



SEATTLE CITY COUNCIL

Transportation and Utilities Committee

Agenda

Wednesday, June 16, 2021

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Alex Pedersen, Chair
Dan Strauss, Vice-Chair
M. Lorena González, Member
Lisa Herbold, Member
Tammy J. Morales, Member
Debora Juarez, Alternate

Chair Info: 206-684-8804; Alex.Pedersen@seattle.gov

[Watch Council Meetings Live](#) [View Past Council Meetings](#)

Council Chamber Listen Line: 206-684-8566

For accessibility information and for accommodation requests, please call
206-684-8888 (TTY Relay 7-1-1), email CouncilAgenda@Seattle.gov, or visit
<http://seattle.gov/cityclerk/accommodations>.



SEATTLE CITY COUNCIL
Transportation and Utilities Committee
Agenda
June 16, 2021 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/transportation-and-utilities>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Transportation and Utilities Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Transportation and Utilities Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Pedersen at Alex.Pedersen@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [Appt 01948](#) **Appointment of Hang Nguyen as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter for Agenda Items 1 - 3: Polly Membrino, Seattle Department of Transportation (SDOT)

2. [Appt 01949](#) **Appointment of Greyson Simon as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

3. [Appt 01947](#) **Appointment of Erin K. Fitzpatrick as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

4. [Res 32007](#) **A RESOLUTION related to the City Light Department, adopting a 2022-2026 Strategic Plan for the City Light Department and endorsing the associated five-year rate path.**

Attachments: [Att 1 - SCL 2022-2026 Strategic Plan](#)
[Att 2 - City Light Review Panel Letter](#)

Supporting Documents: [Summary and Fiscal Note](#)
Presentation

Briefing and Discussion

Presenters: Debra Smith, General Manager & CEO, Kirsty Grainger, Leigh Barreca, and Maura Brueger, Seattle City Light; Eric McConaghy, Council Central Staff

5. [CB 120100](#) **AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to enter into a Water Quality Combined Financial Assistance Agreement between the State of Washington Department of Ecology and The City of Seattle, Public Utilities Department, to partially finance costs related to the construction of the Ship Canal Water Quality Project through a Clean Water State Revolving Fund Loan.**

Attachments: [Att 1 - Agreement No. WQC-2021-SeaPUD-00191](#)

Supporting Documents: [Summary and Fiscal Note](#)
[Ship Canal Project - Additional Background](#)
[Council Bill 120100 Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Mami Hara, General Manager, Maria Coe, and Ben Marre, Seattle Public Utilities; Brian Goodnight, Council Central Staff

6. Presentation: Sound Transit Realignment

Briefing and Discussion

Presenters: Peter Rogoff, CEO, Kimberly Farley, Don Billen, Ron Lewis, and Cathal Ridge, Sound Transit; Sam Zimbabwe, Director, and Sara Maxana, SDOT; Anne Fennessy, Mayor's Office; and Calvin Chow, Council Central Staff

E. Adjournment



Legislation Text

File #: Appt 01948, **Version:** 1

Appointment of Hang Nguyen as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Hang Nguyen</i>		
Board/Commission Name: <i>Seattle Pedestrian Advisory Board</i>		Position Title: <i>Member (Position 4)</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment		City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input checked="" type="checkbox"/> City Council <input type="checkbox"/> Mayor <input type="checkbox"/> Other		Term of Position: * 4/1/2021 to 3/31/2023 <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>
Residential Neighborhood: <i>Lake City/Olympic Hills</i>	Zip Code: <i>98125</i>	Contact Phone No.: [REDACTED]
Background: <i>Hang grew up in the Puget Sound region and has recently put down roots in the Lake City neighborhood. She is both professionally and personally invested in building a stronger and more vibrant community with the mindset that the actions taken today should benefit people and the environment tomorrow. Hang's educational background shapes her work at King County Metro Transit and her interest in ensuring public spaces are accessible and welcoming to people of all backgrounds, ages, and abilities.</i>		
Authorizing Signature (original signature):  Date Signed (appointed): 5/26/21		Appointing Signatory: <i>Alex Pedersen</i> <i>Seattle City Councilmember</i>

*Term begin and end date is fixed and tied to the position and not the appointment date.



EMPLOYMENT HISTORY

KING COUNTY METRO TRANSIT
PROJECT/PROGRAM MANAGER III
DEC 2020 – PRESENT

Led the standardization and process documentation of routine Capital Division work, managed communication, and training of the Get Things Built (GTB) Framework.

- ≡ Redeveloped the GTB Framework SharePoint site into an interactive and intuitive tool with better messaging of purpose and instructions.
- ≡ Managed SharePoint expansion and new site requests; SharePoint and MS Teams site administrator; provided technical support to Capital staff.

PROJECT/PROGRAM MANAGER II
JAN 2020 – DEC 2020

Developed interactive systems and tools to track internal Project Management Office (PMO) projects, curated digital resources and supported training sessions.

- ≡ Created a visual tracking system for the Project Controls, Management and Performance Unit's focused improvements project using Airtable and SharePoint to enable standardized reporting, greater transparency, and communication.
- ≡ Assisted in managing Capital Delivery Board meetings, managed agendas, reviewed materials and communicated with project managers to prepare their presentations for the Board.
- ≡ Contributed to the emergency response work for COVID-19 as part of the Community Mitigation and Recovery team. Developed processes to report efforts to FEMA; created a collaborative SharePoint site and calendar for the team to receive and share information; provided administrative services to organize agendas, meetings and record notes.

SEATTLE HOUSING AUTHORITY
PROJECT COORDINATOR
APR 2017 – DEC 2019

Managed and coordinated several projects at various stages, such as Creating Moves to Opportunity, Family Access Supplement and Health Initiative: Aging and Disability Services Referral Form, Data Sharing Agreements and Moving to Work Program Evaluation.

- ≡ Produced project charters, planned scope of work and timelines, worked cross-functionally to support new initiatives, participated on Request for Proposal review panels, managed consultant contracts and relationships with stakeholders, processed change orders.
- ≡ Directed work groups and facilitated project team meetings, stakeholder engagement and presented at department meetings.
- ≡ Supported staff on project needs from development through execution, monitored for consistency and accuracy, tracked issues and recorded suggestions for improvements in change logs, conducted training sessions for staff. Formed communication plans, created and designed internal and external materials for various programs.

CERTIFICATION SPECIALIST II
AUG 2016 – APR 2017

Led a work group to modify the Housing Choice Voucher certification paperwork to reduce processing inefficiencies using lean techniques. Managed a caseload of over 500 elderly and/or disabled households through the housing recertification of program eligibility process including income verification, landlord and tenant issues, inspections and non-compliance.

CERTIFICATION SPECIALIST I
JUN 2015 – AUG 2016

Oversaw scheduling for housing inspectors and tracked over 900 inspections a month, reported monthly metrics using Elite, Access and Excel. Reorganized schedules to reduce travel time, inefficiencies, unnecessary visits to vacant units and add flexible time for inspectors to complete paperwork. Point of contact for inspectors, landlords and tenants regarding inspections and procedures. Determined program eligibility and issued vouchers to low-income households.

CUSTOMER SERVICE SPECIALIST
DEC 2014 – JUN 2015

Managed front desk responsibilities, lobby wait time and daily programming; aided individuals applying for low-income housing programs. Helped people complete program applications and forms, housing search and program inquiries. Assisted households with varying language and cultural backgrounds, disabilities, literacy and de-escalated challenging clients.

NATIONAL PARK SERVICE
PLANNING CONTRACTOR
MAY 2014 – NOV 2014

Researched and edited the Columbia-Pacific Heritage Area Study, designed the City of Rocks park newsletter and organized the Planning Office's library. Developed a filing system to manage documents, digitized public comments and edited general management plans, master plans and newsletters for the Devils Postpile, City of Rocks and Hawaii Volcanoes National Park.

FEET FIRST
OUTREACH COORDINATOR
AUG 2014 – OCT 2014

Enrolled King County residents to participate in the King County Metro “In Motion” program, engaged in conversations about alternative modes of transportation and the new Rapid Ride line at farmers markets and community events.

ONE REEL
ACTIVATION COORDINATOR
MAY 2013 – SEPT 2013

Point of contact for craft, food and activity vendors for technical and contractual issues and supervised four concessions area managers at Seattle’s Bumbershoot Music Festival. Supported a festival of thousands of attendees and managed vendor contracts and resolved technical issues.

**FEDERAL AVIATION
ADMINISTRATION**
POLICY ANALYST INTERN
JUN 2012 – AUG 2012

Evaluated federally funded airports for the FAA Airport Disability Compliance Program. Examined airport facilities for Americans with Disabilities Act (ADA) violations and provided recommendations for design and planning improvements. Interviewed and trained airport vendors including airline employees, businesses and service providers. Edited correspondence regarding Office of Civil Rights complaints and updated ADA Coordinator information for 500 federally funded airports.

**COMMUNITY ACTION
PARTNERSHIP ORANGE COUNTY**
PLANNING INTERN
APR 2012 – MAY 2012

Connected with the Buena Park Youth Focus Group and Buena Park’s Community Building Initiative committee to lead and conduct a walkability assessment, evaluated safety and obesity statistics and researched grant opportunities for neighborhood park renovations. Collected findings from the youth group and provided input to the advisory committee.

COLEHOUR + COHEN
COMMUNITY OUTREACH
COORDINATOR
JUN 2011 – SEPT 2011

Engaged Puget Sound Energy (PSE) customers in conversation about sustainability, energy efficiency and benefits of switching to compact florescent light (CFL) bulbs, promoted the “Rock the Bulb: Re-energize Tour” campaign via presentations and advertisements on CW-11 and New Day Northwest. Tracked and transported inventory and documented receptivity of community outreach efforts; distributed more than 700,000 CFL bulbs to over 30,000 PSE customers.

COMMUNITY INVOLVEMENT

SEATTLE PUBLIC LIBRARY
HOMEWORK HELP TUTOR
SEPT 2017 – PRESENT

Tutored Seattle Public School students (pre-kindergarten to high school) on math, health and science, literature, social studies and geography. Used various learning methods to convey concepts, problem solving techniques and critical thinking.

YOUNG PLANNERS GROUP
BOARD MEMBER/SECRETARY
JAN 2014 – SEPT 2018

Served as Secretary from September 2017 to September 2018. Coordinated YPG happy hour, professional lectures and community service opportunities, walking tours and networking mixers in the Puget Sound region. Managed social media accounts and email newsletters.

**URBAN PLANNING STUDENT
ASSOCIATION**
VICE PRESIDENT
JAN 2012 – DEC 2012

Planned social mixers, professional networking events and lectures for current and former urban planning students at University of California, Irvine. Created and maintained the association’s website and media pages to expand outreach and communicate more effectively with members.

EDUCATION AND CERTIFICATION

PROJECT MGMT INSTITUTE
PMP, 2019

Project Management Professional Certification


U. OF CALIFORNIA, IRVINE
MASTER OF ARTS, 2013


Urban and Regional Planning
NEURUS Scholar 2012-2013, California Planning Foundation Graduating Student Merit Award 2013, American Planning Association National Conference Speaker 2013


UNIVERSITY OF WASHINGTON
BACHELOR OF ARTS, 2011

Communication, Comparative History of Ideas (CHID), Diversity Minor
Dean’s List 2007, 2009- 2011; DeEtte McAuslan Stuart Scholarship recipient 2007-2011

TECHNICAL EXPERIENCE

 Project Management
Professional Certification

 PowerPoint, SharePoint, Teams,
Excel, Word, Project and Power BI

 Airtable, ArcGIS, InDesign,
Piktochart and WordPress

Seattle Pedestrian Advisory Board

12 Members: Pursuant to Resolution 29532 and Ordinance 120325, all members subject to City Council confirmation, 3-year terms, Get Engaged Member, 1-year term:

- 7 Mayor- appointed
- 5 City Council - appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	F	2	1.	Member	Jennifer Lehman	4/1/20	3/31/22	1	City Council
6	T & NB	2	2.	Member	Greyson Simon	4/1/21	3/31/23	2	City Council
6	F		3.	Member	Emily Mannetti	4/1/20	3/31/22	1	City Council
1	F	5	4.	Member	Hang Nguyen	4/1/21	3/31/23	2	City Council
1	F	6	5.	Member	Han-Jung Ko	4/1/21	3/31/23	2	City Council
6	F	7	6.	Member	Emily Davis	4/1/20	3/31/22	1	Mayor
6	F	2	7.	Member	Erin K. Fitzpatrick	4/1/21	3/31/23	1	Mayor
9	F	7	8.	Member	Bianca Johnson	4/1/20	3/31/22	1	Mayor
1	F	3	9.	Member	Akshali Gandhi	4/1/20	3/31/22	1	Mayor
6	F	5	10.	Member	Maria Sumner	4/1/21	3/31/23	1	Mayor
8	F	4	11.	Member	Etsi Mintz	4/1/20	3/31/22	1	Mayor
6	M	3	12.	Get Engaged Member	Ori Brian	9/1/20	8/31/21	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor	1	6			1					4		1	1					
Council		4	1	1	2					3								
Other																		
Total	1	10	1	1	3					7		1	1					

Key:

*D List the corresponding Diversity Chart number (1 through 9)

**G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 01949, **Version:** 1

Appointment of Greyson Simon as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Greyson Simon		
Board/Commission Name: Seattle Pedestrian Advisory Board		Position Title: Member (Position 2)
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input checked="" type="checkbox"/> City Council <input type="checkbox"/> Mayor <input type="checkbox"/> Other	Term of Position: * 4/1/2021 to 3/31/2023 <input type="checkbox"/> Serving remaining term of a vacant position	
Residential Neighborhood: Columbia City	Zip Code: 98144	Contact Phone No.: [REDACTED]
Background: Greyson has lived in Seattle for 8 years with their partner of over a decade. They are known within their community for founding and running the Transgender Language Primer, a resource for learning about terms related to gender and attraction, for the last 5 years. As a trans person who commutes by public transit, they are passionate about pedestrian safety and access, especially basic access needs like sidewalks and curb cuts.		
Authorizing Signature (original signature): 	Appointing Signatory: Alex Pedersen Seattle City Councilmember	
Date Signed (appointed): 5/26/2021		

*Term begin and end date is fixed and tied to the position and not the appointment date.

