

December 8, 2017

MEMORANDUM

To: Civil Rights, Utilities, Economic Development & Arts Committee
From: Calvin Chow, Council Central Staff
Subject: Shoreline Water Franchise and Interlocal Agreement

On December 12, the Civil Rights, Utilities, Economic Development & Arts Committee will consider legislation authorizing Seattle Public Utilities (SPU) to accept an amended water service franchise agreement with the City of Shoreline and execute an interlocal agreement with the Shoreline Fire Department for hydrant inspections.

Background

Under the existing franchise agreement, SPU provides water service to approximately 11,000 residential and commercial customers within the City of Shoreline. The franchise establishes the terms and conditions under which SPU has the authority to operate and maintain SPU-owned assets within the City of Shoreline's right-of-way. The existing franchise agreement is set to expire in 2020.

Recently, SPU has worked with the City of Shoreline to identify ways to coordinate SPU infrastructure improvements with City of Shoreline priorities. In exploring these issues, SPU also found that it did not have a formal agreement in place for inspection of SPU-owned fire hydrants within the Shoreline service area. This legislation approves agreements to resolve these issues.

Proposed Shoreline Water Franchise Agreement

SPU and the City of Shoreline propose to amend and extend the water service franchise agreement. The amended franchise agreement would establish a new Shoreline Asset Management Priority Program, clarify roles and responsibilities for SPU-owned fire hydrants, and extend the term of the franchise to 2026.

Under the new Shoreline Asset Management Priority Program, SPU and the City of Shoreline would jointly develop a list of SPU capital projects that reflect the City of Shoreline's development priorities. These projects would include improvements to SPU's distribution system that are in addition to SPU's standard practice for asset management. Examples of potential projects include the use of different fire flow and fire protection standards, different standards for general/minimum pipe sizes, and water main extensions in advance of specific development projects. Under this program, SPU would provide annual funding of \$1 million per year to implement these projects.

The amended franchise agreement also clarifies that SPU is responsible for operation and maintenance of fire suppression facilities within the franchise area. The amended franchise agreement acknowledges the proposed Interlocal Agreement between SPU and the Shoreline Fire Department for hydrant inspection services (described below).

The amended franchise agreement extends the term to 2026. As part of the agreement, the City of Shoreline agrees not to exercise its right to establish its own separate municipal water utility within SPU's franchise area during the term of the franchise.

The proposed franchise agreement also includes several clarifications and technical corrections to reflect current procedures and operating conditions.

Proposed Interlocal Agreement for Hydrant Inspections

The proposed legislation authorizes SPU to sign an interlocal agreement with the Shoreline Fire Department to provide hydrant inspection services at SPU's expense. SPU owns approximately 1,000 fire hydrants in the franchise area, and inspection services are anticipated to cost \$50,000 per year. These inspection services are a part of SPU's responsibilities for operating and maintaining the fire suppression facilities within the Shoreline franchise area. The proposed inspection services agreement will run through 2026, consistent with the extended term of the Shoreline franchise agreement.

cc: Kirstan Arestad, Central Staff Director
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