appropriate when responding to a request for relocation of its Facilities by any person other than the City, where the improvements to be constructed by said person are not part of a Public Project, provided that such arrangements do not unduly delay or increase the cost of a related Public Project.

5.12. PSE's Maps and Records. PSE agrees to provide the City, upon reasonable request and without charge, copies of available as-built plans, maps, and records, in use by PSE, that show the approximate vertical and horizontal location of its Facilities at specified locations within the Right-of-way. If available, such maps shall also be provided in Geographical Information System (GIS) or other digital electronic format used by the City.. All such maps and records will be provided for informational purposes only. PSE does not warrant the accuracy of any map or other information provided under this Section 5.12, and to the extent the location of Facilities are shown, such locations are approximate.

5.13. Utility Location. Nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

5.14. Underground Installation. PSE hereby affirms its understanding and agreement that its activities within the City must comply with Shoreline Municipal Code ("SMC") 13.20, which establishes minimum requirements and procedures for the underground installation of electric and communication facilities, to the extent it applies to PSE's activities under this Franchise. Consistent with that regulation, PSE shall install Facilities under this Franchise underground subject to and in accordance with tariffs on file with the Washington Utilities and Transportation Commission; provided, that PSE may install above ground those Facilities that must be so installed in order to function properly. PSE will also share information and otherwise cooperate with the City and other utility providers to serve the objectives of SMC 13.20.

6. Planning Coordination.

6.1. Growth Management. PSE agrees, as follows, to participate in the development of, and reasonable updates to, the utilities element of the City's comprehensive plan:

6.1.1. PSE will participate in a cooperative effort with the City to ensure that the Utilities Element of Shoreline's Comprehensive plan is accurate as it relates to PSE's operations and is updated to ensure its continued relevance at reasonable intervals.

6.1.2. PSE shall submit information related to the general location, proposed location, and capacity of existing and proposed Facilities as requested by the City Manager within a reasonable time, not exceeding sixty (60) days from receipt of a written request for such information.

6.2. System Development Information. PSE will assign a representative whose responsibility shall be to coordinate with the City on planning for City Capital

Improvement Program projects. At a minimum, such coordination shall include the following:

- 6.2.1. By March 1st of each year, PSE shall provide the City Manager or his designee with a schedule of its planned capital improvements, which may affect the Right-of-way for that year;
 - 6.2.2. PSE shall meet with the City, other franchisees and users of the Right-of-way, according to a schedule to be determined by the City, to schedule and coordinate construction; and
 - 6.2.3. All construction locations, activities, and schedules shall be coordinated, as required by the City Manager or his designee, to minimize public inconvenience, disruption, or damages.
 - 6.2.4. PSE will cooperate with the City to extend its natural gas distribution system into areas of the City that do not have natural gas service available in conjunction with City road improvement projects subject to applicable PSE tariffs on file with the Washington Utilities and Transportation Commission.
- 6.3. Emergency Operations. The City and PSE agree to cooperate in the planning and implementation of emergency operations response procedures.

7. **Indemnification.**

- 7.1 PSE hereby agrees to indemnify, defend and hold harmless the City, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards or liability to the extent the same is caused by the negligent acts or omissions of PSE, its agents, servants, officers or employees in performing activities authorized by this Franchise. This covenant of indemnification shall include, but not be limited by this reference, claims against the City to the extent they arise as a result of the negligent acts or omissions of PSE, its agents, servants, officers or employees in barricading, instituting trench safety systems or providing other adequate warnings of any excavation, construction, or work in any right-of-way or other public place in performance of work or services permitted under this franchise. If final judgment is rendered against the City, its elected officials, employees, agents, and volunteers, or any of them, PSE shall satisfy the same to the extent it is based on a claim or demand which is covered by PSE's indemnification obligations hereunder. In the event any claim or demand presented to, or suit or action is commenced against, the City based upon any such claim or demand, the City shall promptly notify PSE thereof, and PSE may elect, at its sole cost and expense, to settle and compromise such suit or action, or defend the same with attorneys of its choice. If any such claim or demand is subject to RCW 4.24.115 and caused by or results from the concurrent negligence of (a) the City, its elected or appointed officials, or its agents or employees; and (b) PSE, or PSE's agents or employees, then in such event the defense and indemnity provisions provided for in the preceding paragraph 7.1 shall be valid and enforceable only to the extent of PSE's negligence.
- 7.2 The City shall not be liable upon, and PSE shall indemnify and defend the City from and against, any claim which is caused by the acts or omissions of PSE in exercising

its rights under this Franchise and is asserted by any person against the City for injury to any person or damage to property, to the extent such claim is asserted solely on the basis of the City's ownership or control of the Right-of-way or the City's grant of this Franchise to PSE.

- 7.3 PSE's indemnification obligations pursuant to this Franchise shall be valid and enforceable with respect to actions brought against the City by PSE's own employees and the employees of PSE's agents, contractors, and subcontractors notwithstanding PSE's immunity under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that the foregoing waiver is limited solely to claims against the City arising by virtue of PSE's exercise of the rights set forth in this Franchise and excludes claims against PSE or claims arising from and to the extend of the negligent acts or omissions of the City, its officials, employees or agents. The obligations of PSE under this Franchise have been mutually negotiated by the parties hereto, and PSE acknowledges that the City would not enter into this Franchise without PSE waiver thereof. To the extent required to provide this indemnification and this indemnification only, PSE waives its immunity under Title 51 RCW as provided in RCW 4.24.115; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees.
- 7.4 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance of PSE's indemnification obligations. Said indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

8. Insurance.

- 8.1. In lieu of the insurance requirements set forth below in this Section 8 and with the concurrence of the City, PSE may utilize a combination of operating reserves and excess liability insurance to protect against such risks in such amounts as are consistent with good utility practice. To secure such concurrence, PSE and the City may, from time to time, review PSE's financial position and risk management program. Upon PSE's acceptance of this Franchise and upon reasonable request thereafter, PSE shall provide the City with reasonable written evidence that such protection is being maintained.
- 8.2. 8.2. Except as otherwise provided in Paragraph 8.1, PSE shall procure and maintain for the duration of the Franchise, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to PSE, its agents or employees. A combination of self-insurance and excess liability insurance may be utilized by PSE. Upon PSE's acceptance of this Franchise, PSE shall provide to the City a certificate of insurance and/or evidence of self insurance evidencing the following required coverages and limits:

- 8.2.1. Automobile Liability insurance for owned, non-owned and hired vehicles with limits no less than \$4,000,000 Combined Single Limit per accident for bodily injury and property damage; and
- 8.2.2. Commercial General Liability insurance policy and self-insurance coverage providing combined coverage of no less than \$50,000,000 combined single limit per occurrence and \$50,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. If coverage is provided by self-insurance or a policy of insurance written on a claims made rather than occurrence basis, PSE agrees to maintain the same levels of self-insurance or claims made policy coverage, or to purchase endorsements providing additional reporting periods in which claims otherwise covered by the claims made policy or self-insurance may be reported, for a period of three (3) years following either the discontinuance of the claims made policy or self-insurance or the termination of this Franchise, whichever is earlier.
- 8.3. Payment of deductible or self-insured retention shall be the sole responsibility of PSE.
- 8.4. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, or employees. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. PSE's insurance shall be primary. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of PSE's insurance and shall not contribute with it. Coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City.

9. **Enforcement.**

- 9.1. A substantial violation or breach of this Franchise by PSE shall include, but shall not be limited to, the following:
 - 9.1.1. An uncured violation of any material provision of this Franchise, or any material rule, order or regulation of the City made pursuant to its power to protect the public health, safety and welfare;
 - 9.1.2. An intentional evasion or knowing attempt to evade any material provision of this Franchise or practice of any fraud or deceit upon the City;
 - 9.1.3. An uncured failure to pay fees that may be associated with this Franchise, if any.
- 9.2. In the event either party shall fail to comply with the terms of this Franchise, the other party shall provide the non-complying party with detailed written notice of any alleged violation or breach. The party who is allegedly in non-compliance shall have a period of 60 days following such written notice to cure the alleged violation or

breach, demonstrate to the other's satisfaction that a violation or breach does not exist, or submit a plan satisfactory to the other to correct the violation or breach. If, at the end of said 60-day period, the City or PSE reasonably believes that a substantial violation or material breach is continuing and the party in breach is not taking satisfactory corrective action, the other may declare that the party in breach is in default, which declaration must be in writing. Within 20 days after receipt of a written declaration of default, the non-defaulting party may terminate this Franchise.

- 9.3. The City or PSE may, in its discretion, provide an additional opportunity for the other to remedy any violation or breach and come into compliance with this Franchise so as to avoid termination.
- 9.4. Any violation or breach by PSE continuing to exist after the expiration of the notice and cure periods identified in Section 9.2 may be remedied by the City at PSE's expense.
10. **Force Majeure.** Neither party will be subject to penalty for any non-compliance with this Franchise or delay in compliance of any of its obligations hereunder where such compliance is prevented or delayed by acts of God (except normal weather conditions for the Shoreline-Seattle area), fire, explosion, accident, flood, epidemic, war, riot, rebellion, interruption or rationing of fuel supply, or other unexpected and uncontrollable event ("force majeure events"). If a force majeure event occurs, this Section will only apply if the Party intending to seek the protections of this Section notifies the other Party in writing. The City may continue to exercise its rights to abate any Dangerous Condition consistent with Section 5.10.
11. **Survival.** All of the provisions, conditions and requirements of Sections 5.3 Abandonment Of PSE's Facilities, 5.4 Restoration After Construction, 5.10 Dangerous Conditions, Authority For City To Abate, 7. Indemnification, 8. Insurance, and other sections of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive such termination or expiration. All of the provisions, conditions, regulations and requirements contained in this Franchise shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of the parties hereto and all privileges, as well as all obligations and liabilities of each party shall inure to their respective heirs, successors and assigns.
12. **Severability.** If any Section, sentence, clause or phrase of this Franchise should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other Section, sentence, clause or phrase of this Franchise. The Parties may amend, repeal, add, replace, or modify any provision of this Franchise to preserve the intent of the parties as expressed herein prior to any finding of invalidity or unconstitutionality.
13. **Assignment.** This Franchise shall not be sold, transferred, assigned, or disposed of in whole or in part either by sale, voluntary or involuntary merger, consolidation or otherwise, without the written approval of the City, which shall not be unreasonably withheld. The City may recover from PSE any actual administrative expenses incurred by the City during its review of any transfer proposed by PSE.

- 13.1. An assignment of this Franchise shall be deemed to occur if there is an actual change in control or where ownership of fifty percent (50%) or more of the beneficial interests, singly or collectively, are obtained by other parties. The word "control" as used herein is not limited to majority stock ownership only, but includes actual working control in whatever manner exercised.
- 13.2. Except as otherwise provided herein, PSE shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of PSE. Every change, transfer, or acquisition of control of PSE shall cause a review of the proposed transfer. In the event that the City denies its consent and such change, transfer or acquisition of control has been effected, the Franchise is terminated.
- 13.3. PSE shall be permitted, without the City's approval, to mortgage its rights, privileges and authority in and under this Franchise to the trustee under its mortgage indenture for the benefit of its bondholders.
14. **Notice.** Any notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:
- | | |
|---------------------------------|--------------------------|
| Puget Sound Energy | City Manager |
| P.O. Box 90868 | City of Shoreline |
| Bellevue, WA 98009-0868 | 17544 Midvale Avenue N. |
| Attn: Municipal & Land Planning | Shoreline, WA 98133-4921 |
15. **Non-Waiver.** The failure of either party to enforce any breach or violation by the other party of any provision of this Franchise shall not be deemed to be a waiver or a continuing waiver by the non-breaching party of any subsequent breach or violation of the same or any other provision of this Franchise.
16. **Alternate Dispute Resolution.** If the parties are unable to resolve disputes arising from the terms of this Franchise, prior to resorting to a court of competent jurisdiction, the parties shall submit the dispute to a non-binding alternate dispute resolution process agreed to by the parties. Unless otherwise agreed between the parties or determined herein, the cost of that process shall be shared equally.
17. **Entire Agreement.** Except for the Blanket Permit Definitions to be prepared in accordance with this Section 5.8, this Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution and acceptance hereof.
18. **Amendment.** Except for the Blanket Permit Definitions to be prepared in accordance with this Section 5.8, this Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington.
19. **Supremacy.** This Franchise represents the dominant agreement between the parties. In the event of any conflict between this Franchise and any City ordinance or permit, the terms of this Franchise shall control. In the event, however, of any conflict between the provisions of

this Franchise and PSE's applicable tariff on file with the Washington Utilities and Transportation Commission or a successor state regulatory authority, the tariff shall control for the duration of that conflict, provided, that PSE shall provide the City written notice within five (5) days of filing any proposed tariff or amended tariff which would effect the terms of this Franchise or any rights of the City hereunder.