GREYSON SIMON

Educator, Advocate, and Artisan

Areas of Expertise

- Project, Volunteer & Employee Management
including creating Tracking, Training, & Review Materials, as well as using Payroll Systems
- Customer Service & Retail Sales Operations
including POS systems, Merchandising, & Inventory Management
- Social Media & Website Management
including Forum/Group Management & Marketing
- Administrative Operations
including Microsoft Office Suite & equivalents (Google Drive etc.)

Professional Expertise

<i>Founder & Lead Editor</i>	The Transgender Language Primer: Remote	2016 - Present
<i>Assistant Production Manager</i>	Big Dipper Wax Works: Seattle, WA	2020 - Present
<i>Chandler</i>	Big Dipper Wax Works: Seattle, WA	2013 - 2020
<i>Senior Community Manager</i>	Facebook Transgender Alliance (FTA): Remote	2014 - 2016
<i>Sales Clerk</i>	Metro Entertainment: Portland, OR	2011 - 2013
<i>Audio Journalist</i>	WNJR (91.7 FM): Washington, PA	2009 - 2010
<i>Photo Curator</i>	Genderfork: Remote	2009 - 2010
<i>Editor</i>	The Wooden Tooth Review: Washington, PA	2008 - 2010

Education

PSU	<i>BA Studies in Women's Studies</i>	Portland, OR	2011 - 2013
WashJeff	<i>BA Studies in English</i>	Washington, PA	2007 - 2010

References

<i>Flower Grosskopf</i>	General Manager	Big Dipper Wax Works	206 - 356 - 9721
<i>Oliver Robison</i>	Volunteer Coordinator	FTA	616 - 422 - 2893
<i>Anthony Fleury</i>	General Manager	WNJR (91.7 FM)	724 - 678 - 5332

Seattle Pedestrian Advisory Board

12 Members: Pursuant to Resolution 29532 and Ordinance 120325, all members subject to City Council confirmation, 3-year terms, Get Engaged Member, 1-year term:

- 7 Mayor- appointed
- 5 City Council - appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	F	2	1.	Member	Jennifer Lehman	4/1/20	3/31/22	1	City Council
6	T & NB	2	2.	Member	Greyson Simon	4/1/21	3/31/23	2	City Council
6	F		3.	Member	Emily Mannetti	4/1/20	3/31/22	1	City Council
1	F	5	4.	Member	Hang Nguyen	4/1/21	3/31/23	2	City Council
1	F	6	5.	Member	Han-Jung Ko	4/1/21	3/31/23	2	City Council
6	F	7	6.	Member	Emily Davis	4/1/20	3/31/22	1	Mayor
6	F	2	7.	Member	Erin K. Fitzpatrick	4/1/21	3/31/23	1	Mayor
9	F	7	8.	Member	Bianca Johnson	4/1/20	3/31/22	1	Mayor
1	F	3	9.	Member	Akshali Gandhi	4/1/20	3/31/22	1	Mayor
6	F	5	10.	Member	Maria Sumner	4/1/21	3/31/23	1	Mayor
8	F	4	11.	Member	Etsi Mintz	4/1/20	3/31/22	1	Mayor
6	M	3	12.	Get Engaged Member	Ori Brian	9/1/20	8/31/21	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor	1	6			1					4		1	1					
Council		4	1	1	2					3								
Other																		
Total	1	10	1	1	3					7		1	1					

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

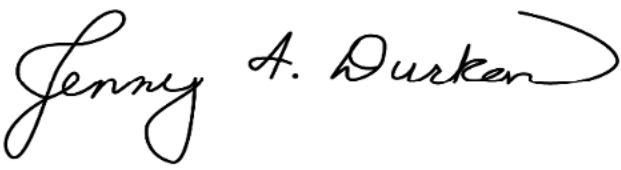
File #: Appt 01947, **Version:** 1

Appointment of Erin K. Fitzpatrick as member, Seattle Pedestrian Advisory Board, for a term to March 31, 2023.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Erin K. Fitzpatrick		
Board/Commission Name: Seattle Pedestrian Advisory Board		Position Title: Member (Position 7)
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other	Term of Position: * 4/1/2021 to 3/31/2023 <input type="checkbox"/> Serving remaining term of a vacant position	
Residential Neighborhood: Columbia City	Zip Code: 98144	Contact Phone No.: [REDACTED]
Background: Erin has lived and worked in Seattle for 6 years, mostly in the Mt. Baker/Columbia City area. She works at Lighthouse for the Blind providing orientation and mobility instruction to individuals who are blind, DeafBlind, and blind with other disabilities. This role takes her the length and breadth of the Seattle area and has given her a unique perspective on the pedestrian experience throughout. Erin is passionate about creating an accessible environment for all people and enjoys collaborating with various organizations (SDOT, Waterfront Seattle, Sound Transit) to provide insight and information.		
Authorizing Signature (original signature):  Date Signed (appointed): 5/25/21	Appointing Signatory: Jenny A. Durkan Mayor of Seattle	

*Term begin and end date is fixed and tied to the position and not the appointment date.

Erin K. Fitzpatrick

Work Experience

Orientation and Mobility Supervisor, Seattle Location

11/2020 to Present

Lighthouse for the Blind, INC

Seattle, WA

Supervise Orientation & Mobility Specialists (O&M) at the Seattle location, shape program direction, coordinate with other departments to improve/maintain accessibility within the Lighthouse, represent Lighthouse employee mobility needs at external events, collaborate with DOT representatives on various community projects, and provide Orientation & Mobility training, education, consultation, and technical assistance to people who are blind, DeafBlind, or blind with other disabilities, as well as education to employees and community members, and various departments throughout the Lighthouse.

Orientation and Mobility Specialist Team Lead

08/2019 to 11/2020

Lighthouse for the Blind, INC

Seattle, WA

Guide O&M team, facilitate communication within team, act as point of contact with other departments, collaborate with various committees to further Lighthouse goals, provide O&M Training, education/consultation, and accommodations setup and training to people who are blind, DeafBlind, or blind with other disabilities.

Orientation and Mobility Specialist

01/2015 to Present

Lighthouse for the Blind, INC

Seattle, WA

Provide O&M Training, education/consultation, and accommodations setup and training to people who are blind, DeafBlind, or blind with other disabilities.

Professional Certifications

Certification in Orientation and Mobility

Academy for Certification of Vision Rehabilitation & Education Professionals (ACVREP)

2015 to present

Education

Western Michigan University

Master of Arts in Orientation and Mobility for Working Age Adults

Kalamazoo, MI

08/2014 to 05/2015

Central Michigan University

Bachelor of Science in Biology

Mount Pleasant, MI

08/2007 to 05/2011

Seattle Pedestrian Advisory Board

12 Members: Pursuant to Resolution 29532 and Ordinance 120325, all members subject to City Council confirmation, 3-year terms, Get Engaged Member, 1-year term:

- 7 Mayor- appointed
- 5 City Council - appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	F	2	1.	Member	Jennifer Lehman	4/1/20	3/31/22	1	City Council
6	T & NB	2	2.	Member	Greyson Simon	4/1/21	3/31/23	2	City Council
6	F		3.	Member	Emily Mannetti	4/1/20	3/31/22	1	City Council
1	F	5	4.	Member	Hang Nguyen	4/1/21	3/31/23	2	City Council
1	F	6	5.	Member	Han-Jung Ko	4/1/21	3/31/23	2	City Council
6	F	7	6.	Member	Emily Davis	4/1/20	3/31/22	1	Mayor
6	F	2	7.	Member	Erin K. Fitzpatrick	4/1/21	3/31/23	1	Mayor
9	F	7	8.	Member	Bianca Johnson	4/1/20	3/31/22	1	Mayor
1	F	3	9.	Member	Akshali Gandhi	4/1/20	3/31/22	1	Mayor
6	F	5	10.	Member	Maria Sumner	4/1/21	3/31/23	1	Mayor
8	F	4	11.	Member	Etsi Mintz	4/1/20	3/31/22	1	Mayor
6	M	3	12.	Get Engaged Member	Ori Brian	9/1/20	8/31/21	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor	1	6			1					4		1	1					
Council		4	1	1	2					3								
Other																		
Total	1	10	1	1	3					7		1	1					

Key:

*D List the corresponding Diversity Chart number (1 through 9)

**G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Res 32007, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION related to the City Light Department, adopting a 2022-2026 Strategic Plan for the City Light Department and endorsing the associated five-year rate path.

WHEREAS, in consultation with the Mayor and the City Council, the City Light Department (“City Light”)

initiated the strategic planning process in 2010 to provide more transparency and accountability for decision-making within City Light; and

WHEREAS, Resolution 31383, adopted July 2012, approved City Light’s 2013-2018 Strategic Plan and six-year rate path, and directed the utility to review and update the Strategic Plan every two years, adding two years to the Strategic Plan and re-evaluating the remaining four years of the existing Strategic Plan; and

WHEREAS, since 2012, City Light has revised and updated its Strategic Plan biennially, and has provided annual reports on the progress of Strategic Plan initiatives to the appropriate City Council committee; and

WHEREAS, the 2020 strategic planning process was impacted by COVID-19 and related pandemic response efforts, and the original 2021-2026 Strategic Plan has been amended to be a 2022-2026 Strategic Plan that covers a five-year period (Attachment 1 to this resolution); and

WHEREAS, City Light intends to resume a six-year planning cycle and deliver an updated 2023-2028 Strategic Plan in the spring of 2022; and

WHEREAS, City Light has developed a five-year plan and rate path that supports our commitment to delivering affordable, reliable electricity in an environmentally responsible way to our customers and

the communities we serve. It also lays the foundation, a shared vision, and the path forward to meeting our customers' emerging needs and becoming the utility of the future; and

WHEREAS, City Light faces challenges that include continuing need for investments in our infrastructure; evolving customer expectations; declining retail energy consumption; impacts of retirements and legacy work processes; and climate change and fostering clean, renewable energy sources; and

WHEREAS, City Light conducted extensive outreach regarding the Strategic Plan, with customer and stakeholder group meetings, neighborhood open houses, limited-English-proficiency customer outreach, a market research survey, and social media outreach; and

WHEREAS, the resulting 2022-2026 Strategic Plan, which includes a five-year rate path, is a package of initiatives and investments to respond to industry challenges, improve the customer experience, strengthen our infrastructure to support decarbonization, ensure financial stewardship and affordability, and reflect a post-COVID environment by effecting organizational change, promoting diversity and inclusion, as well as contributing to The City of Seattle's vision for our city while providing our customers with affordable, reliable, and environmentally responsible energy services; and

WHEREAS, per Ordinance 123256, the City Light Review Panel ("Review Panel") is charged with representing City Light ratepayers and with reviewing and assessing City Light's strategic plans; and

WHEREAS, since 2013 the Review Panel has reviewed City Light's progress in carrying out the Strategic Plan on a quarterly basis and has also reviewed the Utility's proposed changes for the 2022-2026 Strategic Plan; and

WHEREAS, the Seattle City Light Review Panel has identified several issues facing City Light in the next few years including the growing accounts receivables balance, a need for modernization of the electric grid, rising labor costs, continued need to respond to our region's deeply held environmental values, and continued financial vigilance and reduced dependence on debt financing to keep electric service affordable in its letter dated May 14, 2021 (Attachment 2); and

WHEREAS, the City Council has reviewed the Strategic Plan Update, the associated five-year rate path, the recommendation of the Review Panel, and the results of customer and stakeholder engagement; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The City Council adopts City Light’s 2022-2026 Strategic Plan (the “Strategic Plan”), a copy of which is attached to this resolution as Attachment 1 and incorporated by reference.

Section 2. To achieve the goals of the Strategic Plan, the annual rate increases for the following five years as shown in the table below are endorsed.

