

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Action on Resolution No. 474 – Repealing Resolution No. 417 Regarding Wastewater Financial Policies
DEPARTMENT:	Public Works
PRESENTED BY:	Randy Witt, Public Works Director
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The assumption of the Ronald Wastewater District (RWD) requires that the City of Shoreline develop and implement a new municipal code chapter to establish its governing authority by which the City will own and operate the wastewater utility. The City Council passed Ordinance No. 780 on October 2, 2017, which updated Shoreline Municipal Code (SMC) Chapter 13.05 establishing the regulations for the new wastewater utility. On this same date, the City Council passed Resolution No. 417 which set forth the Wastewater Revenue and Customer Service Policy.

With assumption of the RWD set for April 30, 2021, staff initiated a review of the wastewater Code (SMC 13.05) with fresh eyes from the experience staff have gained in providing contract wastewater services on behalf of RWD since October 2017 and to account for updates in City Code and RWD regulations that have occurred since that time. Staff have similarly reviewed the wastewater financial policies.

Proposed Ordinance No. 928, which is being discussed in a separate item on the City Council agenda tonight, would repeal and replace SMC Chapter 13.05. Given the authority provided in the newly proposed SMC Chapter 13.05 to the Administrative Services Director to promulgate rules for the financial administration of the wastewater utility's billing (SMC 13.05.090), proposed Resolution No. 474 (Attachment A) would repeal Resolution No. 417 so that the Administrative Services Director can exercise the rule-making authority granted in Ordinance No. 928. Proposed Resolution No. 474 would become effective April 30, 2021, which is the formal date of the RWD assumption (or on the official date of assumption of the RWD if it occurs later than April 30th).

RESOURCE/FINANCIAL IMPACT:

No resource impacts are anticipated as a result of this discussion.

RECOMMENDATION

Staff recommends that the City Council adopt proposed Resolution No. 474.

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

BACKGROUND

In 2002, the City and the Ronald Wastewater District (RWD), a special purpose district that provides wastewater services, entered into an Interlocal Operating Agreement to unify wastewater services with City operations. The Agreement and state law outline the assumption process between the City and RWD.

The assumption of RWD required that the City of Shoreline develop and implement a new municipal code chapter to establish its governing authority by which the City will own and operate the new wastewater utility. The City Council passed Ordinance No. 780 on October 2, 2017, which was to repeal SMC Chapter 13.05 and replace it with a new Chapter 13.05 establishing the regulations for the new wastewater utility. The staff report for this Council action can be found at the following link: staffreport100217-7e.pdf (shoreline.wa.us).

Additionally, on October 2, 2017, the City Council adopted Resolution No. 417, establishing the financial policies for the wastewater utility. The staff report for this Council action, along with the financial policies, can be found at the following link: staffreport100217-7c.pdf (shoreline.wa.us).

Both Ordinance No. 780 and Resolution No. 417 provided that their regulations were not to become effective until the formal assumption of RWD by the City. With assumption of the RWD now set for April 30, 2021, staff initiated a review of the regulations contained in Ordinance No. 780 with fresh eyes from the experience staff have gained in providing contract wastewater services on behalf of the RWD since October 2017 and to account for updates in City code and RWD regulations that have occurred since that time. Staff have similarly reviewed the wastewater financial policies.

Proposed Resolution No. 474 and the associated Ordinance No. 928 were disused at the March 29, 2021 City Council meeting. The staff report for this Council discussion can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport032921-9a.pdf>.

DISCUSSION

The proposed SMC Chapter 13.05 in proposed Ordinance No. 928 grants the Administrative Services Director not only the authority to administer the billing and collection aspect of the wastewater utility but also the authority to promulgate rules and processes for the financial administration of the wastewater utility (SMC 13.05.090). While Resolution No. 417 adopted such rules and processes, this provision will allow staff to update the policies without the need for Council approval. Thus, by repealing Resolution No. 417, which is provided for in proposed Resolution No. 474 (Attachment A), the previous policies are also repealed. Based on the scope of modifications and the fact that Resolution No. 417 was never in effect, staff believes that repealing the resolution in its entirety would best facilitate the rule replacement process. It is staff's intent to promulgate financial administrative rules and processes that mirror those rules and processes adopted by Council in 2017 via Resolution No. 417.

As noted above, the City Council discussed proposed Resolution No. 474 on March 29, 2021. While there were no Council concerns with the proposed Resolution, there was a Council question about late wastewater fee amounts/rates and the ability for the City to provide a waiver from late fees. These questions were addressed in the context having these issues potentially addressed in SMC 13.05. As a result, staff have included policy language relating to late payment charges and waiver of penalties in the proposed SMC 13.05.130(B) which is also being considered for action tonight through the adoption of Ordinance 928. Those changes are discussed in more detail in that staff report.

Based on Council discussion and request for follow-up, proposed Resolution No. 474 was requested to be discussed again tonight as a Council action item. Tonight, the City Council is scheduled to take potential action on proposed Resolution No. 474.

COUNCIL GOAL(S) ADDRESSED

This proposed Resolution supports City Council Goal 2: Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment, and specifically Action Step #14: Complete the assumption of the Ronald Wastewater District in collaboration with the District.

RESOURCE/FINANCIAL IMPACT

No resource impacts are anticipated as a result of this discussion.

RECOMMENDATION

Staff recommends that the City Council adopt proposed Resolution No. 474.

ATTACHMENTS

Attachment A – Proposed Resolution No. 474

RESOLUTION NO. 474

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON REPEALING RESOLUTION NO. 417, A RESOLUTION ADOPTING A WASTEWATER REVENUE AND CUSTOMER POLICY.

WHEREAS, in anticipation of the City of Shoreline's assumption of the Ronald Wastewater District, the City Council adopted Resolution No. 417 on October 2, 2017; and

WHEREAS, Resolution No. 417 set forth the Wastewater Revenue and Customer Policy as the City's customer service policies and practices for the operation of a wastewater utility; and

WHEREAS, also on October 2, 2017, the City Council adopted Ordinance No. 780 establishing Chapter 13.05 of the Shoreline Municipal Code (SMC), setting forth the Wastewater Utility's regulations; and

WHEREAS, both Resolution No. 417 and Ordinance No. 780 were to become effective upon the official assumption of the Ronald Wastewater District by the City of Shoreline; and

WHEREAS, since October 2017, new financial policies and new regulations have been developed to ensure the orderly management and operation of the Wastewater Utility, including the financial administration; and

WHEREAS, Ordinance No. 928 authorizes the Administrative Services Director to promulgate rules, policies, and procedures consistent with Chapter 13.05 SMC for the financial administration of customer accounts so as not to require the City Council approval each time an amendment is needed; and

WHEREAS, Resolution No. 417 needs to be repealed so that the Administrative Services Director can exercise the rule-making authority granted in Chapter 13.50 SMC;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

Section 1. Repeal of Resolution 417. Resolution No. 417, adopted by the City Council on October 2, 2017, is repealed in its entirety.

Section 2. Effective Date. This Resolution shall take effect and be in full force at 12:01 a.m., April 30, 2021, or on the official date of assumption of the Ronald Wastewater District by the City of Shoreline, whichever is the latest.

ADOPTED BY THE CITY COUNCIL ON APRIL 12, 2021.

Mayor Will Hall

ATTEST:

Jessica Simulcik Smith, City Clerk