- 20. **Directions to City Clerk.** The City Clerk is hereby authorized and directed to forward certified copies of this Ordinance to PSE. PSE shall have sixty (60) days from receipt of the certified copy of this Ordinance to accept in writing the terms of the Franchise granted to PSE in this Ordinance.
- 21. **Publication Costs.** In accord with state law, this Ordinance shall be published in full. The costs of said publication shall be borne by PSE.
- 22. **Effective Date.** This Ordinance shall take effect and be in full force on the first day of the first full month at least five days following the publication of this Ordinance.

PASSED BY THE CITY COUNCIL ON August 26, 2002.



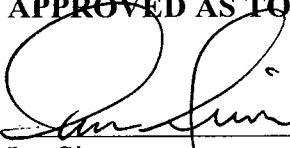
 Mayor Scott Jepsen

ATTEST:



 Sharon Mattioli, CMC
 City Clerk

APPROVED AS TO FORM:



 Ian Sievers
 City Attorney

Date of Publication: August 29, 2002
 Effective Date: October 1, 2002

ORDINANCE NO. 798

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A NATURAL GAS DISTRIBUTION SYSTEM, IN, ACROSS, OVER, ALONG, UNDER, THROUGH AND BELOW PUBLIC RIGHTS-OF-WAY OF THE CITY OF SHORELINE, WASHINGTON.

WHEREAS, RCW 35A.11.020 grants the City broad authority to regulate the use of the public right-of-way; and

WHEREAS, RCW 35A.47.040 authorizes the City to grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for the transmission and distribution of gas; and

WHEREAS, with the adoption of Ordinance No. 308 on August 26, 2002, the City granted Puget Sound Energy a non-exclusive franchise for a natural gas distribution system within the public rights-of-way of the City; and

WHEREAS, the term of the Franchise granted by Ordinance No. 308 expires on October 31, 2017; and

WHEREAS, the City and Puget Sound Energy are currently negotiating a new, long-term franchise agreement but such negotiations may continue beyond the October 31, 2017 expiration; and

WHEREAS, the Council finds that it is in the best interests of the health, safety and welfare of residents of the Shoreline community to grant a one-year non-exclusive franchise to Puget Sound Energy for the operation of a natural gas distribution system within the City rights-of-way to allow for negotiations to occur, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

1. **Definitions.** The following terms contained herein, unless otherwise indicated, shall be defined as follows:
 - 1.1. City: The City of Shoreline, a municipal corporation of the State of Washington, specifically including all areas incorporated therein as of the effective date of this Ordinance and any other areas later added thereto by annexation or other means.
 - 1.2. City Manager: The City Manager of the City of Shoreline or designee.
 - 1.3. Days: Calendar days.
 - 1.4. Facilities: All gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices; and all other equipment, appliances, attachments, and appurtenances utilized by PSE in the operation of activities

authorized by this Ordinance. The abandonment by PSE of any Facilities as defined herein shall not act to remove the same from this definition.

- 1.5. PSE: Means Puget Sound Energy, Inc. a Washington corporation, and its successors and assigns.
- 1.6. Permittee: A person who has been granted a permit by the Permitting Authority, and PSE operating under Section 5.8 Blanket Permit of this Agreement.
- 1.7. Permitting Authority: The head of the City department authorized to process and grant permits required to perform work in the City's Right-of-way, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.
- 1.8. Person: An entity or natural person.
- 1.9. Right-of-way: As used herein shall refer to the surface of and the space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement, and/or road right-of-way now or hereafter held or administered by the City of Shoreline.

2. **Franchise Granted.**

- 2.1. Pursuant to RCW 35A.47.040, the City hereby grants to PSE, its heirs, successors, and assigns, subject to the terms and conditions hereinafter set forth, a franchise beginning on the effective date of this Ordinance ("Franchise").
- 2.2. This Franchise shall grant PSE the right, privilege and authority, subject to the terms and conditions hereinafter set forth, to install, construct, operate, maintain, repair, replace, and use Facilities for a natural gas distribution system, in, under, on, across, over, through, along or below the Right-of-way, as approved under City permits issued by the Permitting Authority pursuant to this Franchise and City ordinances.
- 2.3. This Franchise specifically does not authorize PSE to place facilities or to otherwise utilize Facilities in the Right-of-way to provide telecommunications, cable television, point-to-point data communications, or similar services either via wire or wireless technologies regardless of whether these services are provided to any person outside PSE's organization. This Section does not restrict PSE's ability to utilize telemetric devices to monitor and operate its natural gas distribution system or to monitor and control the usage of natural gas.
- 2.4. This Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any Right-of-way. Such Franchise shall in no way prevent or prohibit the City from using any Right-of-way or other City property or affect its jurisdiction over them or any part of them, and the City shall retain the authority to make all necessary changes, relocations, repairs, maintenance, establishment, improvement, dedication of the same as the City may deem fit, including the dedication, establishment, maintenance,

and improvement of new Right-of-way or other public properties of every type and description.

3. **Franchise Term.** The term of the Franchise granted hereunder shall be for the period of one (1) year counted from the last day of the calendar month in which this Ordinance becomes effective.

4. **City Ordinances and Regulations.**

4.1. Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances regulating PSE's exercise of its rights under this Franchise. PSE shall promptly conform with all such regulations, unless compliance would cause PSE to violate requirements of state or federal law.

5. **Right-of-Way Management.**

5.1. PSE's Facilities shall be maintained within the Right-of-way and PSE's activities shall be undertaken in such a manner, so as not to unreasonably interfere with the free and safe passage of traffic and unobstructed use of adjoining property in accordance with City standards and regulations.

5.2. **Excavation And Notice Of Entry.**

5.2.1. PSE shall at all times post and maintain proper barricades and comply with all applicable safety regulations during any period of construction or maintenance activities within the Right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems.

5.2.2. Whenever PSE excavates in the Right-of-way for the purpose of installation, construction, repair, maintenance or relocation of its Facilities, it shall apply to the City for a permit to do so in accordance with the ordinances and regulations of the City requiring permits to operate in the Right-of-way. In no case shall any such work commence within any Right-of-way without a permit, except as otherwise provided in this Ordinance. PSE shall provide the City with plans, maps, and information showing the proposed and final location of any Facilities in accordance with Section 5.12 of this Franchise.

5.2.3. At least ten (10) days prior to its intended construction of Facilities, except those activities exempted from permit requirements in accordance with Sections 5.7 and 5.8 or activities that will impact the use of the adjacent property for less than a four (4) hour period. PSE shall inform all residents in the immediately affected area that a construction project will commence, the dates and nature of the project, and provide a toll-free or local number which the resident may call for further information. A pre-printed door hanger may be used for this purpose.

5.2.4. PSE shall make a good faith effort to comply with the property owner/resident's preferences, if any, regarding the location or placement of Facilities that extend above ground level consistent with sound engineering practices, City regulations, and state law.

- 5.2.5. At least twenty-four (24) hours prior to entering Right-of-way adjacent to or on private property to perform the installation, maintenance, repair, reconstruction, or removal of facilities, except those activities exempted from permit requirements in accordance with Sections 5.7 and 5.8 or activities that will impact the use of the adjacent property for less than a four (4) hour period, a written notice describing the nature and location of the work to be performed shall be physically posted upon the affected private property by PSE.
- 5.3. Abandonment of PSE's Facilities. PSE shall not abandon in place any of its Facilities within the Right-of-way without the prior written consent of the City Manager. Absent consent to abandon in place, abandoned Facilities shall be removed from the Right-of-way within 180 days of the discontinuation of their active utilization, or in accordance with a written removal plan authorized by the City Manager. All necessary permits must be obtained prior to such work.
- 5.4. Restoration after Construction.
 - 5.4.1. PSE shall, after any installation, construction, relocation, maintenance, or repair of Facilities within the Right-of-way, promptly restore the Right-of-way to at least the condition the same was in immediately prior to any such installation, construction, relocation, maintenance or repair in accordance with City standards at its sole cost and expense. All concrete encased monuments which have been disturbed or displaced by such work, shall be restored pursuant to all federal, state and local standards and specifications.
 - 5.4.2. If it is determined that PSE has failed to restore the Right-of-way in accordance with this Section 5.4, the City shall provide PSE with written notice including a description of actions the City believes necessary to restore the Right-of-way. If the Right-of-way is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Right-of-way. PSE shall be responsible for all costs and expenses incurred by the City in restoring the Right-of-way in accordance with this Section. The remedy granted to the City under this Section shall be in addition to those otherwise provided by this Franchise.
- 5.5. Bonding Requirement: Before undertaking any of the work authorized by this Franchise, PSE shall furnish a bond executed by PSE and a corporate surety authorized to do a surety business in the State of Washington, in a sum to be set and approved by the City Manager as reasonably sufficient to ensure performance of PSE's obligations under this Franchise. The bond shall be conditioned so that PSE shall observe all the covenants, terms and conditions and faithfully perform all of the obligations of this Franchise, and to restore or replace any defective work or materials discovered in the restoration of the Right-of-way discovered within a period of two years from the final City inspection date of any such restoration. PSE may meet the obligations of this Section with one or more bonds acceptable to the City. In the event that a bond issued pursuant to this Section is canceled by the surety, after proper notice and pursuant to the terms of said bond, PSE shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this Section.
- 5.6. Recourse Against Bond: With respect to undertaking any of the work authorized by this

Franchise, in the event PSE fails to perform its obligations in accordance with the terms and conditions of this Franchise and further fails to cure its deficiency within a reasonable period of time after receipt of written notice of such deficiency by the City, then the City may use any bond(s) furnished by PSE pursuant to Section 5.5 to cure such deficiency.

- 5.6.1 In the event the City makes use of such bond(s) furnished by PSE pursuant to Section 5.5, the City shall promptly provide written notice of same to PSE. Within thirty (30) days of receipt of such notice, PSE shall replenish or replace such bond(s) pursuant to Section 5.5.
- 5.6.2 The rights reserved to the City by this Section 5.6 are in addition to all other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of a right under this Section 5.6 shall constitute an election or waiver of any rights or other remedies the City may have.
- 5.7. Emergency Work, Permit Waiver. In the event of any emergency where any Facilities located in the Right-of-way are broken or damaged, or if PSE's construction area within the Right-of-way is in such a condition as to place the health or safety of any person or property in imminent danger, PSE shall immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its construction area safe without first applying for and obtaining a permit as required by this Franchise. However, this emergency provision shall not relieve PSE from later obtaining any necessary permits for the emergency work. PSE shall apply for the required permits the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical.
- 5.8. Blanket Permit. PSE shall be authorized to perform Minor Activities without a City permit of any kind and Blanket Activities under the terms and conditions of this Section 5.8 provided that the terms "Minor Activities" and "Blanket Activities" are defined in a specifically negotiated Blanket Permit Definitions. All other activities will require a separate permit in accord with City ordinances.
 - 5.8.1. The Permittee shall pay the City a permit inspection/processing fee in the amount set out in Blanket Permit Definitions.
 - 5.8.2. The Permittee shall provide a quarterly list of permit activity by the months of April, July, October, and January listing the previous quarter's activity authorized under this Section.
 - 5.8.3. The Permittee shall provide payment of inspection fees for the quarterly activity on a quarterly basis in accordance with this Section 5.8. No statements will be provided by the City.
 - 5.8.4. For each separate use of the Right-of-way under this Section, and prior to commencing any work on the Right-of-way under this Section, the Permittee shall:
 - 5.8.4.1. Fax or otherwise deliver to the Permitting Authority, at least twenty-four (24) hours in advance of entering the Right-of-way, a City Inspection Request Form, as provided by the Permitting Authority, which shall include at a minimum the

following information: Franchise number, street address nearest to the proposed work site, and description of work to be performed.

5.8.4.2. Fax or deliver to the Permitting Authority a notice of completion in the form provided by the Permitting Authority within twenty-four (24) hours after completing work.

5.8.5. In the event the Permittee fails to comply with any of the conditions set forth in Section 5.8, the City is authorized to suspend or terminate the Permittee's authority to operate under this Section 5.8 by providing Permittee written notice of such suspension or termination and the basis therefore.