2022	2023	2024	2025	2026
3.9%	3.8%	3.8%	3.0%	3.0%

Adopted by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its adoption this _____ day of _____, 2021.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

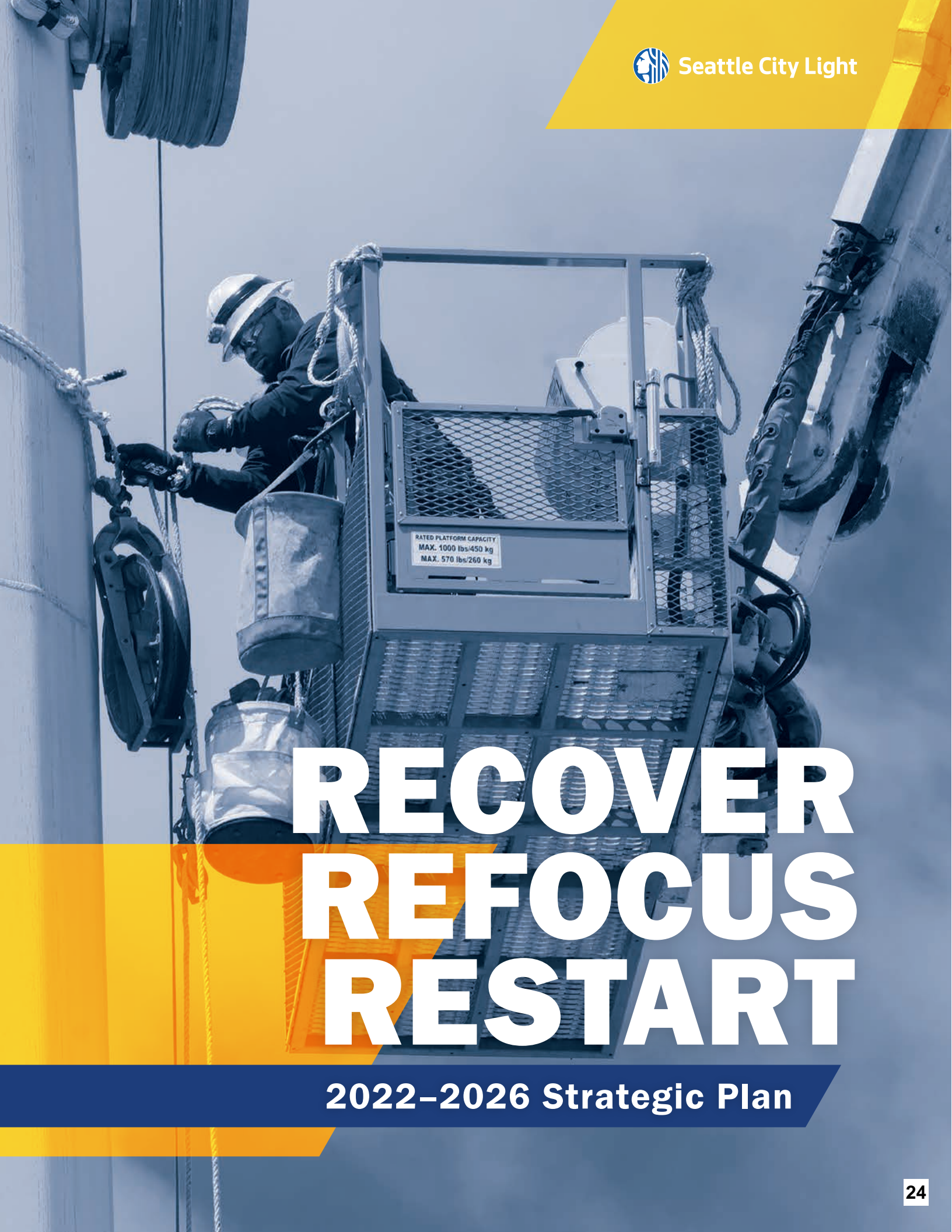
Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Seattle City Light 2022-2026 Strategic Plan

Attachment 2 - City Light Review Panel Comment Letter on Proposed 2022-2026 Seattle City Light Strategic Plan



RATED PLATFORM CAPACITY
MAX. 1000 lbs/450 kg
MAX. 570 lbs/260 kg

RECOVER REFOCUS RESTART

2022–2026 Strategic Plan

RECOVER, REFOCUS, RESTART

Over 900,000 people in the Seattle area rely on Seattle City Light every day to keep their homes comfortable, businesses operating, and communities vibrant. It is our responsibility and privilege to provide our customers power that is reliable, affordable, and environmentally responsible.

Like many things in 2020, our strategic planning process stopped abruptly when COVID-19 hit. We quickly pivoted to focus on the immediate safety and health of our community, customers, and employees.

I am so proud of the work done by Seattle City Light staff. They quickly learned new ways to work, from virtual meetings to new work-safety requirements. In a time filled with fear and uncertainty, they stayed focused on taking care of our customers, neighbors, and their colleagues. They made sure people were safe, helped those who were struggling to pay, and maintained progress on critical projects.

Now, with a hopeful eye to the future, we have returned to our strategic plan. We know times are still uncertain, and that our region's recovery is likely to be sporadic. But the plan is our North Star compass, keeping us oriented to where we ultimately intend to be.

As a public utility, our goals are defined by our customers and the communities we serve. The public has made clear they expect us to deliver affordable, reliable electricity in an environmentally responsible way. They also count on us to handle any crisis that comes along while we meet their evolving needs. That's why we need a shared vision, institutional flexibility, and more than one path to becoming the utility of the future. I believe this plan defines our destination while maintaining the flexibility we will need to deal with the uncertainty ahead.

A strategic plan is no substitute for values. I'm proud of Seattle City Light and the values we share with the communities we serve. We will continue to deliver reliable energy to our customers while working to also improve the environment, advance equity, achieve excellence, put customers first, and take care of our employees. We are honored to be a force for the Seattle area's recovery as we work together to build a more equitable, sustainable future.

Thank you,



Debra Smith
General Manager & CEO

About Seattle City Light

Seattle City Light, a department of the City of Seattle, is one of the nation's largest publicly owned utilities in terms of the number of customers served. Our customers include the cities of Seattle, Shoreline, Burien, Lake Forest Park and portions of Normandy Park, Tukwila, Renton, SeaTac, and unincorporated King County.

We are funded by customer revenue, not taxes, and governed by the elected leaders of the City of Seattle.

As a recognized national leader in energy efficiency and environmental stewardship, Seattle City Light provides low-cost, reliable, and environmentally responsible electric power. We meet over half of our customers' electric needs from hydropower dams owned and operated by Seattle City Light. Most of the remaining power comes from hydropower purchased from the Bonneville Power Administration and investments in renewable and conservation resources. We are proud to offer our customers some of the lowest electricity rates in the nation.

BY THE NUMBERS

Service Area Population:	955,116
Customers	
Residential:	429,690
Non-residential:	51,398
Personnel (FTE):	1,793
Meters:	482,608 (95% Advanced Meters)
Distribution Circuit Miles:	Looped Radial: 2,340 Network: 267
Major Substations:	16
Commercial/Industrial Power Transformers:	56
Network Distribution Circuit Miles:	309
Peak Use, MW:	1,757
Annual Energy Savings from Conservation, KWh:	83,046,206

WHY THIS IS A FIVE-YEAR PLAN

Typically, Seattle City Light's strategic plans cover six-year periods. However, due to COVID-19, our planning process was delayed in 2020 and this plan was revised from a six-year (2021-2026) to a five-year (2022-2026) period.

We'll resume the six-year planning cycle with the 2023-2028 Strategic Plan.

OUR MISSION

Seattle City Light provides our customers with affordable, reliable, and environmentally responsible energy services.

VISION

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

VALUES

CUSTOMERS FIRST: We believe customer service is everyone's job. We pledge to be approachable, respectful, and responsive in providing products and services that our customers want and need.

ENVIRONMENTAL STEWARDSHIP: We care about the environment and we are dedicated to enhancing, protecting, and preserving it for future generations.

EQUITABLE COMMUNITY CONNECTIONS: We are proud to be a local, community-owned utility. We are visible and actively involved in the communities we serve. We are rooted in our commitment to racial diversity, social justice, and the equitable provision of services to all.

OPERATIONAL AND FINANCIAL EXCELLENCE: We strive for excellence, are forward-focused, and seek new and innovative solutions to meet the challenges of today and tomorrow. We prioritize our investments and operating choices to build upon our strong financial foundation and solid, reliable infrastructure.

SAFE AND ENGAGED EMPLOYEES: We actively practice our commitment to employee and public safety. We treat each other with kindness and respect, are personally accountable, and work effectively in teams.





FROM PANDEMIC TO PROGRESS: CITY LIGHT SUCCESSSES

In 2020, the utility faced extraordinary challenges — the coronavirus pandemic, the shuttering of businesses and massive job losses, dangerous air quality, and heightened calls to address racial disparities and injustice. Throughout these difficult times, the utility adapted to provide safe work environments for its employees, maintain essential services to customers, and learn from the experience to build a stronger utility moving forward.

Responded to COVID-19

We mobilized quickly and comprehensively to continue delivering services during a severe public health, economic, and social crisis. Our employees found new ways to adapt their work—from rethinking how crews deploy to setting up home offices (often next to home-school “classrooms”). We also restricted planned outages to reduce impacts to customers.

COVID-19 forced us to adjust plans and practices to respond to new norms and changing demands for service. Our workforce was agile, resilient, and caring. In the face of great uncertainty and distress, we honored our mission, lived by our values, and provided help to the most vulnerable among us.

Advanced Our Carbon-Neutral Transportation Future

The utility’s Transportation Electrification Strategic Investment Plan identifies what’s necessary to expand transportation electrification to meet our carbon-neutral goal. The plan describes how data and community and stakeholder input will help build an equitable and electrified transportation system.

The plan is already in action. We’re working with King County Metro and Washington State Ferries to build the necessary electrical infrastructure to support public transit electrification. This will significantly benefit communities that rely on public transit and will reduce air and noise pollution where impacts are greatest. We’ve expanded electric vehicle charging infrastructure, invested in electrification of our fleet, and started constructing a charging depot for municipal and private fleets. We are also piloting time-of-day rates that enable transportation electrification by encouraging off-peak vehicle charging for residential and commercial customers.

We’ll build on these existing commitments to develop future offerings to support equitable electric transportation for all and reduce emissions across the region.

Made Customer Service More Personal and Convenient

We are committed to continually improving our service to customers. As customer expectations and technologies change, so must our business practices. We've transformed many important customer services, such as launching a Business Customer Service Center pilot program that provides concierge services and developing an online customer portal. The portal includes improved account management tools and the ability for customers to see and respond to real-time usage data. This means customers can easily open and close accounts through self-serve options and businesses have tools to make their work easier.

Invested in Critical Infrastructure and Assets

We continue to make strategic, reliability-enhancing investments in our generation, transmission, and distribution systems.

Hydropower is clean, carbon-free energy and provides about half of our customers' power. We upgraded our hydroelectric generation with improvements in dam safety and long-term system and facility planning.

The replacement of aging wooden utility poles was particularly important and challenging in 2020 due to the need to limit planned outages. Thanks to committed crews and staff, we were able to significantly accelerate our pole replacement schedule and develop a robust strategy to replace poles that require long-duration permitting efforts.

Additionally, we invested in undergrounding facilities along the Seattle waterfront and added capacity for light rail.

Joined the Western Energy Imbalance Market

City Light joined the Western Energy Imbalance Market (WEIM) in 2020. This advanced market system automatically finds low-cost energy to serve real-time consumer demand across the West. WEIM enhances grid reliability and generates cost savings for participating utilities. In addition to providing economic advantages, the market improves the integration of renewable energy, which leads to a cleaner, greener grid. The City Light team successfully entered WEIM during an unusually challenging time and our first year of participation has had positive financial results.

Earned the Highest Reliable Power Provider Designation from the American Public Power Association (APPA)

In 2020, City Light was one of only 47 utilities to earn the Diamond Reliable Public Power Provider (RP3)[®] designation from the APPA. This award recognizes public power utilities for proficiency in reliability, safety, workforce development, and system improvement. This three-year designation shows the utility's dedication to safety, reliability, and sound business practices.

UTILITY RELIEF FOR CUSTOMERS IN RESPONSE TO COVID-19

In coordination with the City of Seattle, City Light:

- Provided more flexible payment plans
- Helped eligible residential customers self-certify for Utility Discount Program
- Reached out to small businesses with delinquencies to offer flexible payment plans
- Waived interest charges/late fees on delinquencies for eligible businesses
- Expanded emergency assistance to help with high balances



STRATEGIC PLAN PERFORMANCE METRICS

The strategic plan uses performance metrics to track progress and provide insights that allow us to refine our work. Overall, we're making good progress, but there's more work to be done. Here are a few examples of how our work benefits the utility, customers, and the community:

	2016	2017	2018	2019	2020	TARGET 2021
RELIABILITY						
Outage Duration: SAIDI (in minutes) ¹	61.0	64.5	58.3	71.9	67.0	64.3
Outage Frequency: SAIFI ²	0.50	0.40	0.50	0.50	0.49	0.47
Generator Availability	83.8%	81.5%	89.1%	84.1%	77.1%	81.4%
Miles of Line Trimmed ³	553	417	373	408	323	400
CLEAN ENERGY						
Energy Efficiency Incremental Average Megawatts (aMW) ⁴	14.0	15.4	14.4	13.0	10.5	10.8
SOCIAL JUSTICE						
Utility Discount Program Participants	28,000	33,000	31,924	34,028	42,094	n/a ⁵
Purchases from Women & Minority Business Enterprises (\$ millions)	\$15.20	\$14.00	\$11.50	\$13.00	\$19.70	\$16.37
FINANCE						
Debt Service Coverage	1.70	1.90	1.80	2.10	1.73 ⁶	1.79

¹ SAIDI – System Average Interruption Duration Index (average total number of minutes per year of sustained outage per customer served)

² SAIFI – System Average Interruption Frequency Index (average number of times a customer's electric service was interrupted in the year)

³ Tree trimming and vegetation management as measured by transmission line miles

⁴ Measures our performance toward reaching our state-mandated energy savings target. In 2020, in-home services were suspended for safety due to COVID-19.

⁵ There is no Utility Discount Program or Emergency Low-income Assistance Program target for 2021. Instead, the focus will be on improving the application process and removing barriers to apply—thereby increasing the number of new enrollees.

⁶ Unaudited

LOOKING FORWARD

Our customers rely on us to keep the power on, no matter the situation. To do this, we need a clear vision of where we want to go and plans for how to get there. These plans must continually adapt to changes in our community, the industry, and the world.

Our values, mission, and vision shape all our planning. They reflect who we are, why we're here, and what we aspire to. Our vision is where we are headed and our source of inspiration.

The strategic plan guides us on our path. It's our North Star—a navigational aid to help us get to our destination. The plan takes a high-level, longer-term view; it identifies our key strategic assets, and it leverages these assets to help us navigate uncertainty.

The strategic plan informs other detailed and more frequently updated plans.

Our annual workplan sets service and performance goals and guides our day-to-day operations. Financial plans such as the Capital Improvement Program, rate trajectory, and budget help us manage our resources wisely.

SEATTLE CITY LIGHT STRATEGIC PLAN 101:

- WHAT?** A framework for making informed decisions to meet current and future needs of Seattle City Light and its customers.
- WHO?** Seattle City Light's executive team leads the planning effort with input from the Seattle City Light Review Panel, City of Seattle policymakers, community members, business representatives, customers, employees, and other stakeholders.
- WHY?** Disruption is the new normal. Pandemics, climate change, evolving customer needs, new technologies, and a generational wave of retirements are just a few of the disruptive forces creating major challenges for our industry.

