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Shoreline to Purchase Seattle Public Utility Water System in Shoreline

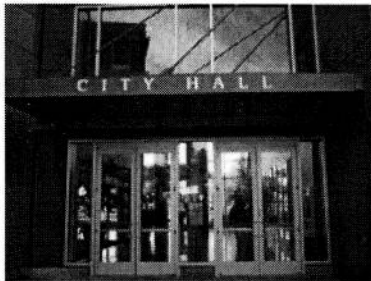
Tentative agreement reached; purchase plan subject to negotiations and approval by Shoreline voters

November 9, 2011

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The City of Shoreline today announced a tentative agreement with the City of Seattle to purchase the assets of Seattle Public Utilities (SPU) Water Utility within the City of Shoreline. The tentative agreement includes a purchase price of \$25 million for the assets, with an acquisition date of 2020.

The Shoreline City Council made the purchase of SPU's water system a Council goal to improve local decision-making and long-term investment in the utility in Shoreline.

"This purchase allows the City to control reinvestment in Shoreline instead of paying a 14 percent surcharge to Seattle," said Shoreline Mayor Keith McGlashan. "Controlling the water utility is imperative to the City's long-term economic development goals."

"Seattle respects the City of Shoreline's interest in providing utility service in their city and will work in coming months to reach an agreement that balances Shoreline's interests with the interests of Seattle's water ratepayers," Seattle Mayor Mike McGinn said of the tentative agreement.

The City of Shoreline and Seattle entered into formal negotiations once the Shoreline Council made it a Council goal in 2009, in part because Shoreline's ratepayers do not have a direct say in how the water utility services are delivered.

Over the next six months, the City will perform a detailed financial analysis and feasibility due diligence review of the utility's assets to ensure that the purchase will meet Council's financial and policy goals. Any final agreement to acquire, maintain and operate the water utility service in Shoreline must ensure that Shoreline ratepayers' water bills will be equal to or less than what they would have paid to Seattle.

During this due diligence process, the City will engage the community through a public participation and outreach process. Once the City agrees to terms with Seattle, the purchase must go before both Seattle and Shoreline's Councils for approval. Assuming both Councils approve, the question to acquire the system will then be placed on a ballot for final approval by Shoreline voters.

Information from a City of Shoreline press release.

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