5.8.6. The City reserves the right to alter the terms and conditions of Section 5.8 and the terms and conditions of the Blanket Permit Definitions by providing thirty (30) days written notice to the Permittee. Any change made pursuant to this subsection, including any change in the permit inspection/processing fee stated in Blanket Permit Definitions, shall thereafter apply to all subsequent work performed pursuant to this Section 5.8. Further, the City may terminate the Permittee's authority to work in the Right-of-way under a Blanket Permit as provided by the terms of this Section at any time without cause by providing thirty (30) days written notice to the Permittee. Any such modification or termination shall not affect the remaining terms and conditions of this Franchise or impair the rights and obligations of the Parties under those remaining terms and conditions.

5.9. Safety.

5.9.1. PSE shall exercise the rights granted in this Franchise in accordance with applicable safety rules and regulations.

5.10. Dangerous Conditions, Authority for City to Abate.

5.10.1. In the event that PSE's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the adjoining Right-of-way, public or private property, the City Manager may direct PSE, at no charge or expense to the City, to take actions to resolve the condition or remove the endangerment. Such directive may include compliance within a prescribed time period.

5.10.2. In the event PSE fails to promptly take action as directed by the City, or fails to fully comply with such direction, or if emergency conditions exist which require immediate action to prevent imminent injury or damages to persons or property, the City may take such actions as it believes are necessary to protect persons or property and PSE shall be responsible to reimburse the City for its costs. The City's authority to act upon PSE's Facilities hereunder is specifically limited to actions, taken by trained emergency response personnel, to stop the flow of natural gas actively contributing to a dangerous condition in the face of PSE's failure to timely respond to the City's request for such action.

5.11. Relocation of Facilities.

- 5.11.1. PSE agrees to protect, support, temporarily disconnect, relocate or remove from the Right-of-way its Facilities without cost to the City, when so required by the City to facilitate the completion of or as a result of a public project, provided that PSE shall in all such cases have the privilege to temporarily bypass, in the authorized portion of the Right-of-way and upon approval by the City, any Facilities required to be temporarily disconnected or removed. As used in this Section, the term "public project" is a project included in any future City adopted six-year Capital Improvement Program and consistent with the City's Comprehensive Plan as currently adopted or hereinafter amended.
- 5.11.2. If the City determines that a Public Project necessitates the relocation of PSE's existing Facilities, the City shall:
 - 5.11.2.1. As soon as possible, but not less than sixty (60) days prior to the commencement of such Public Project, provide PSE with written notice requiring such relocation; and
 - 5.11.2.2. Provide PSE with copies of any plans and specifications pertinent to the requested relocation and a proposed temporary or permanent relocation for PSE's Facilities.
 - 5.11.2.3. After receipt of such notice and such plans and specifications, PSE shall complete relocation of its Facilities at no charge or expense to the City at least ten (10) days prior to commencement of the Public Project or at such later time as mutually agreed by the City and PSE.
- 5.11.3. PSE may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise PSE in writing if any of the alternatives are suitable to accommodate the Public Project. If so requested by the City, PSE shall submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by PSE full and fair consideration. In the event the City ultimately determines that there is no other reasonable alternative, PSE shall relocate its Facilities as provided in this Section.
- 5.11.4. If the City requires the subsequent relocation of Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section, then the City shall bear the entire cost of such subsequent relocation.

If the City vacates any Right-of-way with PSE Facilities, the City shall reserve an easement in its vacation ordinance adequate for the repair, maintenance and replacement of the Facilities and sited along the location of the Facilities, provided that no easement shall be reserved if the vacation is for a Public Project and the Facilities are to be relocated under this Section 5.11. No easement shall be reserved if the vacation is conditioned upon a vacation petitioner's payment for the cost of relocating existing Facilities to another Right-of-way or private easement including necessary service reconnections caused by the relocation.

- 5.11.5. The provisions of this Section 5.11 shall in no manner preclude or restrict PSE

from making any arrangements it may deem appropriate when responding to a request for relocation of its Facilities by any person other than the City, where the improvements to be constructed by said person are not part of a Public Project, provided that such arrangements do not unduly delay or increase the cost of a related Public Project.

- 5.12. PSE's Maps and Records. PSE agrees to provide the City, upon reasonable request and without charge, copies of available as-built plans, maps, and records, in use by PSE, that show the approximate vertical and horizontal location of its Facilities at specified locations within the Right-of-way. If available, such maps shall also be provided in Geographical Information System (GIS) or other digital electronic format used by the City. All such maps and records will be provided for informational purposes only. PSE does not warrant the accuracy of any map or other information provided under this Section 5.12, and to the extent the location of Facilities are shown, such locations are approximate.
- 5.13. Utility Location. Nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.
- 5.14. Underground Installation. PSE hereby affirms its understanding and agreement that its activities within the City must comply with Shoreline Municipal Code ("SMC") 13.20, which establishes minimum requirements and procedures for the underground installation of electric and communication facilities, to the extent it applies to PSE's activities under this Franchise. Consistent with that regulation, PSE shall install Facilities under this Franchise underground subject to and in accordance with tariffs on file with the Washington Utilities and Transportation Commission; provided, that PSE may install above ground those Facilities that must be so installed in order to function properly. PSE will also share information and otherwise cooperate with the City and other utility providers to serve the objectives of SMC 13.20.

6. Planning Coordination.

- 6.1. Growth Management. PSE agrees, as follows, to participate in the development of, and reasonable updates to, the utilities element of the City's comprehensive plan:
 - 6.1.1. PSE will participate in a cooperative effort with the City to ensure that the Utilities Element of Shoreline's Comprehensive plan is accurate as it relates to PSE's operations and is updated to ensure its continued relevance at reasonable intervals.
 - 6.1.2. PSE shall submit information related to the general location, proposed location, and capacity of existing and proposed Facilities as requested by the City Manager within a reasonable time, not exceeding sixty (60) days from receipt of a written request for such information.
- 6.2. System Development Information. PSE will assign a representative whose responsibility shall be to coordinate with the City on planning for City Capital Improvement Program projects. At a minimum, such coordination shall include the following:

- 6.2.1. By March 1st of each year, PSE shall provide the City Manager or his designee with a schedule of its planned capital improvements, which may affect the Right-of-way for that year;
 - 6.2.2. PSE shall meet with the City, other franchisees and users of the Right-of-way, according to a schedule to be determined by the City, to schedule and coordinate construction; and
 - 6.2.3. All construction locations, activities, and schedules shall be coordinated, as required by the City Manager or his designee, to minimize public inconvenience, disruption, or damages.
 - 6.2.4. PSE will cooperate with the City to extend its natural gas distribution system into areas of the City that do not have natural gas service available in conjunction with City road improvement projects subject to applicable PSE tariffs on file with the Washington Utilities and Transportation Commission.
- 6.3. Emergency Operations. The City and PSE agree to cooperate in the planning and implementation of emergency operations response procedures.

7. Indemnification.

- 7.1 PSE hereby agrees to indemnify, defend and hold harmless the City, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards or liability to the extent the same is caused by the negligent acts or omissions of PSE, its agents, servants, officers or employees in performing activities authorized by this Franchise. This covenant of indemnification shall include, but not be limited by this reference, claims against the City to the extent they arise as a result of the negligent acts or omissions of PSE, its agents, servants, officers or employees in barricading, instituting trench safety systems or providing other adequate warnings of any excavation, construction, or work in any right-of-way or other public place in performance of work or services permitted under this franchise. If final judgment is rendered against the City, its elected officials, employees, agents, and volunteers, or any of them, PSE shall satisfy the same to the extent it is based on a claim or demand which is covered by PSE's indemnification obligations hereunder. In the event any claim or demand presented to, or suit or action is commenced against, the City based upon any such claim or demand, the City shall promptly notify PSE thereof, and PSE may elect, at its sole cost and expense, to settle and compromise such suit or action, or defend the same with attorneys of its choice. If any such claim or demand is subject to RCW 4.24.115 and caused by or results from the concurrent negligence of (a) the City, its elected or appointed officials, or its agents or employees; and (b) PSE, or PSE's agents or employees, then in such event the defense and indemnity provisions provided for in this subsection shall be valid and enforceable only to the extent of PSE's negligence.
- 7.2 The City shall not be liable upon, and PSE shall indemnify and defend the City from and against, any claim which is caused by the acts or omissions of PSE in exercising its rights under this Franchise and is asserted by any person against the City for injury to any person or damage to property, to the extent such claim is asserted solely on the basis of the City's ownership or control of the Right-of-way or the City's grant of this Franchise

to PSE.

- 7.3 PSE's indemnification obligations pursuant to this Franchise shall be valid and enforceable with respect to actions brought against the City by PSE's own employees and the employees of PSE's agents, contractors, and subcontractors notwithstanding PSE's immunity under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that the foregoing waiver is limited solely to claims against the City arising by virtue of PSE's exercise of the rights set forth in this Franchise and excludes claims against PSE or claims arising from and to the extent of the negligent acts or omissions of the City, its officials, employees or agents. The obligations of PSE under this Franchise have been mutually negotiated by the parties hereto, and PSE acknowledges that the City would not enter into this Franchise without PSE waiver thereof. To the extent required to provide this indemnification and this indemnification only, PSE waives its immunity under Title 51 RCW as provided in RCW 4.24.115; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees.
- 7.4 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance of PSE's indemnification obligations. Said indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

8. Insurance.

- 8.1. In lieu of the insurance requirements set forth below in this Section 8 and with the concurrence of the City, PSE may utilize a combination of operating reserves and excess liability insurance to protect against such risks in such amounts as are consistent with good utility practice. To secure such concurrence, PSE and the City may, from time to time, review PSE's financial position and risk management program. Upon PSE's acceptance of this Franchise and upon reasonable request thereafter, PSE shall provide the City with reasonable written evidence that such protection is being maintained.
- 8.2. Except as otherwise provided in Subsection 8.1, PSE shall procure and maintain for the duration of the Franchise, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to PSE, its agents or employees. A combination of self-insurance and excess liability insurance may be utilized by PSE. Upon PSE's acceptance of this Franchise, PSE shall provide to the City a certificate of insurance and/or evidence of self-insurance evidencing the following required coverages and limits:
- 8.2.1. Automobile Liability insurance for owned, non-owned and hired vehicles with limits no less than \$4,000,000 Combined Single Limit per accident for bodily injury and property damage; and
- 8.2.2. Commercial General Liability insurance policy and self-insurance coverage providing combined coverage of no less than \$50,000,000 combined single limit

per occurrence and \$50,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. If coverage is provided by self-insurance or a policy of insurance written on a claims made rather than occurrence basis, PSE agrees to maintain the same levels of self-insurance or claims made policy coverage, or to purchase endorsements providing additional reporting periods in which claims otherwise covered by the claims made policy or self-insurance may be reported, for a period of three (3) years following either the discontinuance of the claims made policy or self-insurance or the termination of this Franchise, whichever is earlier.

- 8.3. Payment of deductible or self-insured retention shall be the sole responsibility of PSE.
- 8.4. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, or employees. In addition, the insurance policy shall, contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. PSE's insurance shall be primary. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of PSE's insurance and shall not contribute with it. Coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City.

9. **Enforcement.**

- 9.1. A substantial violation or breach of this Franchise by PSE shall include, but shall not be limited to, the following:
 - 9.1.1. An uncured violation of any material provision of this Franchise, or any material rule, order or regulation of the City made pursuant to its power to protect the public health, safety and welfare;
 - 9.1.2. An intentional evasion or knowing attempt to evade any material provision of this Franchise or practice of any fraud or deceit upon the City;
 - 9.1.3. An uncured failure to pay fees that may be associated with this Franchise, if any.
- 9.2. In the event either party shall fail to comply with the terms of this Franchise, the other party shall provide the non-complying party with detailed written notice of any alleged violation or breach. The party who is allegedly in non-compliance shall have a period of 60 days following such written notice to cure the alleged violation or breach, demonstrate to the other's satisfaction that a violation or breach does not exist, or submit a plan satisfactory to the other to correct the violation or breach. If, at the end of said 60-day period, the City or PSE reasonably believes that a substantial violation or material breach is continuing and the party in breach is not taking satisfactory corrective action, the other may declare that the party in breach is in default, which declaration must be in writing. Within 20 days after receipt of a written declaration of

default, the non-defaulting party may terminate this Franchise.