OUR PLANNING PROCESS



COMMUNITY VOICES

We Heard From You

Seattle City Light uses insights from customers and the community to inform our strategic planning and daily work.

In March and April 2021, Seattle City Light met with 11 stakeholder groups to present the utility's draft 2022-2026 Strategic Plan. This included the City Light Environmental Advisory Board, members of the City of Seattle's Environmental Justice Committee, the Seattle Renters' Commission, representatives from the utility's franchise cities, members of the NW Energy Coalition, representatives from the Seattle 2030 District and Business Owners and Management Association, representatives from the Multi-Service Center and Hopelink, and representatives from the utility's managed accounts.

Several presentations were given to Seattle City Light staff — including presentations to our Race and Social Justice Change Team — and a Virtual Town Hall was held on April 15, which was open to the public.

In total, City Light engaged with over 200 individuals who brought a variety of perspectives to each discussion about the priorities presented in the plan.

AREAS OF INTEREST EXPRESSED

- Having a greater voice in the direction of new City Light programs
- Seeing City Light programs and initiatives roll out at a quicker pace
- Supporting City Light's plan to control debt

OPPORTUNITIES IDENTIFIED

- Aligning City Light's customer-facing programs with other City of Seattle departments
- Reimagining City Light's bill assistance programs to help those in need who may not be served by existing programs
- Looking at energy burden holistically and reimagining assistance options
- Lifting up and supporting environmental justice work already underway at the community level

ENDING INSTITUTIONAL RACISM IN GOVERNMENT

City Light takes its lead from the City-wide Race and Social Justice Initiative to end institutional racism in government. The initiative's long-term goal is to change the underlying system that creates race-based disparities to achieve racial equity in our community. Developing a utility-wide culture of learning around identity and power is essential to making equitable decisions in how we work with each other and customers. City Light's commitment to advance race and social justice continues building on efforts to:

- embed equity in utility decisions by strengthening our use of the Racial Equity Toolkit;
- identify and remove barriers to equitable employee and customer experiences; and
- deepen staff education, engagement, and leadership development around our collective practice of anti-racism.

City Light Review Panel

The City Light Review Panel⁷ provides advice and recommendations to the Mayor and City Council on the utility's strategic plan and rates. The panel includes representatives from private, public, and nonprofit sectors, utility experts, business leaders, and community representatives. They meet with City Light leaders regularly and provide valuable input that helps shape the development of the strategic plan and other efforts.

- Leon Garnett (Chair)**, Low-Income Customer Advocate
- Mikel Hansen (Co-Chair)**, Commercial Customer Representative
- Anne Ayre**, Industrial Customer Representative
- Scott Haskins**, Utility Financial Analyst
- Sara Patton**, Nonprofit Energy Efficiency Advocate
- John Putz**, At-Large Customer Representative
- Tim Skeel (pending confirmation)**, Economist

⁷ The Seattle City Light Review Panel was created March 22, 2010, through City Council Ordinance Number 123256. There are currently two panel vacancies—the residential customer and suburban franchise cities representatives.



Community Solar Project, Jefferson Park

OUR BUSINESS STRATEGIES ARE BROAD, MULTI-YEAR AREAS OF FOCUS THAT WILL HELP US ACHIEVE OUR VISION.

IMPROVE THE CUSTOMER EXPERIENCE

The energy industry is evolving, and as it does, customers will benefit from more customized services.

Although Seattle City Light has always kept the customer at the heart of our work, changing expectations, as well as emerging needs, mean we need to do even more. We are focused on engaging with our customers and helping employees see the impact of their actions from the customers' perspective.

When we listen to our customers and act on what we hear, we are better able to anticipate needs, deliver excellent service, and help our customers make smart energy choices that help them and the planet.

Projects, Initiatives, Activities:

INTEGRATE THE 'VOICE OF THE CUSTOMER' INTO OUR ORGANIZATIONAL CULTURE:

We will make use of customer research and engage with and equip our employees with the tools, skills, and support they need to prioritize customer needs and make "Customers First" a reality.

STRENGTHEN AND FIX CORE CUSTOMER SERVICES: Service delivery will be improved by redesigning old processes (e.g., implement Advanced Meter Infrastructure Phase 2, identify and resolve customer pain points through the multi-year "Service-to-Bill Process Improvement Project," which includes appropriately resourcing customer engineering services and improving service delivery timelines).

EXPAND CUSTOMER SERVICE OPTIONS: To meet customers' individual needs, we will develop new programs and services. For example, we will grow programs such as the business customer service center pilot, offer new energy efficiency programs, and provide public and residential home charging pilots. We'll also work with community partners and the City of Seattle to increase the effectiveness of our utility bill assistance programs.

OBJECTIVE:

- Consistently meet customers' needs by providing employees with the opportunities and training required to deliver targeted and responsive solutions

SUCCESS MEASURES:

- Customer satisfaction scores from industry experts and our own research (e.g., J.D. Power rating and Seattle City Light longitudinal benchmarking survey)



CREATE OUR ENERGY FUTURE

Our energy future is based on carbon-free renewable resources. However, moving away from fossil fuels will require significant commitments and partnerships. New infrastructure is needed to ensure electricity can be accessed wherever and whenever people need it. Similarly, customers will need more options for accessing and paying for electricity.

Our energy future must also have robust safeguards in place to prevent and mitigate against serious and evolving threats. Our city and society rely on the electric system to deliver essential services that, in turn, support other critical sectors such as financial services, communications, transportation, and other utilities. This makes us a top target for attack. We must be vigilant in continually tracking risks, addressing vulnerabilities, and securing our assets.

Projects, Initiatives, Activities:

FUND AND IMPLEMENT THE ‘UTILITY NEXT’ PORTFOLIO: Utility Next will enable projects needed to achieve Seattle’s clean energy vision. This includes transformation of our grid while also contributing to the long-term economic recovery and clean energy development of our region. Projects in this portfolio will modernize the grid, support large-scale renewables and storage, expand transportation electrification, prepare the workforce to meet the needs of the future, reinvent large capital projects, and advance building electrification.

IMPLEMENT GRID MODERNIZATION ROADMAP: Our carbon-free future depends on the electrification of transportation and other economic sectors; and this requires a stronger, smarter grid to handle the increased consumption. The roadmap will show us the way forward and prioritize investments needed to support electrification and increase grid flexibility, automation, reliability, and resiliency.

IMPLEMENT ELECTRIFICATION PLANS: We will develop, offer, and implement programs authorized by the Transportation Electrification Strategic Investment Plan, meet building electrification objectives that are consistent with City policies and codes, and support the development of the clean energy workforce.

INTEGRATE DISTRIBUTION SYSTEM AND RESOURCE PLANNING: The Integrated Resource Plan will be aligned and incorporated into other complementary planning efforts, including transmission and distribution planning, environmental planning, and the Clean Energy Transformation Act (CETA) Implementation Plan.

DEMONSTRATE LEADERSHIP AND COLLABORATION: We will lead long-term regional decarbonization and electrification planning efforts, collaborate to ensure the capacity and availability of carbon-free generation resources, and support the development of regional solutions. As part of Skagit River Hydroelectric Project relicensing, we will partner with government agencies, sovereign Tribes, and regional stakeholders on environmental studies and mitigations to continue to deliver environmentally responsible, safe, and renewable energy.

OBJECTIVES:

- Build and maintain a smart, resilient, flexible, dynamic, and reliable grid infrastructure
- Prepare for the increased integration of distributed energy resources and more customer options
- Work to reverse historic inequities and avoid collateral harm to underserved populations by intentionally prioritizing their needs as we create our energy future

SUCCESS MEASURES:

- Increased load and revenue associated with electrification
- Penetration of automation on our grid
- Reduction of emissions in Environmental Justice communities

DEVELOP WORKFORCE & ORGANIZATIONAL AGILITY

Our industry is transforming quickly, and so are our customers' needs. Our products and services must keep pace. Seattle City Light employees are essential to this evolution, which is why we must continue to build their skills, create a supportive and diverse culture, provide them with the right tools and resources to help them succeed and stay safe, and make sure there's a talent pipeline to fill and promote the jobs of the future.

Our jobs aren't easy—and some are very dangerous—so making sure our workforce is well trained and prepared is critical.

Investing in our people and processes will pay off for customers through increased accountability, new efficiencies, better customer service, and new service offerings.

Projects, Initiatives, Activities:

INSTITUTIONALIZE ORGANIZATIONAL CHANGE MANAGEMENT: A formal change management program will be established to provide consistent structure, standards, training, coaching, and resources. This will help employees successfully adapt to and master changes in job functions, business processes, and technology usage.

BUILD AN AGILE WORKFORCE: Our work in this area will include anticipating new strategic staffing needs, providing training and development opportunities that prepare employees for the future, supporting the culture change needed for future success, and building a workforce that reflects our community's diversity.

OBJECTIVE:

- Foster an organization that is nimble, adaptive, and responsive and cultivate a workforce with the skills and knowledge to advance social justice

SUCCESS MEASURES:

- Workforce development and culture metrics (e.g., diversity, recruitment, employment, promotion, and retention measures, and employee culture survey results)
- Development of foundational and equitably distributed resources and training to do their jobs successfully



ENSURE FINANCIAL HEALTH & AFFORDABILITY

Financial stability is essential to everything we do. Responsible financial planning makes it possible to develop innovative energy solutions, plan for critical investments, and keep our rates affordable.

Some of this work is internally focused, with a long-term debt strategy and improved budget monitoring. But when we make progress in these areas, our customers benefit with more choices and stable and affordable prices.

Projects, Initiatives, Activities:

CONTROL RATE INCREASES: While City Light’s rates need to keep up with costs to keep the lights on, the utility is committed to holding rate increases to a trajectory that resembles inflation. To do this, we will restructure our project tracking and improve budget management to drive accountability. This will allow us to lower labor costs and right-size the capital program. Because prudent debt management is crucial for affordability in the long term, City Light will work with the Review Panel to develop targets and policies to inform our capital financing strategies.

PRICE SERVICES FOR THE FUTURE: In our new energy future, clean energy technologies will power our homes and businesses, small generation sources, like solar, will become more common, and transportation electrification will continue to grow. The way we structure our rates needs to adapt to the new energy future, too. Building on new technology from advanced meters and billing system upgrades, City Light will continue to deliver the strategies outlined in our 2018 Rate Design Report by rolling out new pricing options that encourage decarbonization and grid flexibility while also helping residents and businesses manage their energy costs.

ROAD TO RECOVERY: Stable revenues are essential to sustain our financial health and deliver affordable electricity. As City Light prepares to restart credit and collections after a five-year hiatus, we need to review and update our policies, services, and practices. At the same time, we must be transparent, fair, and mitigate the impacts of racial and economic barriers. We recognize that many of our customers are still struggling in the wake of the COVID pandemic and we will work diligently to ensure that those facing financial hardships are aware of and have meaningful access to assistance.

OBJECTIVE:

- Support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable, and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time.

SUCCESS MEASURES:

- Rate path delivered according to current and prior strategic plan commitments
- A debt service coverage ratio of 1.8 or higher
- Capital financed 60 percent or less by debt



WE POWER

“We Power”⁸ refers to our core function as a utility in providing electricity services to customers. This is central to all we do and reflects the core mission of our workforce.

As we work on the new efforts outlined in this strategic plan, we will remain committed to our core business operations and delivering value to our customers in Seattle and our franchise cities.

OBJECTIVES:

- Continue to advance our mission to provide our customers with affordable, reliable, and environmentally responsible energy services
- Prioritize diversity, equity, and inclusion in all that we do
- Actively manage and mitigate the constraints, risks, and uncertainty of operating in a COVID-adjusted environment

SUCCESS MEASURES:

- Operational dashboards will track performance metrics for each line of business



⁸ “We Power” reaches beyond the City of Seattle. We also serve customers in Shoreline, Burien, Lake Forest Park and portions of Normandy Park, Tukwila, Renton, SeaTac, and unincorporated King County.



KEEPING CUSTOMER BILLS AFFORDABLE AND STABLE

City Light's rates are designed to collect the revenue needed to maintain existing and planned operations while also moving forward on the strategies, programs, and investments in this plan. Our revenues must cover debt service, operations and maintenance, and costs associated with delivering power. As a public-owned utility, customer affordability is a key driver to our financial planning and actions.

Factors Driving Rates

INFRASTRUCTURE INVESTMENTS — These are the costs for capital work and to repay bonds taken out to fund past, present, and future capital programs. Major capital projects currently in progress include replacing utility poles, Boundary Hydroelectric Project licensing mitigation, and Skagit River Hydroelectric Project relicensing.

DEBT SERVICE COVERAGE — Debt service coverage measures the ability of an organization to use its operating income to repay all its debt obligations, including repayment of principal and interest on short-term and long-term debt. City Light financial policy (Resolution 31187) requires us to have debt service coverage well above (1.8 times) what is required to pay our debt obligation. Our strong financial record gives us a favorable bond rating and lower borrowing costs.

OPERATIONS AND MAINTENANCE, TAXES, AND OTHER — These are the costs to run the utility and maintain our plants and equipment. This broad category includes costs associated with power production, distribution and transmission, customer services, and administrative support.

POWER COSTS — These are the costs to purchase power and the transmit electricity. These costs can vary dramatically due to climate and market forces. More snowpack in the mountains gives us more hydro resources, for example. By the same token, drought may reduce our revenue. City Light's largest purchase power contract is with the Bonneville Power Administration.

DECLINING RETAIL DEMAND — The decline in electricity consumption creates upward pressure on rates. Our current rate structure is primarily based on how much electricity our customers use; if customers use less electricity, the utility collects less revenue. Maintaining the power infrastructure is very capital intensive, and these fixed costs do not shrink with less energy use. That reality can be at odds with our long-standing ethic around conservation and the wise use of electricity. Looking into the future, the electrification of transportation and buildings offers new opportunities for load growth to reduce upward rate pressure. City Light's current load forecast is shown in the chart on page 27.

