

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING**

Monday, September 28, 2009  
6:00 p.m.

Shoreline Conference Center  
Highlander Room

**PRESENT:** Mayor Cindy Ryu, Deputy Mayor Terry Scott, and Councilmembers Chris Eggen, Ron Hansen, Doris McConnell, Keith McGlashan, and Janet Way

**ABSENT:** none

**STAFF:** Julie Underwood, Acting City Manager; Mark Relph, Public Works Director; Scott Passey, City Clerk

**GUESTS:** Shoreline Water District: Larry Schoonmaker, President; Ron Ricker, Vice President; Charlotte Haines, Secretary; Stuart Turner, District Manager

Mayor Ryu called the meeting to order at 6:10 p.m. There were introductions around the table.

Mark Relph, Public Works Director, outlined the agenda and introduced Mr. Turner.

Stu Turner, District Manager of the Shoreline Water District (SWD), discussed the role of the Water District and its relationship to the City. He explained that because the City is responsible for land use, the essential function of SWD is to ensure there is adequate infrastructure to support the land use. He pointed out that development revenue is not coming back to the District, which makes it difficult to fulfill its essential function. In response to this problem, SWD has implemented connection charges, which help pay for general capital improvements. He noted that the fees are calculated so new customers are paying for their share of the system as well as their impacts. The connection fee is \$1.50/month, which amounts to \$750,000 annually. He concluded that the District is now more in line with the industry standard. The FCS Group provided utility rate consulting services and helped SWD arrive at the figure of \$1.50/month based on demand.

Ron Ricker, SWD Vice President, said the District has discussed growth projections with other jurisdictions as it relates to single family and multi-family housing, and the connection charges will not hurt the single family resident.

Charlotte Haines, SWD Secretary, said she follows the philosophy that "growth pays for growth," and that existing single family residents shouldn't have to bear the burden for

new customers. She noted that commercial businesses received a considerable rate hike, but the new rate formula ensures fairness for everyone.

Larry Schoonmaker, SWD President, pointed out that under the new rate structure, which includes a fire flow component, the Arabella apartments will pay about \$500,000. Under the old rate system their obligation would have been \$4,000.

The SWD representatives confirmed for Councilmember Eggen that the new rate structure covers both flows and pump station operation. Alluding to the proposed Ridgecrest development, Councilmember Eggen wondered how a second major development might impact the water system. Mr. Ricker explained that a "latecomers fee," or a proportionate share would be paid back to the first customer to cover the development costs.

Ms. Haines pointed out that the District decided to defer its "6/60" rate structure because an upsizing is not yet necessary. She attributed this to the slowdown in the economy and the decrease in development activity.

Deputy Mayor Scott wondered if the SWD surveyed its customers about the new rate structure. Ms. Haines noted that the SWD Board members are residents of the District, so they are aware of how much residents pay for water service. She said their priorities changed when growth slowed down, but there are engineering plans in place if things change. She said the SWD partnered with the City on developing capacity for the North City Subarea Plan and made improvements for future growth along 15<sup>th</sup> Avenue NE.

Councilmember Way wondered how communication regarding major developments such as Ridgecrest could be maintained and improved, for the benefit of the developer as well as local residents.

Mayor Ryu noted that the major design work has already been completed for Ridgecrest, so if the financial climate changes the project can proceed without delay.

SWD representatives commented on the need for better and more frequent communication between the SWD and the City. They noted that it's "good for business."

Mr. Relph said he appreciates this meeting tonight because it's a good opportunity for clear communication and planning. He emphasized the need for constant dialogue between City departments and all the City's utilities. He noted that Planning, Public Works, and SWD need to work together on water system planning and establish written protocols as it looks to the future.

Mr. Turner called attention to the fact that SWD doesn't permit development, but it wants to be supportive of development. He noted his philosophy that "cities grow or die" and that the SWD wants to be predictable because citizens want predictability.

Councilmember Eggen agreed it would be wise to wait and see what happens in Ridgecrest before building the infrastructure. However, he wondered how long it would take the SWD to respond if someone proposed a development project there. A discussion ensued about the timeline needed to install infrastructure to serve a large multi-family development. Mr. Turner said the SWD could respond within a few months in Ridgecrest since the engineering work has already been completed.

Councilmember Eggen assumed that the utility rates are adjusted based on water usage. Ms. Haines clarified that the amount of water use is not the only factor in the equation.

