



City of Seattle
Mayor Edward B. Murray

November 6, 2014

Debbie Tarry
Shoreline City Manager
17500 Midvale Avenue North
Shoreline, WA 98133-4905

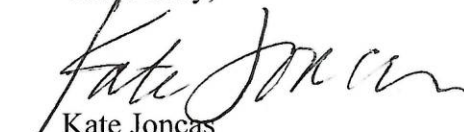
Dear City Manager Tarry,

Thank you for your October 22, 2014 letter about our conversation on October 6. I appreciate the City of Shoreline's affirmation of long-term regional growth needs, and interest in continuing discussions with the City of Seattle.

We are interested in being regional partners and believe we can accomplish that while still meeting the needs of both the City of Seattle and City of Shoreline. One of Seattle's interests is to minimize rate impacts to our customers. The Seattle City Council resolution stated that we would consider a sale with a price of at least \$26.6 million. As we look more closely at our need to minimize the impact on ratepayers, the sale option would need to exceed \$100 million. Knowing that this figure is substantially higher than what your voters approved and may not be attainable, I believe it would be practical to fully explore the non-sale alternative to buying the assets. We believe that this option can meet the interests you identified in your letter. I am glad that you have reaffirmed that the City of Shoreline is open to this option.

I appreciate that the City of Shoreline remains interested in negotiating with us to meet the needs of both our jurisdictions and the ratepayers. I will look forward to hearing more about the staff discussions and process on this important endeavor.

Yours truly,



Kate Joncas
Deputy Mayor

cc: Ray Hoffman, Seattle Public Utilities
Nick Harper, Office of Intergovernmental Relations
Ben Noble, City Budget Office