- 9.3. The City or PSE may, in its discretion, provide an additional opportunity for the other to remedy any violation or breach and come into compliance with this Franchise so as to avoid termination.
- 9.4. Any violation or breach by PSE continuing to exist after the expiration of the notice and cure periods identified in Section 9.2 may be remedied by the City at PSE's expense.
10. **Force Majeure.** Neither party will be subject to penalty for any non-compliance with this Franchise or delay in compliance of any of its obligations hereunder where such compliance is prevented or delayed by acts of God (except normal weather conditions for the Shoreline-Seattle area), fire, explosion, accident, flood, epidemic, war, riot, rebellion, interruption or rationing of fuel supply, or other unexpected and uncontrollable event ("force majeure events"). If a force majeure event occurs, this Section will only apply if the Party intending to seek the protections of this Section notifies the other Party in writing. The City may continue to exercise its rights to abate any Dangerous Condition consistent with Section 5.10.
11. **Survival.** All of the provisions, conditions and requirements of Sections 5.3 Abandonment of PSE's Facilities, 5.4 Restoration After Construction, 5.10 Dangerous Conditions, Authority For City To Abate, 7. Indemnification, 8. Insurance, and other sections of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive such termination or expiration. All of the provisions, conditions, regulations and requirements contained in this Franchise shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of the parties hereto and all privileges, as well as all obligations and liabilities of each party shall inure to their respective heirs, successors and assigns.
12. **Severability.** If any Section, sentence, clause or phrase of this Franchise should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other Section, sentence, clause or phrase of this Franchise. The Parties may amend, repeal, add, replace, or modify any provision of this Franchise to preserve the intent of the parties as expressed herein prior to any finding of invalidity or unconstitutionality.
13. **Assignment.** This Franchise shall not be sold, transferred, assigned, or disposed of in whole or in part either by sale, voluntary or involuntary merger, consolidation or otherwise, without the written approval of the City, which shall not be unreasonably withheld. The City may recover from PSE any actual administrative expenses incurred by the City during its review of any transfer proposed by PSE.
 - 13.1. An assignment of this Franchise shall be deemed to occur if there is an actual change in control or where ownership of fifty percent (50%) or more of the beneficial interests, singly or collectively, are obtained by other parties. The word "control" as used herein is not limited to majority stock ownership only, but includes actual working control in whatever manner exercised.

- 13.2. Except as otherwise provided herein, PSE shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of PSE. Every change, transfer, or acquisition of control of PSE shall cause a review of the proposed transfer. In the event that the City denies its consent and such change, transfer or acquisition of control has been effected, the Franchise is terminated.
- 13.3. PSE shall be permitted, without the City's approval, to mortgage its rights, privileges and authority in and under this Franchise to the trustee under its mortgage indenture for the benefit of its bondholders.
14. **Notice.** Any notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:
- | | |
|---------------------------------|--------------------------------|
| Puget Sound Energy | City Manager City of Shoreline |
| P.O. Box 90868 | 17500 Midvale Avenue N. |
| Bellevue, WA 98009-0868 | Shoreline, WA 98133-4921 |
| Attn: Municipal & Land Planning | |
15. **Non-Waiver.** The failure of either party to enforce any breach or violation by the other party of any provision of this Franchise shall not be deemed to be a waiver or a continuing waiver by the non-breaching party of any subsequent breach or violation of the same or any other provision of this Franchise.
16. **Alternate Dispute Resolution.** If the parties are unable to resolve disputes arising from the terms of this Franchise, prior to resorting to a court of competent jurisdiction, the parties shall submit the dispute to a non-binding alternate dispute resolution process agreed to by the parties. Unless otherwise agreed between the parties or determined herein, the cost of that process shall be shared equally.
17. **Entire Agreement.** Except for the Blanket Permit Definitions to be prepared in accordance with Section 5.8, this Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution and acceptance hereof.
18. **Amendment.** Except for the Blanket Permit Definitions to be prepared in accordance with Section 5.8, this Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington.
19. **Supremacy.** This Franchise represents the dominant agreement between the parties. In the event of any conflict between this Franchise and any City ordinance or permit, the terms of this Franchise shall control. In the event, however, of any conflict between the provisions of this Franchise and PSE's applicable tariff on file with the Washington Utilities and Transportation Commission or a successor state regulatory authority, the tariff shall control for the duration of that conflict, provided, that PSE shall provide the City written notice within five (5) days of filing any proposed tariff or amended tariff which would affect the terms of this Franchise or any rights of the City hereunder.

- 20. **Directions to City Clerk.** The City Clerk is hereby authorized and directed to forward certified copies of this Ordinance to PSE. PSE shall have sixty (60) days from receipt of the certified copy of this Ordinance to accept in writing the terms of the Franchise granted to PSE in this Ordinance.
- 21. **Publication Costs.** In accord with state law, this Ordinance shall be published in full. The costs of said publication shall be borne by PSE.
- 22. **Effective Date.** This Ordinance shall take effect and be in full force on the first day of the first full month at least five days following the publication of this Ordinance.

PASSED by the City Council on this 9th day of October, 2017.

APPROVED:

Christopher Roberts, Mayor

ATTEST:

Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:

Margaret King
City Attorney

Date of Publication: _____
Effective Date: _____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute an Interlocal Agreement with Seattle Public Utilities for Coordination of Services on the Echo Lake Safe Routes to School Project
DEPARTMENT:	Public Works
PRESENTED BY:	Tricia Juhnke, City Engineer
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

During July and August 2017, the City constructed new sidewalks, curb, gutter and curb ramps along the south side of N 195th Street between Wallingford Avenue N and Meridian Avenue N. for the Echo Lake Safe Routes to School project. In preparation for the City’s sidewalk project, Seattle Public Utilities (SPU) was required to construct eight new water services, retire eight existing water services, and install or adjust fire hydrants in the project work area.

SPU has requested that the City execute an interlocal agreement, which SPU entitles as a Coordination Agreement, with it that defines the roles, responsibilities and scope of each party’s work on the project, and to establish that each party will pay its own costs for design and construction. Tonight, Council is being requested to authorize the City Manager to enter into this Interlocal agreement.

RESOURCE/FINANCIAL IMPACT:

Under the provisions of the interlocal agreement, SPU and the City each pay the cost of their own work on the project. For SPU, this is the cost of designing and constructing new water services, retiring existing water services, and adjusting or installing new fire hydrants. For the City, this is the cost of designing and constructing the street, sidewalk, curb, gutter and ramp improvements as budgeted for the Echo Lake Safe Routes to School CIP project. Consequently, there is no financial impact on the City for entering into this Interlocal Agreement.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an interlocal agreement with Seattle Public Utilities for coordination of services on the Echo Lake Safe Routes to School Project.

Approved By: City Manager **DT** City Attorney **JAT**

INTRODUCTION

The City requested that SPU retire eight water services that have long, privately-owned service lines in the public right of way and replace them with new water services located immediately adjacent to the served parcels. The parcels are located on the south side of N 195th Street in the 1800 and 1900 blocks. In the same area, existing fire hydrants needed vertical adjustment to clear the new sidewalks and a new hydrant was requested in one location.

The request for this work was made pursuant to the provisions of SPU's franchise agreement with the City. Although the franchise agreement requires SPU to perform the work without cost to the City, SPU requested a separate interlocal agreement to establish that the City would fully fund all elements of its Echo Lake Capital Improvement Project (the Safe Routes to School Project), and that SPU would fully fund its scope of work to relocate the water services and adjust/install the fire hydrants necessitated by this project. The interlocal agreement establishes the roles and responsibilities and scopes of work for both parties. The resulting Coordination Agreement is attached as Attachment A to this staff report.

BACKGROUND

Council approved the Echo Lake Safe Routes to School project for inclusion in the 2017 Capital Improvement Plan (CIP). To construct the improvements included in the project scope, it was necessary to remove and re-establish eight water services to eliminate their 150 to 200 foot-long service lines that were located in the public right-of-way. The service lines are privately owned from the water meters located at the southeast corner of each block to the service address, and would be located under the new sidewalks if not relocated.

Construction of a new water main was required to relocate the services and meters directly adjacent to the parcels served. The fire hydrants needed vertical adjustment to ensure clearance from the new sidewalk surfaces. SPU is obligated to make such alterations at the City's request by the provisions of Chapter 6 of its Franchise Agreement with the City.

RESOURCE/FINANCIAL IMPACT

Under the provisions of the interlocal agreement, SPU and the City each pay the cost of their own work on the project. For SPU, this is the cost of designing and constructing new water services, retiring existing water services, and adjusting or installing new fire hydrants. For the City, this is the cost of designing and constructing the street, sidewalk, curb, gutter and ramp improvements as budgeted for the Echo Lake Safe Routes to School CIP project. Consequently, there is no financial impact on the City for entering into this Interlocal Agreement.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an interlocal agreement with Seattle Public Utilities for coordination of services on the Echo Lake Safe Routes to School Project.

ATTACHMENTS

Attachment A: Coordination Agreement Between the City of Shoreline and the City of Seattle Regarding Safe Route to Echo Lake Elementary School Project

Attachment A

Coordination Agreement
Between
The City of Shoreline and The City of Seattle
Regarding
Safe Route to Echo Lake Elementary School Project

This Coordination Agreement (Agreement) is dated _____, 2017, and entered into by and between The City of Shoreline (Shoreline) and The City of Seattle, acting through its Department of Public Utilities (SPU or Seattle).

Recitals

WHEREAS, the City of Shoreline and the City of Seattle, specifically Seattle Public Utilities, are working to increase their city-to-city coordination in SPU's provision of municipal water utility services to portions of Shoreline; and

WHEREAS, Shoreline and SPU are engaged in on-going discussions over how to reflect Shoreline's priorities in SPU's asset management decision-making processes that may impact Shoreline, in particular, the prioritization and implementation of certain SPU distribution system capital improvements; and

WHEREAS, the elimination of long, privately-owned service lines located within the public rights-of-way is a consideration in SPU's evaluation of potential water system capital improvements as well as the type of water system capital improvement project prioritized by Shoreline; and

WHEREAS, as a component of the Safe Route to Echo Lake Elementary School Project, Shoreline intends to construct sidewalks and other safety-related improvements along the 1800 and 1900 blocks of North 195th Street in Shoreline, which will require the relocation or replacement of several long, privately-owned service lines; and

WHEREAS, in recognition of the spirit of the on-going discussions and in the interest of promoting continuing goodwill, SPU agrees to take this opportunity to coordinate efforts with Shoreline and install a 2-inch water main and other system improvements within the right-of-way along the 1800 and 1900 blocks of North 195th Street in Shoreline as part of the Safe Route to Echo Lake Elementary School Project.

NOW, THEREFORE, the parties agree as follows:

1. Term of Agreement

The term of this Agreement shall commence on the date first written above and shall terminate no later than December 31, 2017.

2. Roles and Responsibilities

Shoreline and SPU are coordinating efforts in support of the Safe Route to Echo Lake Elementary School Project. SPU and Shoreline will be acting in their individual capacities, not as agents, employees, partners, joint ventures or associates of one another. The roles and responsibilities of the two parties are outlined below.

2.1 Within the right-of-way along the 1800 and 1900 blocks of North 195th Street in Shoreline, SPU agrees to provide and pay all costs for the following:

- A. Design and install approximately 192 linear feet of 2-inch copper pipe with four service relocations along the north side of the right-of-way; and
- B. Design and install approximately 178 linear feet of 2-inch copper pipe with four service relocations along the south side of the right-of-way; and
- C. Adjust the existing hydrant and valve; and
- D. Install a hydrant at an existing tee location; and
- E. Retire existing services.

For the purpose of this Coordination Agreement, the above actions shall be referenced as the “SPU Project.” The SPU Project manager shall be: Alex Chen, Planning & Program Management Director.

2.2 Shoreline agrees to:

- A. Incorporate SPU’s activities into and include SPU representatives in Shoreline’s planning and construction of the Echo Lake Safe Route to School Project along the 1800 and 1900 blocks of North 195th Street to promote efficiencies and reduce costs;
- B. Fully fund completion of the sidewalk, curb, gutter, street surface restoration and other elements of the City’s Project and not including SPU’s work described in Article 2.1 of this Agreement.

For the purpose of this Coordination Agreement, the planning and construction of the Safe Route to Echo Lake Elementary School Project shall be referenced as the “Echo Lake School Project.” The Shoreline Project manager shall be: Eduardo Aban, P.E.

2.3 Shoreline and SPU agree that they are not responsible for the delays of the other parties when such delays are caused by factors beyond the reasonable control of the

party. Shoreline and SPU agree that neither party will be responsible to the other for such delays nor shall either party be deemed in default of this Coordination Agreement.

