

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low-income customers for solid waste services; and amending Sections 21.40.050, 21.40.060, 21.40.070, 21.40.080, 21.40.085, and 21.76.040 of the Seattle Municipal Code.

Summary and Background of the Legislation: The ordinance would adjust Seattle Public Utilities’ solid waste rates for 2023, 2024, and 2025 to fund operating expenses, completion of capital projects, and account for uncertainty. Solid waste rates go into effect April 1st of each year. Collection services rate increases for the three-year rate period would be as follows: 1.5% in 2023, 2.6% in 2024, and 2.6% in 2025. Transfer station rates would increase once during this rate period. That 5.1% increase would occur on April 1st, 2023. This legislation also adjusts credits for low-income customers through the Utility Discount Program.

In May of 2021, the Council adopted SPU’s six-year Strategic Business Plan (SBP), which guides utility investments, service levels, and rate paths through 2026. The table below compares the overall solid waste increases for 2023-2025 proposed as part of this legislation with those in the SBP. The overall solid waste increase is a weighted average and combines the rate increases for collection services and transfer stations mentioned above.

	2023	2024	2025
<i>Strategic Business Plan</i>	2.2%	2.3%	2.1%
Proposed	2.0%	2.3%	2.5%

With the newest information regarding the financial status of the Solid Waste Fund and the Drainage and Wastewater Funds, a 4.0% overall rate path is proposed over the SBP period. This is within the average overall SBP rate path of 4.2% per year approved by Council in 2021. Solid Waste Rate increases were left unsmoothed in the proposed rates which helped contribute to a smoother overall rate path.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes **X** No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Several City departments incur solid waste costs. These costs will change commensurate with the rate changes proposed in this legislation.

Are there financial costs or other impacts of *not* implementing the legislation?

The Solid Waste Fund would not fully recover the cost of its business operations and meet its financial policy targets.

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2022 Revenue	2023 Estimated Revenue	2024 Estimated Revenue	2025 Estimated Revenue
SOLID WASTE FUND - 45010	SPU	Rates	\$0	\$5,377,427	\$12,283,848	\$19,618,310
TOTAL			\$0	\$5,377,427	\$12,283,848	\$19,618,310

Is this change one-time or ongoing?

This legislation proposes an adjustment to solid waste rates on April 1, 2023, April 1, 2024, and April 1, 2025.

Revenue/Reimbursement Notes:

This legislation will generate \$5.4 million in 2023 with a 2.0% rate increase on April 1, 2023. A 2.6% rate increase in 2024 will generate \$12.3 million (over 2022 rates) and a 2.6% rate increase in 2025 will generate \$19.6 million (over 2022 rates). The additional revenue is necessary to cover operating costs for the utility, including capital financing and regular inflation updates.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Several City departments incur solid waste costs. These costs will change commensurate with the rate changes proposed in this legislation. Utility Tax payments to the general fund will increase.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation includes increased funding to the Utility Discount Program that provides rate relief to low-income customers.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

No.

Summary Attachments:

Summary Exhibit A – 2023-2025 Solid Waste Rate Study