PLANNING FOR FUTURE DEMAND

Forecasting future demand for electricity is very important so City Light can balance supply and demand and minimize our bulk electricity costs.

Even as the Seattle region has experienced explosive growth over the past decade, City Light customers' energy consumption has been trending downward due to advancements in energy efficiency.

In 2020, COVID-19 struck and stay-home orders were enacted across the region. City Light saw a deep drop in demand for electricity as commercial spaces across our predominantly urban service territory emptied. City Light saw a sharp reduction in demand for electricity from offices, schools, universities, and places of gathering like churches and theaters. While residential demand for electricity increased some due to telework, this increase was surpassed by commercial load decline. The timeline for economic recovery from the pandemic, particularly in the downtown core, will be a key driver for Seattle-region electricity demand during the upcoming five-year planning horizon.

Looking further into the future, City Light sees electrification of buildings and transportation as key to stabilizing demand for electricity. The speed at which our region moves away from fossil fuels through changing building codes, adoption of electric vehicles, and other climate change policy all have the potential to significantly impact City Light's future retail demand. (See chart below.)

SEATTLE CITY LIGHT RETAIL SALES FORECAST

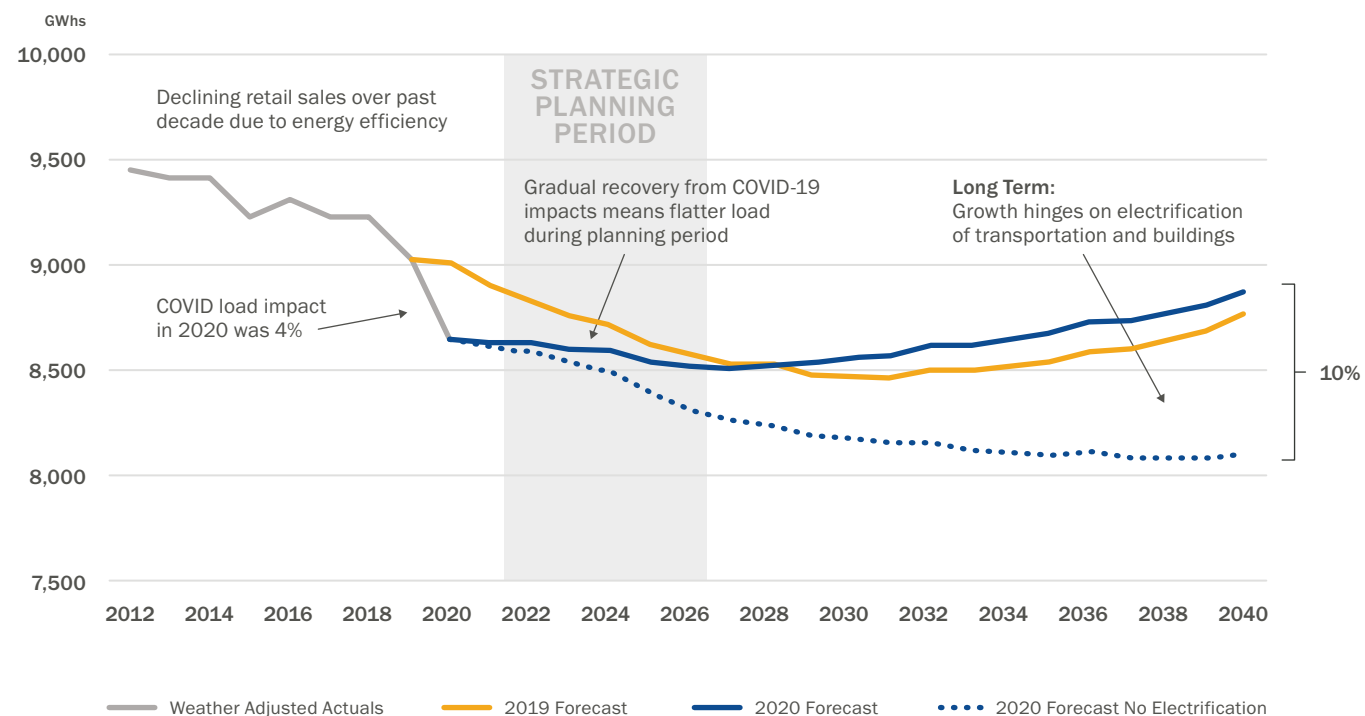


Photo Credit: Hugo C. Ludeña

FUNDING THE PLAN: OUR 5-YEAR RATE PATH

Seattle City Light is committed to providing strong, secure, and flexible energy infrastructure so all our customer-owners have access to reliable and affordable electricity, whenever they need it and wherever they are.

We have a long history of doing just that. Yet, looking ahead, we must confront major challenges, including the pandemic response, permanent changes to the way people work, and economic recovery. These challenges will exacerbate the need to balance essential investments with our shared financial reality.

In line with our commitment to keeping rate increases low, Seattle City Light recommends the rate path shown in the table below, to ensure the utility can deliver the best customer service in an affordable, equitable, reliable, and environmentally responsible manner.

The strategic plan proposes a five-year rate path that increases 3.5 percent annually, on average.

PROPOSED RATE INCREASE SUMMARY

	2022*	2023	2024	2025	2026	AVG
Annual Increase	3.9%	3.8%	3.8%	3.0%	3.0%	3.5%

* Rate approved by Seattle City Council in March 2021.

The table below shows potential bill impacts as examples only. Customers who decrease their consumption through energy efficiency measures will experience smaller bill impacts. Conversely, as customers electrify their homes and vehicles, they will see increased City Light bills, while petroleum and natural gas costs come down.

CUSTOMER BILL IMPACT EXAMPLES: MONTHLY INCREASE PER YEAR

BILL EXAMPLE	2021	2022	2023	2024	2025	2026
	AVG. BILL	INCREASE				
Residential*	\$76.77	\$3.00	\$3.04	\$3.18	\$2.61	\$2.68
Residential-UDP (60% Discount)	\$30.71	\$1.20	\$1.22	\$1.27	\$1.04	\$1.07
Small Commercial (Car Wash)	\$465	\$18	\$18	\$19	\$16	\$16
Medium Commercial (Retail)	\$7,436	\$290	\$294	\$308	\$252	\$259

* Assumes a typical residential customer using 634 kWh/month

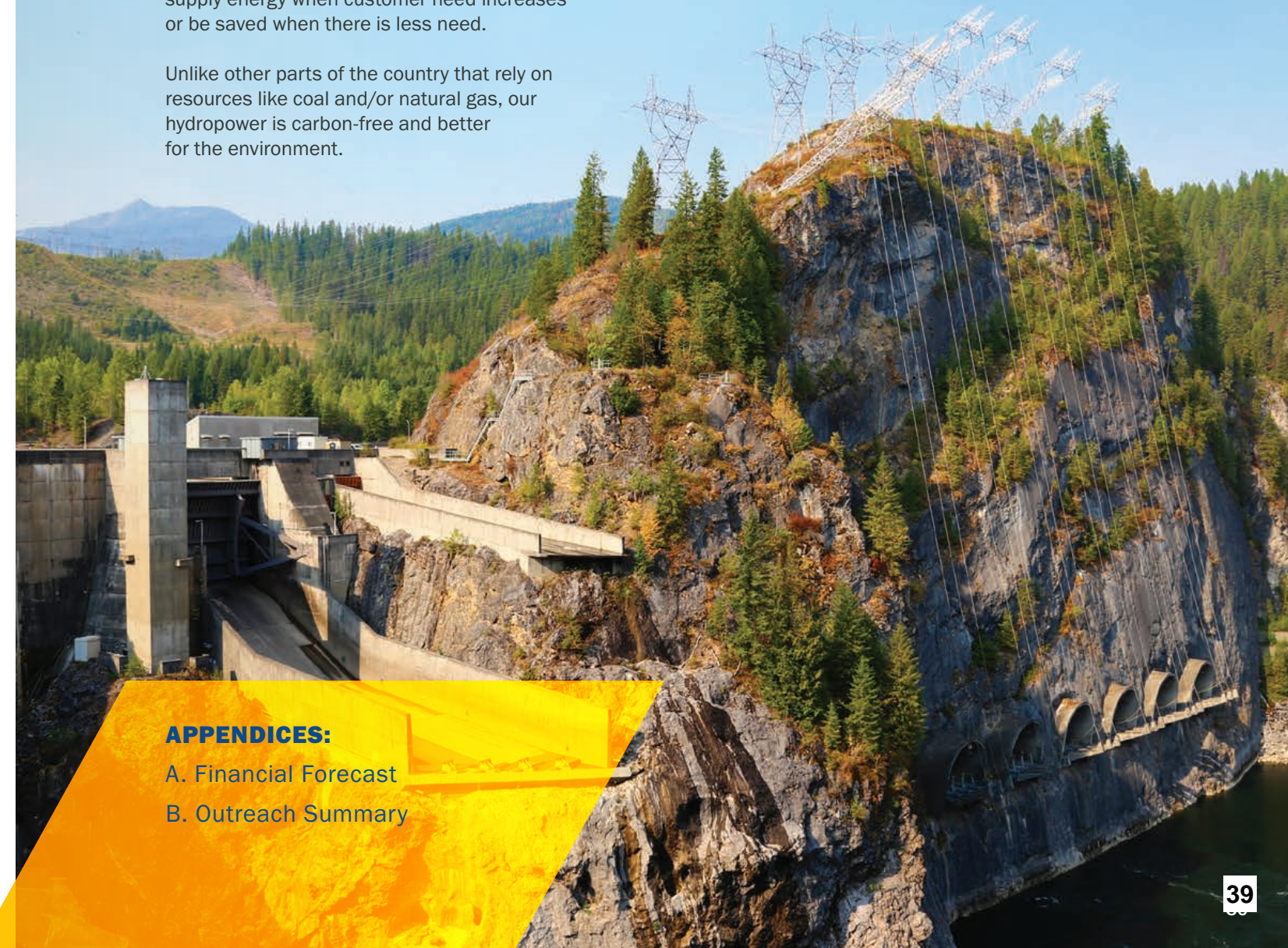
HYDROPOWER: MEETING CUSTOMERS' NEEDS FOR CLEAN, RELIABLE ENERGY

While new, renewable energy sources like wind and solar power are extremely important to our carbon-free future, they are only available when the wind is blowing and the sun is shining. This limits their ability to provide electricity every day.

Seattle City Light is fortunate to have a clean and always-available resource — hydropower. The reservoirs created by our hydroelectric dams store water that can be drawn down to supply energy when customer need increases or be saved when there is less need.

Unlike other parts of the country that rely on resources like coal and/or natural gas, our hydropower is carbon-free and better for the environment.

Hydropower isn't "free"— it impacts fish and the nearby environment. That's why we work diligently to steward a healthy watershed with good facility operations and mitigation efforts that support fish, forests, and wildlife. We are proud of the work we have done so far and are planning the next generation of improvements.



APPENDICES:

- A. Financial Forecast
- B. Outreach Summary



Seattle City Light

seattle.gov/light

206.684.3000

700 5th Ave Suite 3200
Seattle, WA 98124





2022-2026 Strategic Plan Financial Forecast

EXECUTIVE SUMMARY

This document details the financial assumptions behind the 3.5% average rate path established by the 2022-2026 Strategic Plan (the "Plan"). The proposed rate path provides the revenue required to deliver on City Light's Strategic goals outlined in the Plan.

Average rates are derived by dividing the revenue requirement by retail sales. On average the revenue requirement is increasing by a little over \$30M (3.3%) and retail sales are decreasing by 0.3%.

RATE INCREASE SUMMARY

	2021	2022	2023	2024	2025	2026	Avg
Revenue Requirement	919.3	955.6	989.0	1,026.2	1,050.2	1,079.1	
Annual Increase		3.9%	3.5%	3.8%	2.3%	2.8%	3.3%
Retail Sales GWh	8,637	8,633	8,607	8,600	8,542	8,520	
Annual Change		-0.1%	-0.3%	-0.1%	-0.7%	-0.3%	-0.3%
Average Rate, ¢/kWh	10.65	11.07	11.49	11.93	12.29	12.67	
Annual Increase		3.9%	3.8%	3.8%	3.0%	3.0%	3.5%

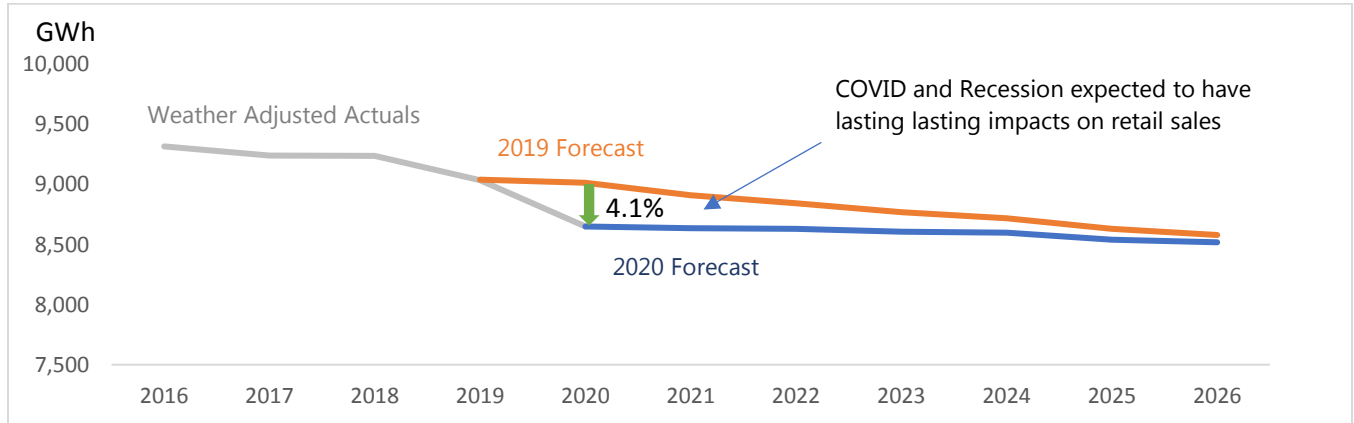
Below is a table of bill impacts assuming each customer receives the annual rate increase noted above and maintains a consistent level of consumption. These impacts are examples only and will change after the retail rate design process is completed for each year. Customers who decrease their consumption through energy efficiency measures will experience smaller bill impacts.