3. Existing Franchise Agreement

Shoreline and SPU agree that this Coordination Agreement is separate and distinct from the existing SPU Franchise Agreement referenced by Shoreline Receiving No. 6578. This Coordination Agreement is not intended to reflect either party's interpretation of the existing Franchise Agreement and agree not to assert that the terms of this Coordination Agreement represent an expression of either party's interpretation of the existing Franchise Agreement.

4. Dispute Resolution

Any disputes or misunderstandings that may arise under this Coordination Agreement shall first be resolved through amicable negotiations, if possible, between the SPU project director and the Shoreline project director. If such parties do not agree upon a decision within a reasonable period of time, the parties may pursue other legal means to resolve such disputes, including but not limited to alternative dispute resolution processes. Any such dispute resolution processes shall take place within the State of Washington.

5. Indemnity

5.1 To the extent permitted by law, the parties shall protect, defend, indemnify, and hold harmless each other from and against all claims, demands, damages, costs, actions and causes of action, liabilities, judgments, expenses and attorney fees, including but not limited to injury or death of any persons or the damage to or destruction of property, arising from the negligent acts or omissions of the other party relating to that parties involvement under the terms of this Coordination Agreement in the Safe Route to Echo Lake Elementary School Project.

5.2 Solely with respects to claims for indemnification under this Coordination Agreement, Shoreline and SPU waive, as to each other only, their immunity under Title 51 RCW, the Industrial Insurance Act, and acknowledge that this waiver has been mutually negotiated by the Parties.

5.3 Any liability of Shoreline or SPU arising under any indemnity provision of this Coordination Agreement shall survive termination of this Coordination Agreement, whether or not any claim giving rise to such liability shall have accrued.

6. Termination

Either party may terminate this Coordination Agreement without recourse by the other where performance is rendered impossible or impractical due to factors beyond the

control of the parties or where either party determines that its participation under the terms of this Agreement no longer meets its needs or expectations. Written notice shall be given to the Project Manager for the non-terminating party. Termination will become effective after five business day following written notice to the other party.

7. Compliance with Law

Both parties will comply with all applicable laws of the United States and the State of Washington, the City of Seattle Charter, Municipal Code, and ordinances of Seattle and Shoreline, and all applicable rules, regulations, orders, and directives of their administrative agencies and officers.

8. Applicable Law and Venue

This Coordination Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought to enforce the terms of this Agreement shall be in the Superior Court of King County.

9. Entire Agreement

This Coordination Agreement constitutes the entire Agreement between the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or bind any of the parties hereto. Either party may request a modification to this Agreement. Any modifications to this Agreement shall be in writing and mutually agreed upon by the Parties.

10. General Provisions

10.1 Both Parties acknowledge that they are a public agency subject to Washington's Public Records Act, chapter 42.56 RCW, and that all documents produced in connection with this Coordination Agreement may be deemed a public record as defined in the Public Records Act and that if either Party receives a public record request, unless a statute exempts disclosure, the Party must disclose the record to the requestor.

10.2 This Coordination Agreement shall be effective independently from any and all permits that may be issued by Shoreline. Nothing in this Agreement shall be construed as waiving or limiting Shoreline's right to exercise its police power or to preclude or limit exercising any regulatory power in connection with the projects identified in this Agreement.

10.3 No failure to exercise, and no delay in exercising, on the part of either Party hereto, any rights, power, or privilege hereunder shall operate as a waiver thereof, except as expressly provided for in this Coordination Agreement.

10.4 This Coordination Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts together shall constitute but one and the same instrument.

10.5 Any provision or part of this Coordination Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon Shoreline and SPU, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, in consideration of the terms, conditions, and mutual benefits contained herein, the parties have executed this Agreement by having their representatives affix their signatures below.

CITY of SEATTLE

By: _____
XXXXXXXXXXXXX
Title

Dated: _____, 2017

CITY of SHORELINE

By: _____
Debbie Tarry
City Manager

Dated: _____, 2017

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Execute a Professional Services Contract not to Exceed \$100,000.00 with Contract Land Staff
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

It will be necessary for the City of Shoreline to acquire real property to accomplish certain Council Goals, notably in the areas of Capital Improvements and Parks, Recreation, and Cultural Services. Staff recommends that Council authorize the City Manager to engage Contract Land Staff, an experienced third-party consultant, to provide real estate acquisition services on the City's behalf. Contract Land Staff received strong recommendations from other cities and government agencies, and it has significant experience managing the types of acquisitions Shoreline will likely need to make in the coming years.

Contract Land Staff will be asked to monitor open-market sales, to investigate off-market opportunities, and to negotiate options, leases, and purchase agreements of strategic properties. In addition, Contract Land Staff will provide counsel and assistance to the City in the use of its eminent domain authority.

Attachment A to this staff report provides the proposed scope of work for a professional services contract with Contract Land Staff. Tonight, Council is being asked to authorize the City Manager to enter into a contract with Contract Land Staff not to exceed \$100,000.00.

RESOURCE/FINANCIAL IMPACT:

The contract would not to exceed \$100,000.00 in General Fund spending and would extend through 2019.

RECOMMENDATION

Staff recommends that the City Council move to authorize the City Manager to execute a professional services contract not to exceed \$100,000.00 with Contract Land Staff.

ATTACHMENTS:

Attachment A – Scope of Work for Contract Land Staff

Approved By: City Manager **DT**

City Attorney **JAT**

**EXHIBIT A
SCOPE OF WORK**
City of Shoreline - 8925

Work

Contract Land Staff, LLC will assist the City of Shoreline in analyzing and identifying on/off market properties for possible Public Works/Parks acquisitions.

Tasks include, but are not limited to:

- Monitoring of real estate brokerage sites such as MLS and reporting of properties with potential interest that have become available.
- Perform initial property owner contact and, upon the City's authorization, engage in negotiations to acquire real property, subject to standards required by the City and applicable regulations.
- Title analysis – Prepare list of title exceptions to be cleared.
- Assist with scoping for appraisal and appraisal review, if required.
- Attend and facilitate public meetings, stakeholder outreach, and any public presentations that may be required.
- Attend coordination meetings with City as required, for identification of interest areas for land acquisition.
- Coordinate the update of appraisals and appraisal reviews for potential litigation, if required.

Assumptions:

City of Shoreline to contract for preliminary title commitments, appraisal and appraisal review services, environmental assessments for contamination if any.

Invoicing:

Contract Land Staff, LLC will submit monthly invoices detailing the work performed and the staff performing the work.

Minimum Deliverables:

- Timely notification to project manager when properties of potential interest become available.
- Weekly report of on or off market property owner contact
 - Date(s) of contact
 - Summary/results
- Monthly report of market monitoring
- Weekly report of active property negotiations
 - Date(s) of contact
 - Summary
- Management of any sub-consultants (i.e. title, appraiser)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Obligate \$300,000 in King County Flood Control District Flood Reduction Grant Funding for the Hidden Lake Dam Removal Project
DEPARTMENT:	Public Works
PRESENTED BY:	Tricia Juhnke, City Engineer
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Staff is requesting that Council authorize the City Manager to execute an agreement with King County (Attachment A) for a \$300,000 King County Flood Control District (KCFCD) Flood Reduction Grant that funds a portion of the Hidden Lake Dam Removal Project.

Hidden Lake is a man-made pond on Boeing Creek located east of the intersection of NW Innis Arden Way and 10th Avenue NW, partially within Shoreview Park. King County constructed the present dam and re-established an open water environment for Hidden Lake in 1996. From 2002 to 2013, the Surface Water Utility spent over \$600,000 to implement seven separate dredging projects which removed a total of nearly 13,000 cubic yards of material.

On September 8, 2014, the City Council discussed this issue as presented in the Hidden Lake Management Plan Feasibility Study and authorized staff to cease dredging the lake and begin a phased approach to remove Hidden Lake Dam and re-establish Boeing Creek at Hidden Lake. On May 23, 2016, City Council discussed the results of the Hidden Lake Dam Removal alternatives analysis and authorized staff to further develop concepts for dam removal and channel restoration at Hidden Lake and additional downstream improvements along Boeing Creek, including replacement of the NW Innis Arden Way culverts. The project currently expects to complete pre-design efforts near the end of 2017, and proceed with project design in 2018.

The improvements to be constructed under the Hidden Lake Dam Removal Project will safely convey creek flood flows and manage sediment through a steep urban watershed. If no action is taken prior to sediment in-filling the lake (expected by 2020-2025), risk of catastrophic flooding will increase, threatening public safety, critical public infrastructure, and private residences.

Staff applied for the competitive King County Flood Control District 2017 Flood Reduction Grant on May 10, 2017; notification of the grant offer was received on August 22, 2017. The grant agreement will expire on December 31, 2020.

In accordance with the City’s purchasing policies, Council authorization is required in order for staff to obligate grant funds exceeding \$50,000.

FINANCIAL IMPACT:

This grant will fund nearly half (47%) of all estimated costs for design from initiation to final and for permitting to remove Hidden Lake dam and spillway, restore the section of Boeing Creek current below the dam, spillway, and lake, and replace culverts under NW Innis Arden Way. Matching funding is to be provided through the City’s Surface Water Fund. The City may reapply for additional Flood Reduction Grant funding for future project phases (including construction).

The total project budget is \$2,514,900, per the proposed 2018-2023 CIP. The budget for the project design phase scheduled from 2018-2019 and a portion of 2020 is \$643,240. The bulk of these costs are as estimated in the scope for the engineering consulting contract, plus staff expenses representing the Project Management workload. Expected project expenditures and revenues for the design and permitting phase (updated to reflect funding from this grant) are as follows:

EXPENDITURES

Staff and other Direct Expenses	\$68,240
Engineering Consultant	\$575,000
Total Cost	\$643,240

REVENUE

King County Flood Control District Flood Reduction Grant	\$300,000
Surface Water Capital Fund	\$343,240
Total Revenue	\$643,240

Total project budget through 2023 (including construction in 2020), is programmed in the proposed 2018-2023 CIP budget as follows:

Year		Hidden Lake Dam Removal Expenditures
Prior Years		\$177,023
2017 (Est.)		\$76,108
2018-2023 CIP	2018	\$267,800
	2019	\$275,834
	2020	\$1,657,667
	2021	\$22,510

	2022	\$23,185
	2023	\$23,881
Total		\$2,514,900

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute an agreement with King County for a \$300,000 King County Flood Control District Flood Reduction Grant that funds a portion of the Hidden Lake Dam Removal Project.

ATTACHMENT:

Attachment A: Agreement for Award of Flood Reduction Grant Funds Between the City of Shoreline and King County for the Hidden Lake Dam Removal Project

Approved By: City Manager ***DT*** City Attorney ***JAT***

**AGREEMENT FOR AWARD OF
FLOOD REDUCTION GRANT FUNDS
BETWEEN THE CITY OF SHORELINE AND KING COUNTY**

This Agreement is made between King County, a municipal corporation, and the **City of Shoreline** (“Recipient”) (collectively referred to as the “parties” and in the singular “party”), for the purposes set forth herein. This Agreement shall be in effect from the date of execution to **December 31, 2020**.

Project Contacts:

King County – Kim Harper, Grant Administrator, 206-477-6079, Kim.harper@kingcounty.gov.

Recipient – John Featherstone, 206-801-2478 or 206-681-6443,
Jfeatherstone@shorelinewa.gov.

