



CITY OF BAINBRIDGE ISLAND

FOR IMMEDIATE RELEASE January 13, 2010

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City, Ratepayers Reach Partial Settlement

BAINBRIDGE ISLAND, January 13, 2010 – The City Council tonight voted to accept a partial settlement with the Bainbridge Ratepayers’ Alliance. The settlement makes it possible for the City to execute a bond anticipation note for \$1.9 million to fund completion of the Winslow Wastewater Treatment Plant, eliminating the need for a temporary surcharge on sewer rates which was approved last month.

In follow-up actions, Councilmembers passed Resolution 2010-05, approving execution of the bond anticipation note, and conducted a first reading of Ordinance 2010-03, which will repeal the temporary surcharge. A second hearing on the surcharge repeal was scheduled for the next Council meeting on January 27.

“This is that rare thing, a win all the way around,” said Interim City Manager Lee Walton, who helped negotiate the settlement. “Both the City and the Ratepayer’s Alliance can now focus our resources on more productive activities. Most important, this is a win for the ratepayers. Updates at the Treatment Plant can go forward as scheduled, and the surcharge has been avoided.” The bond anticipation note will also provide \$300,000 to enable the City to re-establish capital reserves in the sewer fund.

The City originally budgeted to cover the cost of upgrades with long term debt bonds, but those bonds have been on hold since the Alliance filed suit last spring, challenging city actions on several utility-related concerns. City Council members, members of the alliance, and staff have been working to develop a settlement agreement for several months.

In the settlement, the Alliance agreed to sign a written waiver of any legal objection to the City’s execution of the bond anticipation note, while the City agreed to pay the Alliance up to \$35,000 to cover legal costs. The City and the Alliance will continue to work towards settlement of the remaining issues identified in the lawsuit.

“This process (reaching agreement) has been challenging and time-consuming,” Walton said. “I want to acknowledge Dick Allen and Sally Adams of the Alliance, City Councilmembers Bill Knobloch, Kim Brackett, Hilary Franz and (former) Mayor Chris Snow, and the several City staff whose continued efforts over the past several months have led us to this positive outcome.”

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