CUSTOMER BILL IMPACT EXAMPLES

	Monthly Bill	Monthly Increase					
	2021	2022	2023	2024	2025	2026	AVG
Residential (634 kWh/mo.)	\$76.77	\$3.00	\$3.04	\$3.18	\$2.61	\$2.68	\$2.90
UDP Residential (60% Discount)	\$30.71	\$1.20	\$1.22	\$1.27	\$1.04	\$1.07	\$1.16
Small Commercial-Car Wash	\$465	\$18	\$18	\$19	\$16	\$16	\$18
Medium Commercial-Retail Store	\$7,436	\$290	\$294	\$308	\$252	\$259	\$281
Large Industrial-Stone	\$23,550	\$920	\$933	\$977	\$800	\$821	\$890
Large Commercial-Hospital	\$94,607	\$3,695	\$3,747	\$3,923	\$3,212	\$3,298	\$3,575
Large Commercial-Education	\$1,990,939	\$77,754	\$78,851	\$82,561	\$67,594	\$69,399	\$75,232

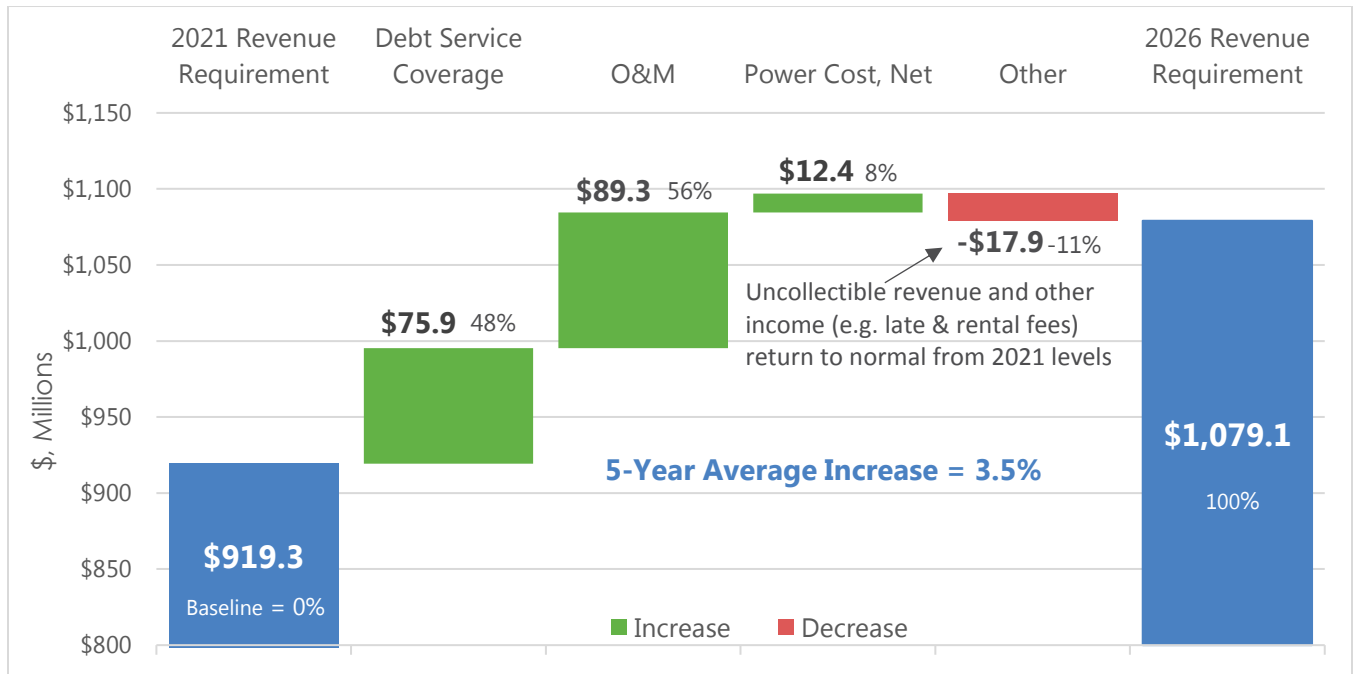
The COVID pandemic and associated recession significantly reduced City Light’s retail sales to commercial customers in 2020, and this was only partially offset by increased residential sales. The recovery is expected to last several years and, as a result, City Light’s retail sales are expected to be relatively flat through 2026.

RETAIL SALES FORECAST

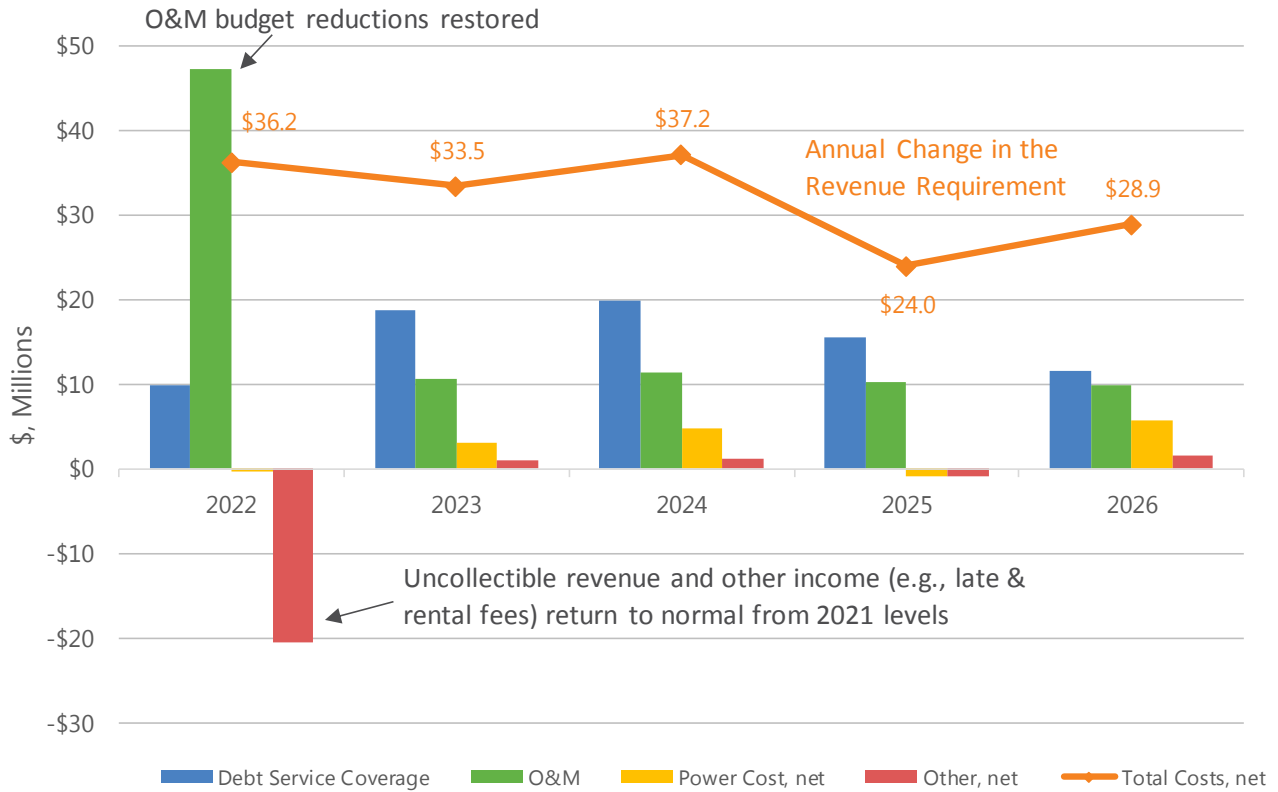


The below charts and table summarize City Light’s revenue requirements for 2022-2026

REVENUE REQUIREMENT DRIVERS CUMULATIVE 2022-2026



RETAIL REVENUE REQUIREMENT ANNUAL GROWTH DRIVERS 2022-2026



RETAIL REVENUE REQUIREMENT SUMMARY

\$, Millions	2022	2023	2024	2025	2026
Revenue Requirement	955.6	989.0	1,026.2	1,050.2	1,079.1
Debt Service Coverage					
Debt Service	234.5	244.4	256.6	254.1	256.8
Additional Coverage*	188.0	196.4	204.1	222.2	231.1
Operations & Maintenance (O&M)					
Baseline 2022 O&M	339.0	339.0	339.0	339.0	339.0
Inflation and REC Growth**	-	10.6	22.0	32.2	42.1
Net Power Costs					
Power and Wheeling Contracts	234.5	237.7	242.3	241.2	246.7
Net Wholesale Revenue (NWR)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)
Power Related Revenues, Net	(17.1)	(17.1)	(17.0)	(16.8)	(16.5)
Other					
Taxes, Payments and Uncollectibles	56.1	57.9	59.9	61.4	64.0
Miscellaneous Revenue	(39.4)	(39.8)	(40.8)	(43.2)	(44.2)
* Debt Service Coverage	1.80	1.80	1.80	1.87	1.90
** Inflation on existing O&M and incremental renewable energy credit (REC) investments to meet I-937 requirements. Additional detail is included in the O&M section.					

Drivers of 2022-2026 Revenue Requirements and Rates

1. Debt Service and Debt Service Coverage

- Funds historic and future capital investments
- Increases on average \$15 million per year
- \$1.7 billion 2022-2026 net capital requirements (\$338 million per year)
 - 43% expected to be funded with operating cash

2. Operating and Maintenance (O&M)

- 2022 O&M - \$30 million 2021 budget reductions restored plus inflation
- Cost increase of around \$11 million per year during 2022-2026
- Inflation around 3% per year
- Sets overall spending target
 - City Light will continue to make resource and organizational adjustments to deliver on strategic initiatives and core services

3. Net Power Cost

- In total, net power costs are expected to remain relatively stable
 - Around 1% growth per year on average
- Bonneville Power Costs are the largest single component at over \$200 million
 - Expected to increase a little over 2% per year
 - Actual 2022 BPA costs are currently expected to come in below the planning values used in this forecast, and any savings will be passed along to City Light customers¹

4. Other Revenues/Costs²

- Not a large driver, expected to remain stable over planning period
- Uncollectible revenue expected to return to typical levels in 2022
 - At higher levels in 2020 and 2021 due to pandemic and recession

¹ Based on BPA's preliminary 2022-2023 rate proposal and purchase volumes. Any cost differences will be passed through to City Light customers with the BPA passthrough mechanism. BPA is expected to announce a final rate decision in July 2021.

² Other Costs include state taxes, franchise payments and uncollectible revenue, which tend to grow in proportion to retail revenue. Miscellaneous revenue comes from a variety of fees and service charges, as well as from interest earnings; only minor growth in these revenues is anticipated.

INTRODUCTION

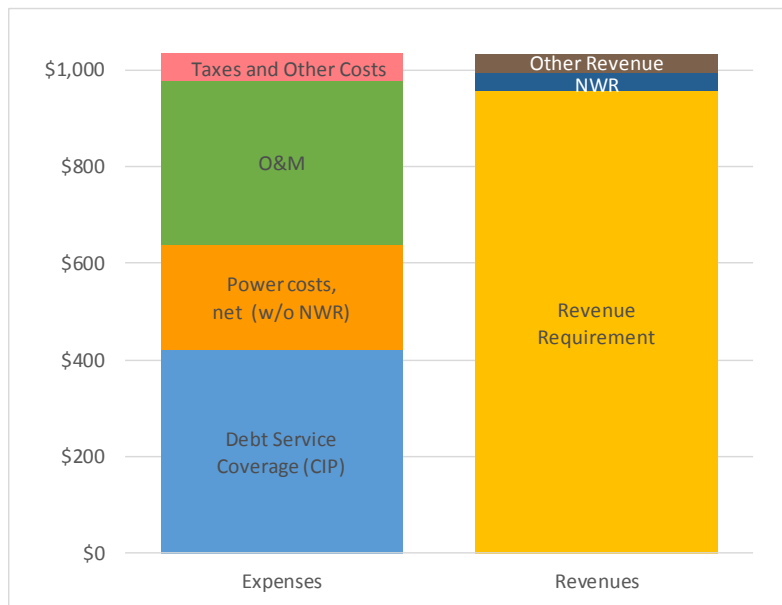
The 2022-2026 Strategic Plan builds on the 2019-2024 Strategic Plan Update (also called the 2018 Strategic Plan), extends the horizon an additional two years to 2026 and shortens the Plan horizon to five years. The 2021-2026 Strategic Plan was postponed while the Utility focused on COVID-19 related issues. The 3.6% rate increase that was originally anticipated for January 1, 2021 was canceled to help mitigate the economic impacts of COVID-19 on ratepayers. However, on March 29, 2021 Seattle City Council approved a 3% rate increase effective April 1, 2021, along with the removal of the current 3.0% Rate Stabilization Account (RSA) surcharge.³ The net result is no impact on expected customer bills for the remainder of 2021. At the same time, Seattle City Council approved an across-the-board 3.9% rate increase for all rate classes, effective Jan 1, 2022, which is reflected in this plan.

This document details the assumptions that determine the average retail rate path for the years 2022-2026. Average retail rates are not actual billed rates but are the ratio of the revenue requirement to retail sales and represent the average impact to customer bills, assuming their consumption is constant.

$$average\ rate\left(\frac{\$}{kwh}\right) = \frac{revenue\ requirement\ (\$)}{retail\ sales\ (kwh)}$$

The revenue requirement is the amount of retail revenue that must be collected to balance revenues with expenses, given current effective financial policies. The chart below illustrates how the revenue requirement is sized to meet expenses.