SECTION 1. RECITALS

- 1.1 Whereas, the King County Flood Control District (“District”) is a quasi-municipal corporation of the State of Washington, authorized to provide funding for flood control and stormwater protection projects and activities; and
- 1.2 Whereas King County is the service provider to the District under the terms of an interlocal agreement ("ILA") by and between King County and the District, dated February 17, 2009, as amended, and as service provider implements the District's annual work program and budget; and
- 1.3 Whereas, on November 12, 2013, the District’s Board of Supervisors passed Resolution FCD2013-14.3 which established a Flood Reduction Grant Program and criteria for awarding grant funding for projects, and on November 16, 2015, the Board passed Resolution FCD2016-20.3, which authorized an allocation of \$3,058,908 from the District’s 2016 budget to fund flood reduction projects; and
- 1.4 Whereas, on August 21, 2017 the District’s Board of Supervisors passed Resolution FCD2017-05.1, which approved the flood reduction projects described in Attachment A to that Resolution; and
- 1.5 Whereas, in accordance with the terms of these Resolutions, and in its capacity as service provider to the District, King County has established policies and procedures for administering the flood reduction grant program, a copy of which has been furnished to Recipient and which is incorporated herein by this reference (hereinafter “Grant Policies and Procedures”); and
- 1.6 Whereas, the Recipient submitted an application to receive funds for a project to be funded by the Flood Reduction Grant Program; and

- 1.7 Whereas the District’s Board of Supervisors approved funding of Recipient’s application for the project (“Project”), as described in Attachment A to Resolution FCD2017-05.1 in the amount of **\$300,000** (“Award”); and
- 1.8 Whereas King County has received a Scope of Work and a Budget for the Project from the Recipient and has determined that the Scope of Work, attached hereto and incorporated herein as Exhibit B (“Scope of Work”), and the Budget, attached hereto and incorporated herein as Exhibit C (“Budget”), are consistent with the Grant Policies and Procedures, the Recipient’s application for the Project, and the Resolution approving funding for the Project; and
- 1.9 Whereas, King County and the Recipient desire to enter into this Agreement for the purpose of establishing the terms and conditions under which King County will provide funding from the District in accordance with Resolution FCD2017-05.1, and the Grant Policies and Procedures, and under which the Recipient will implement the Project.

SECTION 2. AGREEMENT

- 2.1. The Recitals are an integral part of this Agreement and are incorporated herein by this reference.
- 2.2. King County agrees to pay the Award amount to Recipient in the total amount of **\$300,000** from District funds. The Award shall be used by the Recipient solely for the performance of the Project, as described in Exhibit A to this Agreement. Exhibit A, attached hereto and incorporated herein by this reference, contains a description of the Project as described in Attachment A to Resolution FCD2017-05.1. King County shall pay the Recipient in accordance with the terms of the Grant Policies and Procedures.
- 2.3. The Recipient represents and warrants that it will only use the Award for the Scope of Work of this Agreement and in accordance with the Project Budget. The Recipient shall be required to refund to King County that portion of the Award which is used for work or tasks not included in the Scope of Work. Further, the Recipient agrees that King County may retain any portion of the Award that is not expended or remains after completion of the Scope of Work and issuance of the Final Report, as further described below.
- 2.4. Activities carried out for this Project and expenses incurred by the Recipient may predate the execution date of this Agreement provided that 1) they have been identified by Recipient as being within the scopes of numbers 2) and 3) below, and have been approved by King County as being within such scopes; 2) the activities are specified in the Scope of Work of this Agreement; 3) the expenses are incurred in carrying out the Scope of Work and are authorized by the Award as identified in the Budget of this Agreement; 4) the activities occur after the District passes a resolution approving an award for the Project; 5) such activities and expenses otherwise comply with all

other terms of this Agreement; and 6) reimbursements shall be paid to the Recipient only after this Agreement has been fully executed.

- 2.5. The Recipient shall invoice King County for incurred expenses using the Request for Payment form and Progress Report form for those documented and allowable expenses identified in the Budget and according to the rules set forth in the Grant Policies and Procedures. Blank forms shall be provided to the Recipient by King County upon execution of this Agreement. A progress report (with or without a request for payment) shall be made no less frequently than every six months after the effective date of this Agreement nor more frequently than every three months after the aforementioned date. A Progress Report form shall be submitted with all payment requests. A one-time advance of no more than 25% of the Award amount may be allowed, in the discretion of King County, for expenses anticipated to be incurred in the three months following the date of submission of the advance Request for Payment only for work that is included in the Scope of Work of this Agreement, and identified as such in the Request for Payment. Documentation of payments made from the advance payment shall be submitted to King County prior to any further requests for payment.
- 2.6. The Recipient shall be required to submit to King County a final report which documents the Recipient's completion of the work in conformance with the terms of this Agreement within thirty (30) days after the completion of the work. The final report may be submitted on the Close-out Report form unless a more detailed final report is specified in the scope of work. A blank form shall be provided to the Recipient by King County upon execution of this Agreement. The final report shall include a summary of the Project's successes and shall address the flood reduction benefits accomplished by the work.
- 2.7. The Recipient's expenditures of Award funds shall be separately identified in the Recipient's accounting records. If requested, the Recipient shall comply with other reasonable requests made by King County with respect to the manner in which Project expenditures are tracked and accounted for in the Recipient's accounting books and records. The Recipient shall maintain such records of expenditures as may be necessary to conform to generally accepted accounting principles as further described in Section 2.8 below, and to meet the requirements of all applicable state and federal laws.
- 2.8. The Recipient shall be required to track project expenses using the Budget Accounting and Reporting System for the State of Washington ("BARS") or Generally Accepted Accounting Principles set forth by the Financial Accounting Standards Board or by the Governmental Accounting Standards Board.
- 2.9. King County or its representative, and the District or its representative, shall have the right from time to time, at reasonable intervals, to audit the Recipient's books and records in order to verify compliance with the terms of this Agreement. The Recipient shall cooperate with King County and the District in any such audit.

- 2.10. The Recipient shall retain all accounting records and project files relating to this Agreement in accordance with criteria established by the Washington State Archivist Local Government Common Records Retention Schedule (CORE) as revised.
- 2.11. The Recipient shall ensure that all work performed by its employees, agents, contractors or subcontractors is performed in a manner which protects and safeguards the environment and natural resources and which is in compliance with local, state and federal laws and regulations. The Recipient shall implement an appropriate monitoring system or program to ensure compliance with this provision.
- 2.12. The Recipient agrees to indemnify, defend and hold harmless King County, and the District, their elected or appointed officials, employees and agents, from all claims, alleged liability, damages, losses to or death of person or damage to property arising out of any acts or omissions of the Recipient, its employees, agents, contractors or subcontractors in performing its obligations under the terms of this Agreement.
- 2.13. The Recipient agrees to acknowledge the District as a source of funding for the Project on all literature, signage or press releases related to the Project. The Recipient may obtain from King County a District logo that may be used in the acknowledgement.

SECTION 3. GENERAL PROVISIONS

- 3.1. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
- 3.2. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. No prior or contemporaneous representation, inducement, promise or agreement between or among the parties which relate to the subject matter hereof which are not embodied in this Agreement shall be of any force or effect.
- 3.3. No amendment to this Agreement shall be binding on any of the parties unless such amendment is in writing and is executed by the parties. The parties contemplate that this Agreement may from time to time be modified by written amendment which shall be executed by duly authorized representatives of the parties and attached to this Agreement.
- 3.4. Each party warrants and represents that such party has full and complete authority to enter into this Agreement and each person executing this Agreement on behalf of a party warrants and represents that he/she has been fully authorized to execute this Agreement on behalf of such party and that such party is bound by the signature of such representative.
- 3.5. The Project shall be completed by no later than **December 31, 2020**. In the event that the Project is not completed by this date, King County has the discretion, but not the obligation, to terminate this Agreement and retain any unexpended Award funds.
- 3.6. This Agreement may be signed in multiple counterparts.

3.7. If any provision of this Agreement shall be wholly or partially invalid or unenforceable under applicable law, such provision will be ineffective to that extent only, without in any way affecting the remaining parts or provision of this Agreement, and the remaining provisions of this Agreement shall continue to be in effect.

3.8. The amount of the Award has been fully funded by the District. To the extent that funding of the Award requires future appropriations by the District, King County’s obligations are contingent upon the appropriation of sufficient funds by the Board of Supervisors of the District to complete the Scope of Work. If no such appropriation is made, this Agreement will terminate at the close of the appropriation year for which the last appropriation that provides funds under this Agreement was made.

This document has been approved as to form by the King County Prosecuting Attorney’s Office as of September 12, 2015.

KING COUNTY:

RECIPIENT:

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____

EXHIBIT A: PROJECT DESCRIPTION

PROJECT NAME	RECIPIENT	DESCRIPTION	LEVERAGE	AWARD
Hidden Lake Dam Removal	City of Shoreline	This project will provide 60% and final design and permitting to remove Hidden Lake dam and spillway, restore this section of Boeing Creek and replace culverts under NW Innis Arden Way. The eventual construction of this (not covered under grant) will safely convey creek flood flows and manage sediment through a steep urban watershed. If no action is taken prior to sediment in-filling the lake (expected by 2020-2025), risk of catastrophic flooding will increase, threatening public safety, critical public infrastructure, and private residences.	\$343,240	\$300,000

EXHIBIT B: SCOPE OF WORK

TASKS	ACTIVITIES AND DELIVERABLES	APPROX. PERCENT OF AWARD REQUEST	MONTH/YEAR TASK WILL BE COMPLETED
Task 1: Project Administration (Required task)	Submit reimbursement request forms, backup documentation for billing, and progress reports at least every 6 months. Submit a Fiscal Closeout form and a Closeout Report form with the final reimbursement request.	3%	June 2020
Task 2: 60% Design and Permitting	Consultant will produce a 60% Design Set and permit application packages as needed.	57%	December 2018
Task 3: Final Design	Consultant will produce a Final Design Set which is bid-ready.	40%	December 2019

EXHIBIT C: BUDGET

BUDGET ITEM	GRANT AWARD REQUEST	FINANCIAL LEVERAGE (not required)			LEVERAGE TOTAL	TOTAL (Grant + Leverage)
		SOURCE NAME				
		City Surface Water Utility Fund	n/a	n/a		
		AMOUNT				
STAFFING [City]	\$10,000	\$58,240			\$58,240	\$68,240
COMMERCIAL SERVICES AND CREW TIME	\$290,000	\$285,000			\$285,000	\$575,000
TOTAL	\$300,000	\$343,240			\$343,240	\$643,240

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing Ordinance No. 801 – Amending SMC 3.35.010 Petty Cash and Change Fund
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Currently, \$1,500.00 is allotted to provide petty cash and change funds throughout the City. The Utility Operating Services Agreement between the City and the Ronald Wastewater District will require the establishment of an additional change fund for the City Clerk’s office. The cash handlers in the Department of Planning and Community Development have also seen an increase in cash transactions and anticipate additional activity with the City’s operation of Ronald Wastewater. The Administrative Services Department has also seen an increase in activity in their petty cash fund.

The combined petty cash and change fund of \$1,500.00 set forth in Shoreline Municipal Code (SMC) 3.35.010 has been in place since 2011. Proposed Ordinance No. 801 would increase this amount to \$2,000.00 to account for the recommended increase in funds. Tonight, Council will discuss proposed Ordinance No. 801 amending SMC 3.35.010.

RESOURCE / FINANCIAL IMPACT:

Adoption of proposed Ordinance No. 801 will require that \$500.00 be taken from unrestricted cash within the General Fund to be placed in the pool of funds for petty cash and change funds. This will not have a budget impact.

RECOMMENDATION

No action is required tonight. Staff is seeking Council direction on proposed Ordinance No. 801. Proposed Ordinance No. 801 is scheduled to be brought back to Council for adoption on October 23, 2017.

Approved By: City Manager **DT** City Attorney **JAT**

BACKGROUND

In 1995, the City established a petty cash fund of \$300.00. It was last increased to \$1,500.00 by Ordinance No. 619, adopted on November 14, 2011. Ordinance No. 656, adopted on April 8, 2013, increased the maximum allowance for minor disbursements to \$50.00, but did not increase the total fund.

DISCUSSION

Proposed Ordinance No. 801 (Attachment A) would increase the petty cash and change fund amount to \$2,000.00. The City Clerk's office currently maintains one change fund of \$100.00. As the City Council is aware, the City and the Ronald Wastewater District have entered into a Wastewater Utility Operating Services Agreement by which the City will be operating the sewer utility system on behalf of the Ronald Wastewater District. The City's services in this regard will require an additional cash handler who will require a change fund.

The Planning and Community Development Department currently maintains four (4) change funds, each of \$100.00. Many of these funds' transactions are in cash and staff anticipate an increase in transactions with the addition of Ronald Wastewater activity. The cash handlers routinely process transactions that exhaust their existing change fund after only one payment, requiring staff to look for change to accommodate subsequent transactions. Staff is recommending an increase to one of their funds to provide additional change for multiple transactions.

The Administrative Services Department also maintains a petty cash fund. Their balance has been depleted in order to increase petty cash funds in the Parks Department. Staff is recommending an increase to the fund in order to accommodate the increase in activity.

Tonight, Council will discuss proposed Ordinance No. 801 amending SMC Section 3.35.010. Proposed Ordinance No. 801 is scheduled to be brought back to Council for adoption on October 23, 2017.

RESOURCE/FINANCIAL IMPACT

The recommended code change will require that \$500.00 be taken from unrestricted cash within the General Fund to be placed in the pool of funds for petty cash and change funds. This will not have a budget impact.

