

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Ordinance No. 344 Extending the Seattle Public Utilities Water Franchise
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Bob Olander, Deputy City Manager

PROBLEM/ISSUE STATEMENT:

Staff is requesting a six-month extension of the Seattle Public Utilities (SPU) water franchise. An initial franchise to operate the water system owned by the City of Seattle, generally west of I-5, was granted in December 1999. An automatic two-year extension was invoked in 2001, which means that the franchise agreement expires at the end of December 2003. In a separate franchise and agreement with the Shoreline Water District, the City required that the Water District undertake negotiations to purchase and assume that portion of the SPU water system within the City of Shoreline boundaries. A similar effort was undertaken successfully by the Ronald Wastewater District for assumption of that portion of Seattle's wastewater system within our City limits. The goal is to provide a uniformity of systems, rates, and customer responsiveness within the City. In addition, the City of Shoreline has entered into an agreement with Ronald Wastewater to assume the Wastewater District at the end of a 12-year period.

The Shoreline Water District is in the initial stages of negotiation with SPU over the acquisition of the system. They have requested the intervention and assistance of the City in this process and the City Council will be briefed on this in more detail at an upcoming meeting. The City of Shoreline franchise agreement with SPU is an important factor in these negotiations, and the acquisition and franchise negotiations need to proceed on parallel and concurrent tracks. Since we are just at the beginning of the acquisition negotiations it is requested that the City Council authorize a six-month extension of the current franchise with SPU.

FINANCIAL IMPACT:

There is no financial impact from this decision.

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 344 granting SPU a six-month franchise extension.

Approved By:

City Manager  City Attorney 

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ORDINANCE NO. 344

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, EXTENDING THE FRANCHISES UNDER WHICH SEATTLE PUBLIC UTILITIES IS AUTHORIZED TO PROVIDE WATER WITHIN THE CITY OF SHORELINE.

WHEREAS, the City of Shoreline, by Shoreline City Ordinance No. 214 and No. 215, granted Seattle Public Utilities a non-exclusive franchise for the operation of water system and wastewater system respectively within the City right-of-way effective December 8, 1999; and

WHEREAS, the franchise granted to SPU Wastewater was assigned to the Ronald Wastewater District effective October 1, 2001, by assumption agreement approved by the City pursuant to Ordinance 215, and terminated with the franchise granted to Ronald Wastewater District on October 22, 2002 by Ordinance No. 306; and

WHEREAS, the franchise granted to SPU Water by the City through Ordinance No. 214, expires on December 31, 2003; and

WHEREAS, the City and SPU Water agree to an extension of the current franchise for six (6) months to pursue negotiations on the consolidation of the SPU Water service area into the Shoreline Water District;

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

Section 1. Franchise Extensions. The water franchise granted pursuant to City Ordinance Nos. 214 is hereby extended through the earlier of June 30, 2004, or until the effective date of replacement franchises (whichever first occurs).

Section 2. Directions to City Clerk. The City Clerk is hereby authorized and directed to forward certified copies of this ordinance to the Grantee set forth in this ordinance. The Grantee shall have fifteen (15) days from receipt of the certified copy of this ordinance to accept in writing the extension of the franchise granted to the Grantee in this ordinance.

Section 4. Publication and Effective Date. In accord with state law, this ordinance shall

published in full and shall take effect five days after said publication.

PASSED BY THE CITY COUNCIL ON DECEMBER 1, 2003 .

Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:

Sharon Mattioli, CMC
City Clerk

Ian Sievers, City Attorney

Date of Publication: December 4, 2003
Effective Date: December 9, 2003