REVENUES AND EXPENSES (2022 FORECAST, \$MILLIONS)



³ A 1.5% RSA surcharge was implemented August 2016 and an additional 1.5% surcharge (3% total) was implemented November 2019. The RSA returned above its \$100 million target in Q1 2021 and the surcharges were set to roll off in Q2.

Following is a short description of each primary component of the revenue requirement. These are discussed in detail in the following sections of this document.

Debt Service Coverage

- The cost of debt-funded capital investments (including deferred expenses such as programmatic conservation and superfund remediation) as recovered over time.
- Per policy, debt service coverage is set at or above 1.8 times the annual debt service obligation.
- The additional funds in debt service coverage above those needed to pay principal and interest obligations cash-fund a portion of the current year capital requirements, so they are not all debt financed.
- In efforts to mitigate the amount of future debt issued, the targeted debt coverage was increased in 2025 and 2026 to 1.87 and 1.90, respectively.

O&M

- Includes cash-related expenses for all O&M costs excluding taxes, purchased power and wheeling (purchased transmission).
- All non-capitalized labor costs are included in this category.
- Includes inflation assumptions, additional program funding requirements, as well as mitigating cost reductions.

Power, Net

- Purchased power costs and wheeling costs, net of power revenues.
- Includes revenues from surplus power sales net of purchases, also called net wholesale revenue.
- Does not include costs of operating owned generation (e.g. Skagit, Boundary hydro projects), these are part of O&M.

Other

- Includes tax payments, franchise payments and uncollectible revenue, net of miscellaneous revenues.

This document concludes with a short discussion of the retail sales forecast, which is the denominator in the average rate formula.

DEBT SERVICE COVERAGE (CIP, DEFERRED O&M AND BONDS)

Debt service coverage represents the cost of capital spending, as recovered over time. Net capital requirements are comprised of the capital improvement program (CIP) plus expenses deferred (such as programmatic conservation⁴ and superfund remediation), less capital contributions, which are payments from outside sources that offset capital expenses.

$$\text{Net Capital Requirements} = \text{CIP} + \text{Deferred O\&M} - \text{Capital Contributions}$$

⁴ Incentives paid to acquire energy efficiency savings. These costs are deferred and amortized over 20 years.

Net capital requirements are not a direct component of the revenue requirement but determine the amount of debt (bonds) that must be issued. The principal payments on outstanding debt and associated interest expense make up debt service.

City Light's debt service coverage policy (established by Resolution 31187) calls for setting rates to yield sufficient revenue net of expenses to cover annual debt service obligations by at least 1.8 times. Since the additional amount required for debt service coverage is not an actual expense, these funds are typically allocated to City taxes⁵ and current year capital expenditures, which reduces the size of future bonds.

The capital expenditures forecast is based on the 2021-2026 CIP Plan that was adopted in 2020 for the 2021 budget process. It differs from the CIP Plan (budget) in that the timing of spending is adjusted to reflect projected cash outflows, and amounts are reduced by a 10% assumed under-expenditure. Capital expenditures also includes deferred O&M, which is treated like CIP.

CAPITAL EXPENDITURES FORECAST

\$ Millions	2022	2023	2024	2025	2026
2021-2026 Adopted CIP	337.1	356.4	343.9	340.5	339.2
Deferred O&M	34.7	34.5	36.3	37.1	39.2
Total Capital Expenditures	371.8	390.9	380.1	377.7	378.4

The next table summarizes capital requirements and funding sources. Capital contributions include third-party funding for capital expenses such as service connections and reimbursements for certain transportation projects. They are included in the forecast as a credit to total capital requirements. Capital funding from operations reflects cash drawdowns and may represent net operating proceeds from the current or previous year(s). Bond issuances totaling about \$1.0 billion to support 2022-2026 capital requirements will bring total outstanding debt to almost \$3.0 billion by 2026.

Per financial policy, the six-year CIP should be funded with at least 40% operating cash. Cash funding over the five year period is projecting to be around 43%, with years 2022-2024 coming in slightly under the 40% target and years 2025-2026 exceeding the target, primarily from increasing the targeted debt service coverage.

⁵ Taxes paid to the City of Seattle are considered junior lien to debt service. They are not included in the taxes category when calculating the revenue requirement.

CAPITAL REQUIREMENTS AND FUNDING

\$, Millions	2022	2023	2024	2025	2026
Capital Requirements, net					
CIP	337.1	356.4	343.9	340.5	339.2
Programmatic Conservation	29.6	29.9	30.2	30.5	30.8
Other Deferred O&M	5.1	4.7	6.1	6.7	8.4
Capital Contributions	(43.9)	(41.1)	(40.3)	(41.0)	(44.7)
Total	327.9	349.7	339.9	336.7	333.7
Capital Funding					
Operations	128.2	133.1	133.1	155.8	170.8
Bond Proceeds	199.8	216.7	206.7	180.9	163.0
Total	327.9	349.7	339.9	336.7	333.7
Total Debt Outstanding	2,702	2,791	2,876	2,936	2,996

Capital requirements determine the size of future bond sales and resulting debt service. The bond size shown below is slightly higher than bond proceeds shown above to account for issue costs and required deposits into the bond reserve fund. Debt service assumptions for bonds issued in 2022 and later assume a 30-year term at a 5.0% interest rate. The existing debt service schedule has sizable decreases in 2025 and 2026 that provide City Light leadership with an opportunity to increase the debt service coverage target in 2025 and 2026 while mitigating the rate impacts to customers.

BOND SALES AND DEBT SERVICE, \$MILLIONS

	Bond Size	2022	2023	2024	2025	2026
Existing ¹		223.0	219.5	217.2	200.9	191.4
2021 (Aug) ²	200	11.5	11.5	11.5	11.5	11.5
2022 (Aug) ³	206		13.4	13.4	13.4	13.4
2023 (Aug) ³	223			14.5	14.5	14.5
2024 (Aug) ³	213				13.8	13.9
2025 (Aug) ³	187					12.1
2026 (Aug) ²	169					
Total		234.5	244.4	256.6	254.1	256.8
Debt Service Coverage (1.8x)		422.0	439.9	461.8	457.5	462.3
¹ As of December 2020, ² Fixed Rate Issue (30 year / 4.0%), ³ Fixed Rate Issue (30 year / 5.0%)						

OPERATING AND MAINTENANCE (O&M)

Operating and maintenance expenses (O&M) are the costs associated with day-to-day operations. O&M is a large and diverse category of costs that includes functions such as power production; distribution and transmission system operation and maintenance; customer services such as billing and meter reading; and administrative support. This forecast defines O&M as excluding purchased power, wheeling and taxes, which are included in separate categories.

The basis for the 2022-2026 O&M forecast is the 2022 Endorsed O&M budget,⁶ which is then inflated by expense type. The 2022 O&M budget restores the \$30 million of one-time reductions taken in 2021. The average annual inflation rate applied to O&M is around 3.0% and represents the increased cost of providing the same level of services as in 2022. The table below lists the inflation assumption for each O&M cost category.

BUDGET O&M INFLATION BY CATEGORY

\$, millions	2022	2023	2024	2025	2026
Labor ³	148.6	153.9	158.9	164.1	169.5
Labor Benefits ²	67.3	69.3	71.3	73.2	75.3
Non-Labor ¹	86.3	88.5	90.6	92.6	94.7
Transfers to City ³	70.6	73.1	75.5	78.0	80.6
Operating Supplies ^{1,5}	11.9	12.2	12.5	12.8	13.1
Overhead Credits ^{3,6}	(47.5)	(49.2)	(50.8)	(52.5)	(54.2)
Total Inflated Budget	337.2	347.8	358.0	368.2	378.9
¹ CPI Growth ⁴		2.5%	2.3%	2.2%	2.3%
² CPI Growth + 0.5%		3.0%	2.8%	2.7%	2.8%
³ CPI Growth + 1.0%		3.5%	3.3%	3.2%	3.3%
Avg Growth All O&M		3.1%	2.9%	2.9%	2.9%
⁴ City of Seattle Budget Office January 2021 CPI-W Forecast for King and Snohomish Counties					
⁵ Includes IT equipment and software; fuel costs; and inventory material for distribution and generation systems.					
⁶ Overhead expenses associated with the Capital Improvement Program (CIP) are removed from the O&M budget and included as capital expenditures.					

There are numerous adjustments made to the 2022 O&M budget to make it consistent with financial reporting and policies. The following table details these changes. It shows the relationship between the inflated O&M budget and the O&M forecast.

⁶ In 2020 Seattle City Council only adopted a 2021 budget and did not endorse a 2022 budget as they typically do with a biannual budget. This 2022 O&M budget reflects the budget that was submitted to and endorsed in 2020 by the City's Budget Office.

O&M ADJUSTMENTS DETAIL

\$, millions	2022	2023	2024	2025	2026
Inflated 2022 Budget	337.2	347.8	358.0	368.2	378.9
<i>adjustments</i>					
REC Expense ¹	12.2	12.2	13.5	13.6	13.6
Intertie Expense ¹	1.1	1.1	1.1	1.2	1.2
PNCA Payment ¹	1.9	1.9	1.9	1.9	1.9
Solar Tax Credit ²	1.6	1.6	1.6	1.6	0.8
Engineering OH (excl from budget)	(5.0)	(5.1)	(5.1)	(5.2)	(5.2)
Under Expenditure ³	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Total O&M	339.0	349.6	361.0	371.2	381.1
2022 O&M Baseline	339.0	339.0	339.0	339.0	339.0
Inflation and REC growth	-	10.6	22.0	32.2	42.1
Total O&M	339.0	349.6	361.0	371.2	381.1

¹Items that are budgeted as purchased power budget but recognized as O&M in financial statements

-Renewable Energy Credits (RECs) required to meet regulatory requirements, 2022 reflects the purchase of Stateline RECs under a new, REC-only contract.

-Maintenance costs associated with ownership of the 3rd AC intertie.

-Payments for the Pacific Northwest Coordination Agreement (PNCA) related to the compensation for the benefits of upstream storage at the Boundary project.

²Passthrough of the production tax credit, offset as a credit to state taxes

³Remove \$10 million per year to reflect an assumption of budget under-expenditure.

POWER COSTS, NET

This category includes all costs and revenue associated with the purchase and sale of electricity, wheeling (purchased transmission) and associated ancillary power management services.

City Light's power portfolio is a relative constant. Except for expiration of the Stateline contract in 2022 and the Grand Coulee contracts in 2024 through 2026, no major contract changes and no new resources are currently expected in this plan. However, City Light's power portfolio is a dynamic process, and new resource acquisitions could be pursued before 2026 based on many factors including power market outlooks, reliability studies and customer programs. Below is a table outlining long-term power and wheeling costs.

LONG-TERM POWER AND WHEELING CONTRACTS

\$, Millions	2022	2023	2024	2025	2026
BPA Power ¹	160.4	163.5	164.5	167.6	169.2
Priest Rapids ²	1.5	1.4	1.3	1.2	1.1
Grand Coulee ³	7.6	7.8	7.5	1.7	1.5
Lucky Peak ⁴	9.1	9.3	9.5	9.8	10.0
Stateline ⁵	1.7	0.0	0.0	0.0	0.0
Columbia Ridge ⁶	6.4	6.5	6.7	6.8	6.9
King County West Point ⁶	2.4	2.4	2.5	2.6	2.6
High Ross ⁷	0.4	0.4	0.4	0.4	0.5
BPA Wheeling ⁸	44.0	45.2	48.7	50.0	53.8
Other Wheeling ⁹	1.0	1.0	1.0	1.0	1.0
Total LT Power & Wheeling	234.5	237.7	242.3	241.2	246.7

¹Assumes BPA bills remain at same level in 2022 as in 2021 and increase 1.3% per year on average during 2023-2026. BPA rates updated October 1st of odd-numbered years.

²Priest Rapids costs are expected to decline because City Light's share of the project will shrink as Grant County PUD's load grows.

³Reflects City Light's apportioned allotment of production O&M costs, growing with inflation. Some contracts start expiring in 2024 and all will expire by 2026.

⁴Reflects production O&M cost growing with inflation.

⁵The Stateline contract expires at the end of 2021 with the last payment in 2022. City Light has already contracted to receive RECs from the Stateline Project starting in 2022 (which are included in O&M) but will not continue to purchase the power.

⁶Cost inflates per contract terms.

⁷Expenses for the High Ross contract reflect a small level of O&M costs. City Light stopped making capital payments in 2020.

⁸Assumes BPA costs stay at current levels and increase 5% per year on average during 2023-2026.

⁹Forecast assumes Lucky Peak transmission costs are transferred to a third party as part of a renewed exchange agreement through 2026.

City Light's largest contract is with the Bonneville Power Administration (BPA). For planning purposes, the 2022 BPA costs are assumed to continue at 2021 levels. After BPA announces its final rates for fiscal years 2022-2023, any differences between 2022 actual costs and the costs based on the 2022 assumptions below will be passed-through or credited to City Light customers via the BPA pass-through mechanism (SMC 21.49.081). A credit to City Light retail rates is currently anticipated based on BPA's preliminary rate proposal and City Light's declining purchase volume due to its lower retail load. BPA power and wheeling bills are assumed to increase around 2.2% per year during 2023-2026, with the rate changes effective in October of odd years.

BPA DETAIL

\$ Millions	2022	2023	2024	2025	2026
Wheeling	44.0	45.2	48.7	50.0	53.8
Block	204.4	208.7	213.2	217.6	223.0
Total BPA Costs	160.4	163.5	164.5	167.6	169.2
Annual Change		2.1%	2.2%	2.1%	2.5%

Power revenues are comprised of Net Wholesale Revenue, other miscellaneous power revenues, and long-term power sale obligations. The following table details these assumptions.