Deputy Mayor Scott wondered if the SWD could improve the infrastructure in time to respond to new development on 15<sup>th</sup> Avenue NE, such as the Fircrest property. Mr. Turner estimated that it would take about 6 months to get to 90% completion on design drawings. Building in 2-3 months for a bid process, and 3-4 months to break ground, he concluded that it would take about a year from start to construction. Mr. Ricker pointed out that the design also has to be reviewed by the Fire Department. Mr. Relph highlighted the need for close communication, adding that "time is money" for the development community. Mr. Schoonmaker said the SWD is already anticipating the process for the Fircrest property.

Ms. Haines explained that the SWD has the City's subarea plans overlayed on the District map, and as the District considers its CIP, it considers what will assist the City's development plan.

Responding to Mayor Ryu, Mr. Turner said the SWD is ready to move if any activities surface at Arabella II or the YMCA property.

Mr. Relph asked the group to consider the potential impacts that the Sound Transit light rail stations might have on Shoreline's utility infrastructure. Turning to the topic of CIP projects and coordination, Mr. Relph led a discussion about the efforts to coordinate capital improvement plans to take advantage of existing projects and avoid "digging twice." He said he has asked the City's Construction Inspections Supervisor, Paul Laine, to develop a relationship with the special districts.

Councilmember McGlashan asked if the infrastructure of the different utilities is located close together. It was noted that the water pipes are generally located on one side of the street, and sewer is located on the opposite side.

Mr. Turner clarified that flexibility is built into their capital improvement plans, and "nothing is set in stone," but it's always a good idea to plan for the future and complete projects once rather than two or three times. He noted that water lines last for decades, but code changes can require improvements to the system which make existing lines obsolete.

Councilmember Way inquired about how the District communicates with the public when improvements are being made. SWD representatives responded that they place door

tags on residents' homes. Mr. Turner said the SWD is creating a policy to require signage on every project so it is clear a water project is occurring.

Mr. Relph said it would be worthwhile to discuss the minimum thresholds for communication on utility projects. He then turned to the topic of Lane v. Seattle fire hydrants lawsuit. He explained that the ratepayers challenged Seattle on their water rates because they argued that fire protection is an obligation that general purpose governments must provide to their residents.

Mr. Turner provided more background and detail on the lawsuit and concluded that, similar to the Seattle City Light street light issue, the court determined that fire protection/hydrant service is a general purpose government obligation that should not be built into the rate structure. He commented that the implications on how to enforce this decision are vast, and reassured the Council that the SWD has nothing to do with the decision. He noted that an ad hoc group of attorneys and finance people are meeting to figure it out. He said it would be a "huge hit" to the City's General Fund if it has to reimburse the ratepayers for fire protection.

Mr. Relph said he thought the City could start addressing this issue through a dialogue with the City Attorney's office and the SWD about the available options.

Mr. Ricker said the issue appears to be far-reaching and the initial opinion is that the water system's primary use is for fire flow. He explained the three points of view on the water system: 1) Is it for domestic use? 2) Is it for public safety (fire flow)? 3) Is it both?

A brief discussion followed about the amount of water needed for domestic use (125-150 gallons per minute over a 24-hour period) as compared to fire suppression (1,000-1,500 gallons per minute over a 24-hour period). Responding to Councilmember McGlashan, SWD staff explained that the court's decision appears to absolve the Fire Department of any responsibility for the fire flow.

Councilmember Way suggested that "green firefighting" techniques might be a useful way to address the fire flow issue. Mr. Turner commented that the drills they have conducted using green firefighting techniques were not done on a representative fire. Deputy Mayor Scott noted that green firefighting is an emerging technology that is difficult to put into a real-world setting.

Mr. Turner clarified that the SWD has to reserve a certain amount of storage capacity for fire suppression, which is dictated by the International Fire Code. He said any water system designs must meet this standard. He said although the Lane v. Seattle case has statewide implications, he is optimistic a solution can be achieved.

Deputy Mayor Scott pointed out that from a political perspective, it is easier for the Fire Department to charge for fire hydrants than the City.

Ms. Haines pointed out that the reimbursement estimates are extremely high. Mr. Turner added that if the City has to go back three years and reimburse ratepayers at 12% interest, it will be an extremely onerous burden. He concluded that the SWD wants to work with the City to come up with a solution.

The meeting adjourned at 7:20 p.m.

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Scott Passey, City Clerk

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