RECOMMENDATION

No action is required tonight. Staff is seeking Council direction on proposed Ordinance No. 801. Proposed Ordinance No. 801 is scheduled to be brought back to Council for adoption on October 23, 2017.

ATTACHMENTS

Attachment A – Proposed Ordinance No. 801

ORDINANCE NO. 801

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING SHORELINE MUNICIPAL CODE 3.35.010 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION TO THE PETTY CASH AND CHANGE FUND.

WHEREAS, pursuant to SMC 3.35.010, the appropriation for Petty Cash and Change Fund is \$1,500.00; and

WHEREAS, the appropriation amount should be increased to \$2,000 to accommodate the transactional needs of the City Clerk's Office, the Department of Planning and Community Development, and the Administrative Services Department;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Shoreline Municipal Code 3.35.010 is amended as follows:

3.35.010 Petty cash and change fund.

A sum of up to, but not exceeding, ~~\$1,500~~ \$2,000 is appropriated from the city's general fund to the city petty cash and change fund for the purpose of making minor disbursements (\$50.00 or less) and making change; and the city manager or his or her designee is authorized, from time to time, to reimburse the petty cash and change fund for actual expenses incurred for such purposes. The fund shall be administered by the city of Shoreline in accordance with regulations providing for such lawful administration.

Section 2. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 4. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON OCTOBER 23, 2017.

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication:

Effective Date:

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Transmittal of the 2018 Proposed Budget and 2018-2023 Capital Improvement Plan
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City Manager is required to submit the 2018 Proposed Budget to the City Council no later than November 1, 2017. Tonight's presentation will introduce the 2018 Proposed Budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2018 work plan, and propose a budget review process and schedule. Council will receive hard or electronic copies of the 2018 proposed budget following tonight's meeting. The proposed 2018-2023 Capital Improvement Plan is attached to this staff report as Attachment A.

RESOURCE/FINANCIAL IMPACT:

The City's 2018 Proposed Budget is balanced in all funds and totals \$79.939 million. Proposed appropriations for the Operating Funds total \$49.039 million, which account for 61.3% of the total budget. Proposed appropriations for the Debt Service Funds total \$3.620 million, which account for 4.5% of the total budget. Proposed appropriations for the Capital Service Funds total \$16.742 million, which account for 20.9% of the total budget.

The City's Enterprise Funds include the Surface Water and Wastewater utilities. Proposed appropriations for the Surface Water Utility, including activities relating to operations and capital projects, total \$6.926 million, which account for 8.6% of the total budget. Proposed appropriations for the Wastewater Utility total \$2.298 million, which accounts for 2.9% of the total budget. The Ronald Wastewater District (RWD) will retain all revenue and costs associated with interlocal agreements and certain operating contracts. In addition, the RWD Board of Commissioners will be responsible for addressing policy matters, setting rates and managing capital improvements for the Utility. The City's 2018 proposed budget includes revenues and expenditures developed based on the personnel and maintenance and operations costs necessary to operate the RWD under a service contract. RWD will reimburse the City based on annual budgeted costs with annual reconciliation of direct costs.

The remaining portion of the 2018 Proposed Budget comprises the City's Internal Service Funds. Proposed appropriations for Internal Service Funds total \$1.314 million, which account for 1.6% of the total budget.

The 2018 budget is \$28.509 million, or 26.3%, less than the 2017 current budget (2017 Adopted Budget plus all budget amendments, including re-appropriations from 2016, which have been adopted by the City Council through September 2017). The decrease can be linked to the following changes:

- \$15.128 million decrease in the City's Enterprise Funds;
- \$10.620 million decrease in the City's Capital Funds; and,
- \$2.791 million decrease in the Operating Funds.

The large decrease in the City's Enterprise funds is primarily the result of merger of Ronald occurring through a service contract rather than full assumption. In anticipation of the assumption of RWD, the City adopted the full 2017 RWD budget in accordance with GAAP during its April amendment process. However, in mid-2017, the RWD Board and the City mutually agreed to an extension of the Assumption Agreement and executed a Service Contract Agreement. As a result the District maintains ownership of the utility system. The City will be amending its 2017 Budget in November to reflect the costs associated with operating the wastewater utility for ten weeks in 2017 following the October 23 Service Agreement transition date. The main reasons for the difference in the Capital Funds are a \$6.767 million decrease in Roads Capital Fund projects and a \$3.960 million decrease in General Capital Fund projects.

The 2018 Proposed Budget includes adequate reserve levels to meet all adopted budget policies. The 2018 Proposed Budget Summary (Attachment B) summarizes the 2018 Proposed Budget and provides a comparison to the 2017 current budget by fund.

PROPOSED BUDGET SCHEDULE:

The proposed schedule for 2018 budget review includes:

Date	Action
October 9, 2017	Transmittal of 2018 Proposed Budget and 2018-2023 Capital Improvement Plan
October 16, 2017	Review of Department Budgets
October 23, 2017	Continued Review of Department Budgets and Review of 2018-2023 Capital Improvement Plan
November 6, 2017	Public Hearing on 2018 Property Tax Levy & Revenue Sources
November 14, 2017	Public Hearing on 2018 Proposed Budget and 2018-2023 Capital Improvement Plan and Final Discussion of the 2018 Proposed Budget and 2018-2023 Capital Improvement Plan
November 21, 2017	Adoption of the 2018 Budget, Fee Schedule and 2018-2023 Capital Improvement Plan, and adoption of the 2018 Property Tax Levy

RECOMMENDATION

This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2018 budget process and any key questions or issues that Council wants staff to address as part of the process.

ATTACHMENTS:

Attachment A: 2018 – 2023 Capital Improvement Plan

Attachment B: 2018 Proposed Budget Summary

Approved By: City Manager ***DT***

City Attorney ***JAT***

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
General Capital							
<i>Parks Maintenance Projects</i>							
Boeing Creek-Shoreview Park Trail R&R	\$0	\$250,000	\$1,642,000	\$0	\$0	\$0	\$1,892,000
King County, Trails And Open Space Replacement Levy	\$85,000	\$0	\$0	\$0	\$0	\$0	\$85,000
Kruckeberg Env Ed Center (Residence Stabilization)	\$0	\$265,000	\$0	\$0	\$0	\$0	\$265,000
Park Ecological Restoration Program	\$80,000	\$80,000	\$0	\$0	\$0	\$0	\$160,000
Parks Repair And Replacement	\$238,597	\$250,528	\$263,054	\$265,816	\$275,000	\$275,000	\$1,567,995
Richmond Beach Community Park Wall Repair	\$0	\$0	\$0	\$25,000	\$0	\$1,129,000	\$1,154,000
RB Saltwater Park Fire Suppression Line	\$0	\$0	\$0	\$25,000	\$0	\$466,000	\$491,000
Turf & Lighting Repair And Replacement	\$1,700,000	\$0	\$1,200,000	\$0	\$0	\$0	\$2,900,000
<i>Facilities Projects</i>							
City Maintenance Facility	\$263,000	\$0	\$0	\$0	\$0	\$0	\$263,000
Police Station at City Hall	\$1,711,713	\$0	\$0	\$0	\$0	\$0	\$1,711,713
<i>Parks Development Projects</i>							
Outdoor Multi-Use Sport Court	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Parks Facilities Recreation Amenities Plan	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$250,000
PROS Plan Implementation	\$118,311	\$0	\$0	\$0	\$0	\$0	\$118,311
<i>Non-Project Specific</i>							
General Capital Engineering	\$105,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$530,000
Cost Allocation Charges	\$23,501	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$173,501
City Hall Debt Service Payment	\$662,546	\$677,546	\$663,250	\$683,250	\$663,782	\$663,782	\$4,014,156
General Capital Fund Total	\$5,187,668	\$1,763,074	\$3,883,304	\$1,114,066	\$1,053,782	\$2,648,782	\$15,650,676
City Facilities - Major Maintenance							
<i>General Facilities Projects</i>							
City Hall Long-Term Maintenance	\$10,000	\$77,904	\$84,182	\$68,400	\$40,000	\$0	\$280,486
City Hall Parking Garage Long-Term Maintenance	\$0	\$16,128	\$0	\$0	\$0	\$0	\$16,128
Duct Cleaning	\$33,900	\$10,000	\$13,350	\$10,000	\$13,350	\$10,000	\$90,600
<i>Parks Facilities Projects</i>							
Parks Restrooms Long-Term Maintenance	\$0	\$0	\$0	\$25,632	\$10,682	\$0	\$36,314
Shoreline Pool Long-Term Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Richmond Highlands Community Center Long-Term Maintenance	\$80,313	\$0	\$2,000	\$0	\$40,000	\$0	\$122,313
Spartan Recreation Center	\$9,000	\$0	\$4,500	\$0	\$0	\$0	\$13,500
City Facilities - Major Maintenance Fund Total	\$153,213	\$124,032	\$124,032	\$124,032	\$124,032	\$30,000	\$679,341

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
Roads Capital Fund							
<i>Pedestrian / Non-Motorized Projects</i>							
Traffic Safety Improvements	\$160,775	\$163,814	\$167,005	\$175,355	\$184,123	\$193,329	\$1,044,401
147th/148th Non-Motorized Bridge	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
Echo Lake Safe Routes To School	\$5,624	\$0	\$0	\$0	\$0	\$0	\$5,624
Trail Along The Rail	\$140,972	\$0	\$0	\$0	\$0	\$0	\$140,972
<i>System Preservation Projects</i>							
Annual Road Surface Maintenance Program	\$2,300,000	\$1,120,000	\$2,100,000	\$1,120,000	\$1,900,000	\$1,350,000	\$9,890,000
Aurora Median Retrofits	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000
Curb Ramp, Gutter And Sidewalk Maintenance Program	\$190,000	\$190,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,180,000
Complete Streets- Ped/Bike Gaps	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
Meridian Ave N & N 155th St Signal Improv	\$430,000	\$0	\$0	\$0	\$0	\$0	\$430,000
Traffic Signal Rehabilitation Program	\$121,551	\$127,628	\$134,010	\$140,711	\$147,746	\$155,133	\$826,779
<i>Safety / Operations Projects</i>							
145th Corridor - 99th To I5	\$1,437,281	\$0	\$0	\$0	\$0	\$0	\$1,437,281
145th and I5 Interchange	\$2,500,000	\$500,000	\$7,986,000	\$8,187,000	\$0	\$0	\$19,173,000
160th and Greenwood/Innis Arden Intersection	\$105,000	\$0	\$0	\$0	\$0	\$0	\$105,000
185th Corridor Study	\$375,000	\$0	\$0	\$0	\$0	\$0	\$375,000
N 175th St - Stone Ave N to I5	\$1,640,000	\$2,460,000	\$0	\$0	\$0	\$0	\$4,100,000
Richmond Beach Re-Channelization	\$330,000	\$0	\$0	\$0	\$0	\$0	\$330,000
Radar Speed Signs	\$127,716	\$0	\$0	\$0	\$0	\$0	\$127,716
Westminster And 155th Improvements	\$100,000	\$2,610,000	\$0	\$0	\$0	\$0	\$2,710,000
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$57,194	\$55,000	\$50,000	\$50,000	\$50,000	\$50,000	\$312,194
Transportation Master Plan Update	\$105,000	\$400,000	\$50,000	\$0	\$0	\$0	\$555,000
Roads Capital Engineering	\$454,053	\$385,000	\$395,000	\$405,000	\$415,000	\$415,000	\$2,469,053
Roads Capital Fund Total	\$11,130,166	\$8,011,442	\$11,257,015	\$10,278,066	\$2,896,869	\$2,363,462	\$45,937,020

