

Why is the City considering buying the SPU water system in Shoreline?

Since announcing the tentative purchase, some residents have wondered why the City is even considering buying the Seattle Public Utility (SPU) water system in Shoreline.

In 2009 the Shoreline City Council adopted the goal of acquiring the SPU water system. After two years of negotiating, last November we announced a tentative purchase.

Taxation without Representation

Currently, there is no direct control over how utility decisions are made, including setting rates and charges, service standards, and capital investment.

For Shoreline residents and businesses purchasing water from SPU, these decisions are made by the City of Seattle. A frequently heard concern is that if Shoreline were to take over the water utility the City could impose a utility tax that would go into the City's general fund. Most SPU ratepayers are unaware that they are already paying over 15% in Seattle utility taxes as part of their SPU bill, and that money goes into Seattle's general fund to pay for Seattle parks and police for Seattle residents. The 15% utility tax is on top of the 14% surcharge Seattle imposes on Shoreline ratepayers.

Recall why Shoreline incorporated – control over how our money would be spent; more attention to infrastructure needs to address the problem of flooding and safety of Aurora; and greater public oversight and input in government decisions.

Improve the System for Better Fire Protection and Planned Growth

Currently, revenue earned by SPU

from Shoreline ratepayers is reinvested into the entire SPU system. Because Seattle has a much larger system to maintain (Shoreline only accounts for about 4% of the water consumed in the SPU system), their maintenance and capital investments have not been focused on the Shoreline system.

City ownership would provide the appropriate level of maintenance and system improvements over time to address such issues as fire protection and utility upgrades to facilitate redevelopment of our key corridors. Ownership means better coordination of general maintenance, leading to longer service life. Preventative maintenance is usually cheaper than repairing a system that is broken. In addition, owning utilities can improve our coordination of construction projects with other city capital projects through long-term planning.

Better Customer Service and Operational Efficiencies

One-stop permitting reduces confusion, shortens the processing time and lessens the expense of obtaining the necessary permits for home improvements or property redevelopment. Instead of working with several governmental entities investors would have a single point of contact with the City.

Sharing equipment and administrative services, such as finance, human resources, and legal services, will allow the utilities to achieve operational efficiencies. As resources continue to become more limited,

consolidation of utilities makes good sense. The City will move closer to consolidation as we prepare for Ronald Wastewater District (RWD) joining the City in 2017.

Water and sewer utility ownership in comparable cities

| Own both utilities | Do not own either utility |
|--------------------|---------------------------|
| Auburn | Burien |
| Edmonds | Federal Way |
| Kent | Lakewood |
| Kirkland | Shoreline |
| Lynnwood | University Place |
| Mountlake Terrace | |
| Olympia | |
| Redmond | |
| Renton | |

Nine out of 13 of Shoreline's comparable cities own their water and sewer utilities. Consolidating utilities under the control of cities has been a regional goal for some time. The Growth Management Act states, "In general, cities are the units of local government most appropriate to provide urban governmental services." RCW 36.70A.110(4).

While the City believes owning the SPU water system is in the long-term best interests of our community, it will be up to the voters of Shoreline, like it was back in 1995 when we incorporated.

To learn more about the SPU acquisition, visit shorelinewa.gov/spu.