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
Surface Water Capital							
<i>Capacity</i>							
6th Ave NE and NE 200th St Flood Reduction Project	\$0	\$0	\$0	\$24,761	\$0	\$0	\$24,761
10th Ave NE Drainage Improvements	\$0	\$0	\$0	\$281,377	\$258,518	\$1,570,179	\$2,110,074
18th Avenue NW and NW 204th Drainage System Connection	\$0	\$0	\$0	\$16,883	\$0	\$0	\$16,883
25th Ave NE Ditch Improv Between NE 177th and 178th Street	\$0	\$0	\$0	\$158,697	\$0	\$0	\$158,697
25th Ave. NE Flood Reduction Improvements	\$51,500	\$502,367	\$54,636	\$56,275	\$348,328	\$2,089,592	\$3,102,698
Heron Creek Culvert Crossing at Springdale Ct NW	\$0	\$0	\$0	\$0	\$130,998	\$134,928	\$265,926
Lack of System and Ponding on 20th Avenue NW	\$0	\$0	\$0	\$91,166	\$0	\$0	\$91,166
NE 148th Infiltration Facilities	\$0	\$0	\$0	\$431,070	\$11,593	\$0	\$442,663
NW 195th Place and Richmond Beach Drive Flooding	\$0	\$0	\$0	\$0	\$432,989	\$445,978	\$878,967
NW 197th Pl and 15th Ave NW Flooding	\$0	\$0	\$0	\$7,879	\$0	\$0	\$7,879
Springdale Ct. NW & Ridgefield Rd Drainage Improv	\$0	\$0	\$0	\$0	\$315,902	\$325,379	\$641,281
Stabilize NW 16th Place Storm Drainage in Reserve M	\$0	\$0	\$0	\$0	\$0	\$33,433	\$33,433
<i>Repair and Replacement</i>							
Hidden Lake Dam Removal	\$267,800	\$275,834	\$1,657,667	\$22,510	\$23,185	\$23,881	\$2,270,877
NE 177th Street Drainage Improvements	\$0	\$0	\$0	\$10,130	\$0	\$0	\$10,130
NW 196th Pl & 21st Ave. NW Infrastructure Improvements	\$0	\$0	\$0	\$93,417	\$0	\$0	\$93,417
Pump Station 26 Improvements	\$117,420	\$218,545	\$0	\$0	\$0	\$0	\$335,965
Pump Station 30 Upgrades	\$92,700	\$0	\$0	\$0	\$0	\$0	\$92,700
Pump Station Miscellaneous Improvements	\$199,820	\$0	\$587,887	\$0	\$0	\$0	\$787,707
Stormwater Pipe Replacement Program	\$76,416	\$477,409	\$327,821	\$1,272,272	\$463,750	\$1,743,157	\$4,360,825
Surface Water Small Projects	\$309,000	\$318,270	\$327,818	\$562,754	\$579,637	\$597,026	\$2,694,505
<i>Other</i>							
12th Ave NE Infiltration Pond Retrofits	\$0	\$0	\$0	\$42,769	\$0	\$0	\$42,769
Boeing Creek Regional Stormwater Facility Study	\$22,937	\$64,430	\$0	\$0	\$0	\$0	\$87,367
Boeing Creek Restoration Project	\$0	\$0	\$0	\$56,275	\$0	\$0	\$56,275
Climate Impacts and Resiliency Study	\$0	\$84,872	\$0	\$0	\$0	\$0	\$84,872
Storm Creek Erosion Management Study	\$82,400	\$0	\$0	\$0	\$0	\$0	\$82,400
Surface Water Master Plan	\$0	\$0	\$0	\$0	\$289,819	\$298,513	\$588,332
System Capacity Modeling Study	\$0	\$318,270	\$0	\$0	\$0	\$0	\$318,270
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$199,959	\$212,137	\$218,501	\$225,056	\$231,807	\$238,762	\$1,326,222
Surface Water Capital Engineering	\$196,833	\$202,738	\$208,820	\$215,085	\$221,537	\$228,183	\$1,273,196
Surface Water Capital Fund Total	\$1,616,785	\$2,674,872	\$3,383,150	\$3,568,376	\$3,308,063	\$7,729,011	\$22,280,257
TOTAL EXPENDITURES	\$18,087,832	\$12,573,420	\$18,647,501	\$15,084,540	\$7,382,746	\$12,771,255	\$84,547,294

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

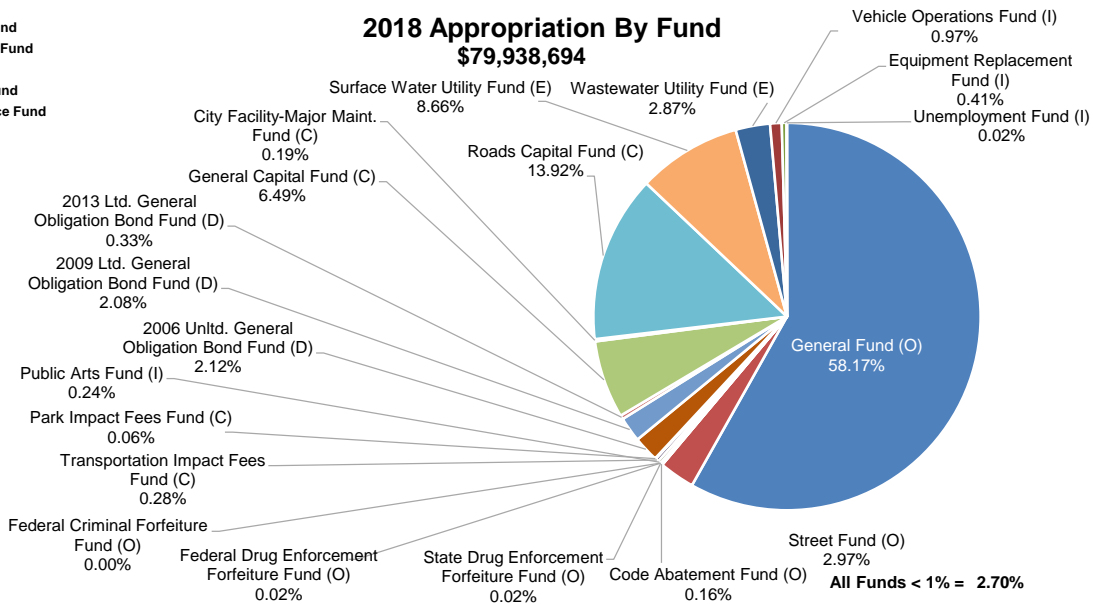
	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
RESOURCES							
General Fund Contribution	\$2,625,705	\$418,854	\$415,970	\$413,435	\$410,956	\$410,956	\$4,695,876
Transportation Benefit District	\$1,222,279	\$830,000	\$830,000	\$830,000	\$830,000	\$830,000	\$5,372,279
Transportation Impact Fees	\$221,400	\$332,100	\$0	\$0	\$0	\$0	\$553,500
Park Impact Fees	\$50,000	\$125,000	\$0	\$0	\$0	\$0	\$175,000
Real Estate Excise Tax - 1st Quarter Percent	\$1,368,768	\$1,449,263	\$1,529,005	\$1,609,641	\$1,692,370	\$1,779,363	\$9,428,410
Real Estate Excise Tax - 2nd Quarter Percent	\$1,368,768	\$1,449,263	\$1,529,005	\$1,609,641	\$1,692,370	\$1,779,363	\$9,428,410
Soccer Field Rental Contribution	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$780,000
Surface Water Fees	\$1,042,615	\$1,758,572	\$2,138,309	\$2,504,849	\$2,757,940	\$3,026,684	\$13,228,969
Investment Interest Income	\$80,977	\$122,179	\$115,744	\$43,031	\$272,495	\$240,111	\$874,538
King County Flood Zone District Opportunity Fund	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$665,388
Recreation & Conservation Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants - Awarded	\$6,121,362	\$2,543,369	\$7,986,000	\$8,727,625	\$0	\$0	\$25,378,356
Future Financing	\$4,700,000	\$0	\$0	\$11,850,000	\$0	\$0	\$16,550,000
Future Funding	\$0	\$265,000	\$1,642,000	\$0	\$0	\$0	\$1,907,000
Remediation Mitigation Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0
King County Voter Approved Trail Funding	\$120,000	\$120,000	\$0	\$0	\$0	\$0	\$240,000
Private Donations	\$0	\$1,630,000	\$0	\$0	\$0	\$0	\$1,630,000
Use / (Gain) of Accumulated Fund Balance	(\$1,074,940)	\$1,288,922	\$2,220,570	(\$12,744,580)	(\$514,283)	\$4,463,880	(\$6,360,432)
TOTAL RESOURCES	\$18,087,832	\$12,573,420	\$18,647,501	\$15,084,540	\$7,382,746	\$12,771,255	\$84,547,294

City of Shoreline
2018 All Funds Resources/Expenditures Summary

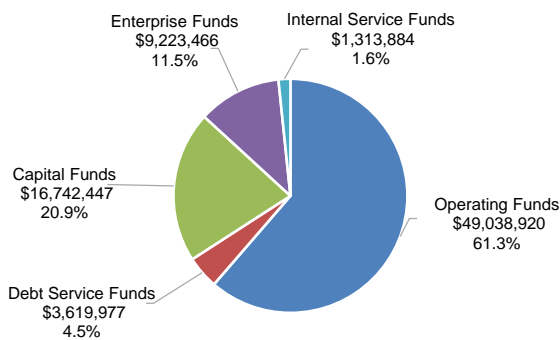
Fund	Beginning Fund Balance (A)	2018 Revenue (B)	2018 Transfers In (C)	2018 Total Resources (A+B+C=D)	2018 Expenditures (E)	2018 Transfers Out (F)	2018 Total Expenditures (E+F=G)	Ending Fund Balance (D-G=H)	Total 2018 Appropriation
General Fund (O)	\$ 11,393,659	\$ 41,916,898	\$ 1,833,395	\$ 55,143,952	\$ 42,314,411	\$ 4,186,451	\$ 46,500,862	\$ 8,643,090	\$ 46,500,862
Street Fund (O)	853,662	1,296,037	492,040	2,641,739	1,449,588	927,227	2,376,815	264,924	2,376,815
Revenue Stabilization Fund (O)	5,150,777	-	-	5,150,777	-	-	-	5,150,777	-
Property Tax Equalization Fund (O)	-	-	-	-	-	-	-	-	-
Code Abatement Fund (O)	275,035	80,550	-	355,585	130,000	-	130,000	225,585	130,000
State Drug Enforcement Forfeiture Fund (O)	12,033	18,243	-	30,276	18,243	-	18,243	12,033	18,243
Federal Drug Enforcement Forfeiture Fund (O)	22,426	13,000	-	35,426	13,000	-	13,000	22,426	13,000
Federal Criminal Forfeiture Fund (O)	1,500	-	-	1,500	-	-	-	1,500	-
Public Arts Fund (I)	295,696	5,000	-	300,696	195,246	-	195,246	105,450	195,246
Transportation Impact Fees Fund (C)	1,401,065	200,000	-	1,601,065	-	221,400	221,400	1,379,665	221,400
Park Impact Fees Fund (C)	-	50,000	-	50,000	-	50,000	50,000	-	50,000
2006 Unltd. General Obligation Bond Fund (D)	4,320	1,697,925	-	1,702,245	1,697,925	-	1,697,925	4,320	1,697,925
2009 Ltd. General Obligation Bond Fund (D)	41	320,000	1,341,417	1,661,458	1,661,417	-	1,661,417	41	1,661,417
2013 Ltd. General Obligation Bond Fund (D)	67	-	260,635	260,702	260,635	-	260,635	67	260,635
General Capital Fund (C)	1,991,622	1,594,755	1,701,505	5,287,882	4,501,621	686,047	5,187,668	100,214	5,187,668
City Facility-Major Maint. Fund (C)	110,398	883	124,032	235,313	153,213	-	153,213	82,100	153,213
Roads Capital Fund (C)	4,766,651	8,672,066	1,202,009	14,640,726	11,072,972	57,194	11,130,166	3,510,560	11,130,166
Surface Water Utility Fund (E)	1,798,398	10,257,415	-	12,055,813	6,215,255	710,310	6,925,565	5,130,248	6,925,565
Wastewater Utility Fund (E)	-	2,297,901	-	2,297,901	2,297,901	-	2,297,901	-	2,297,901
Vehicle Operations Fund (I)	268,516	503,786	-	772,302	523,786	248,516	772,302	-	772,302
Equipment Replacement Fund (I)	3,253,765	508,997	63,623	3,826,385	328,836	-	328,836	3,497,549	328,836
Unemployment Fund (I)	58,363	-	-	58,363	17,500	-	17,500	40,863	17,500
Total City Funds	\$ 31,657,994	\$ 69,433,456	\$ 7,018,656	\$ 108,110,106	\$ 72,851,549	\$ 7,087,145	\$ 79,938,694	\$ 28,171,412	\$ 79,938,694

(O): Operating Fund
(D): Debt Service Fund
(C): Capital Fund
(E): Enterprise Fund
(I): Internal Service Fund

2018 Appropriation By Fund
\$79,938,694



2018 Appropriation By Fund Type
\$79,938,694



2018 Appropriation By Service Type
\$79,938,694