POWER REVENUES, NET DETAIL

Power Revenue, Net (\$ in millions)	2022	2023	2024	2025	2026
Net Wholesale Revenue ¹	40.0	40.0	40.0	40.0	40.0
Power Contracts					
Article 49 to PO County	2.7	2.8	2.8	2.9	2.9
Priest Rapids	1.6	1.6	1.5	1.4	1.1
BPA Credit for South Fork Tolt	2.9	2.9	2.8	2.8	2.7
BPA Residential Exchange Credit	-	-	-	-	-
Power Marketing Net ²	7.8	7.8	7.8	7.8	7.8
Transmission Sales ³	2.0	2.0	2.0	2.0	2.0
Total Power Related Revenues, net	17.1	17.1	17.0	16.8	16.5
Total Power Revenue, Net	57.1	57.1	57.0	56.8	56.5

¹ Net Wholesale Revenue (NWR) is the revenue from selling surplus energy on the wholesale market, net of purchases for load balancing. The NWR value is a round number set by policy and influenced by the current outlook of NWR based on expected prices and normal hydro conditions. Any differences between actual and planned NWR are buffered through the Rate Stabilization Account.

²Power marketing revenues (net of purchases) are earned from sales of ancillary services associated with generation and transmission assets, such as reserve capacity sales. Assumes Lucky Peak exchange premiums of \$2M per year through 2026.

³Assumes \$1M of revenue from the resale of BPA point-to-point transmission and \$1M from the resale of 3rd AC transmission capacity.

OTHER COSTS AND MISCELLANEOUS REVENUES

This "other" category is made up of costs and revenues such as taxes, interest income and fees for retail services.

OTHER COSTS (TAXES, PAYMENTS AND UNCOLLECTIBLES) DETAIL

\$, Millions	2022	2023	2024	2025	2026
State Taxes ¹	41.3	42.6	44.1	45.2	47.3
Franchise Payments and Other Taxes ²	7.5	7.8	8.1	8.3	8.5
Uncollectible Revenues ³	7.2	7.5	7.7	7.9	8.1
Total Other Costs	56.1	57.9	59.9	61.4	64.0

¹ State taxes are 3.8734% of retail revenues, plus some other revenues and contributions. Not included are City taxes, which are 6% of total taxable revenues but do not directly impact the revenue requirement because they are junior to debt service. They are treated as a "below the line" expenditure and are deducted from the additional 0.8x debt service coverage, reducing the amount of current year operating proceeds going to capital requirements.

² Payments associated with franchise contracts with the cities of Burien, Lake Forest Park, SeaTac, Shoreline, and Tukwila. Franchise payments range from 4% to 6% of total retail revenue in each franchise territory. City Light also pays Lake Forest Park a 2% public utility tax that is passed through to customers in that jurisdiction as an addition to their rates. Other taxes are miscellaneous taxes (e.g., B&O tax) to other jurisdictions where the utility has operations.

³ Uncollectible revenue is assumed to be 0.75% of retail revenues.

MISCELLANEOUS REVENUE SOURCES DETAIL

\$, Millions	2022	2023	2024	2025	2026
Non-Base Rate Retail Revenue ¹	5.0	5.2	5.3	5.5	5.6
Other Revenue ²	23.6	24.3	25.0	27.3	28.0
Suburban Undergrounding ³	4.1	4.1	4.1	4.1	4.1
Property Sales ⁴	1.2	1.2	1.3	1.3	1.3
Interest Income ⁵	6.8	6.8	6.9	6.9	7.0
Operating Fees & Grants	0.4	0.0	0.0	0.0	0.0
Net RSA Transfers ⁶	(1.8)	(1.8)	(1.8)	(1.9)	(1.9)
Total Other Revenue Sources	39.4	39.8	40.8	43.2	44.2

¹ Non-base rate retail revenue includes revenues from retail customers for services or programs that are not dictated by the revenue requirement. Examples include elective green power programs, distribution capacity charges and power factor charges.

² Other revenue includes a broad range of income sources, such as late payment fees, payments for damages to property, transmission tower attachments, distribution pole attachments and account change fees.

³ Suburban undergrounding revenues are collected from customers in certain suburban cities for the repayment of discretionary municipal undergrounding of parts of their distribution system.

⁴ Property sales based on historical averages. No large sales are assumed in this forecast.

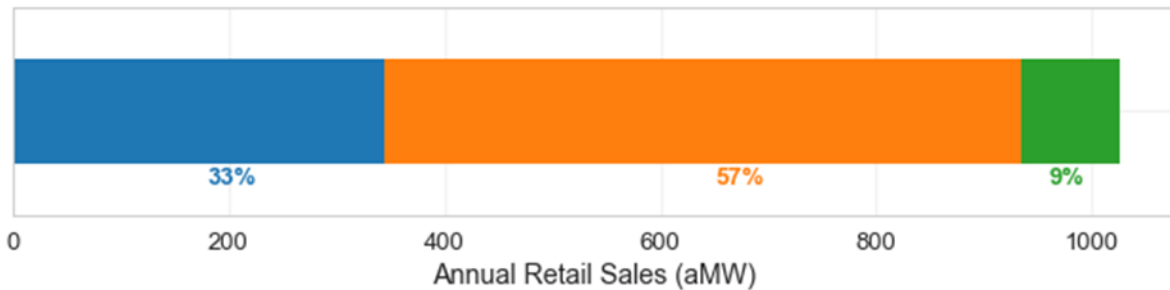
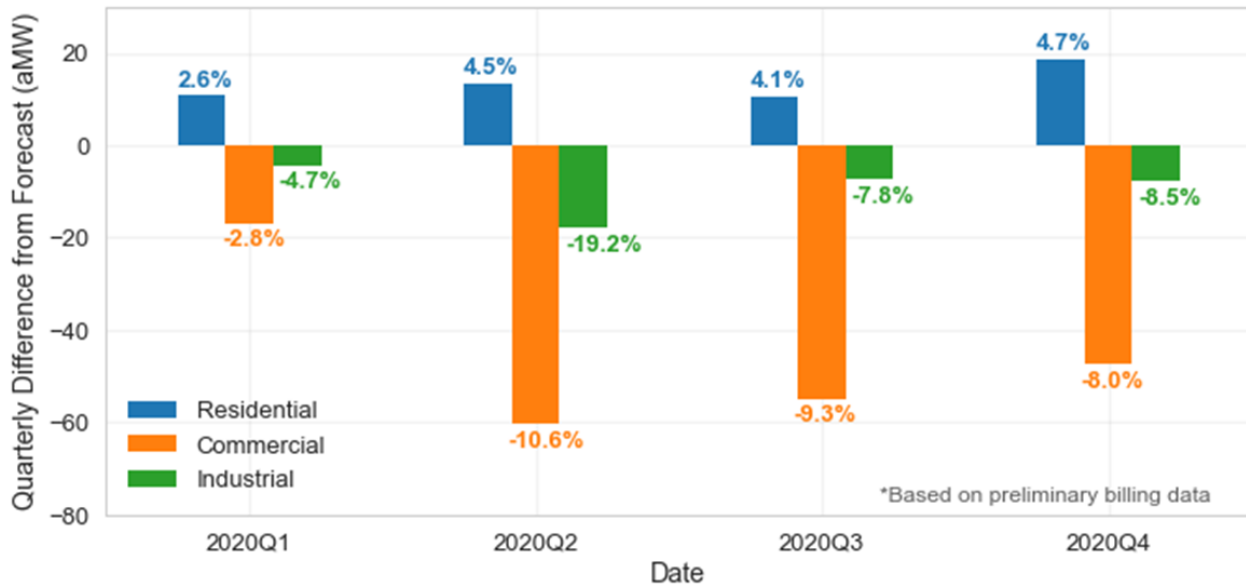
⁵ Interest income assumes City Cash Pool cash holdings accrue interest at an annual rate of 1.5%.

⁶ RSA transfers are the deposit into the RSA net of any RSA surcharge revenue. They primarily reflect interest earned by the RSA.

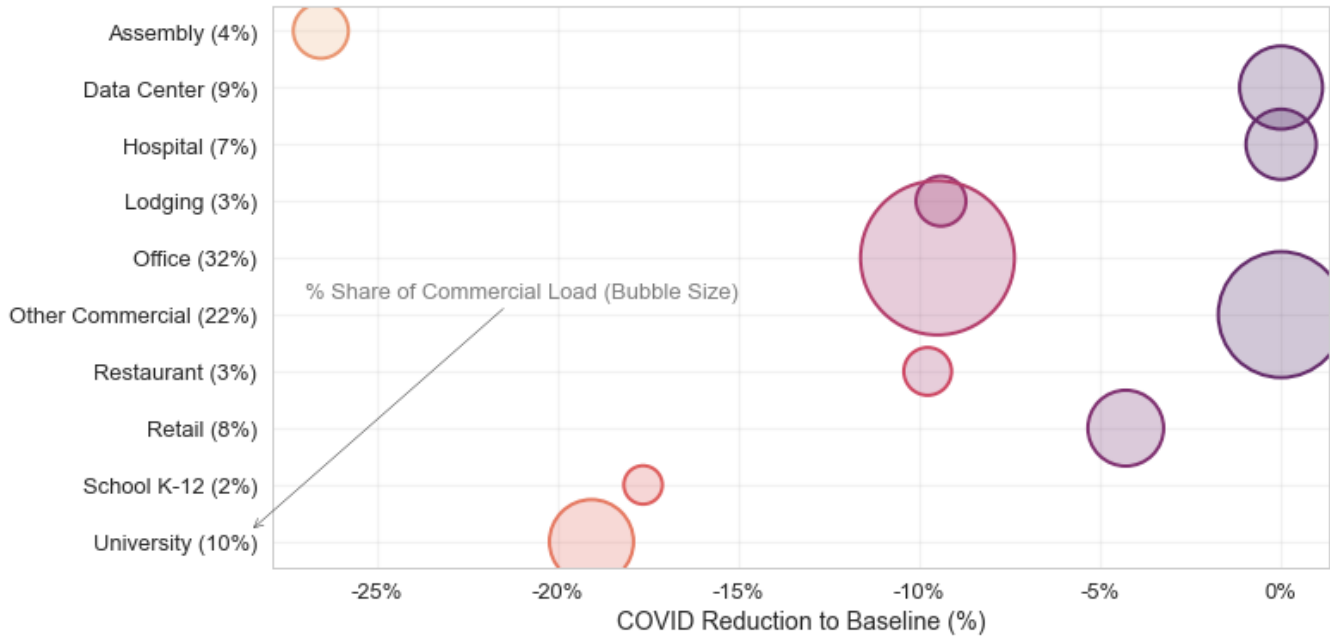
RETAIL SALES

The forecast of retail sales is based on City Light’s 2020 official load forecast, which assumes a gradual recovery from the COVID-driven load reduction in 2020. Non-residential retail sales were significantly reduced in 2020 due to the pandemic-related recession and public health measures. This was partially offset by increased residential sales due to customers spending more time in their homes. Places where large amounts of people gather (concert venues, theaters, places of worship, etc..) had the most reduction while segments like hospitals and data centers had minimal change. Office space, which makes up approximately one third of commercial load was reduced by roughly 10%.

COVID Impacts on Retail Sales



COVID Impacts by Commercial Segment



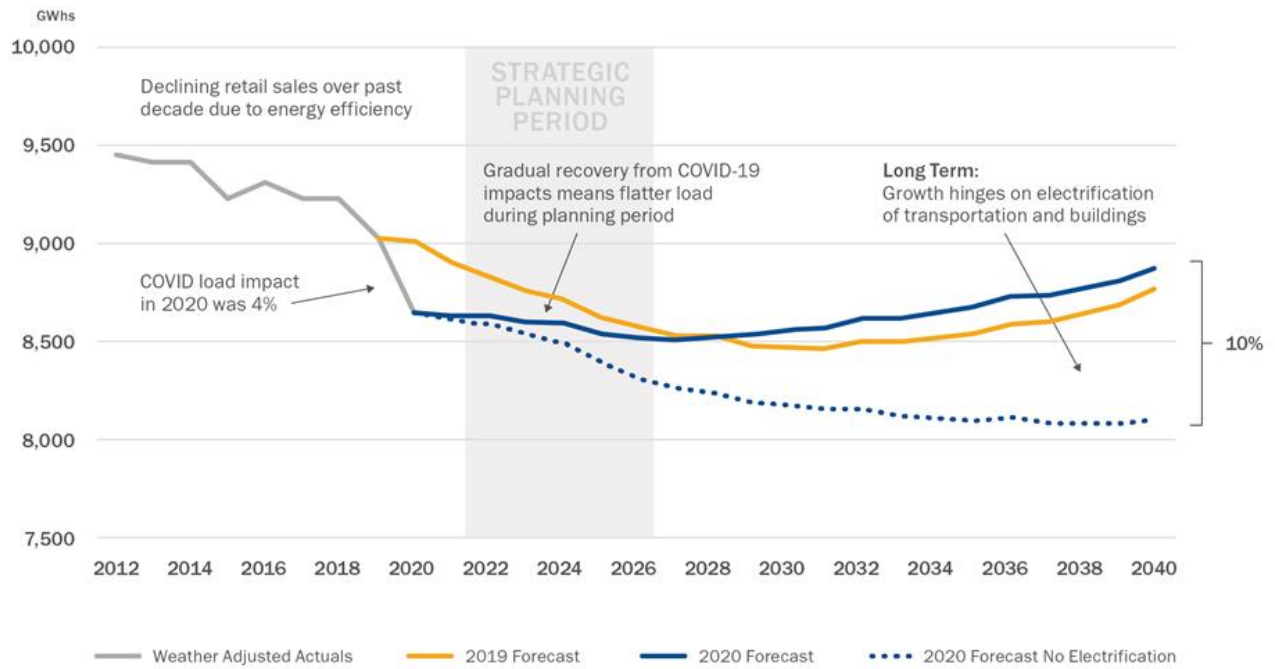
The current forecast projects most of this lost load will gradually return over the next few years. Energy efficiency investments by both the Utility and customers are expected to continue to reduce sales. However, gradually bringing back most of the lost load during the pandemic will offset some of the impacts of energy efficiency, resulting in a flatter load outlook compared to previous forecasts. The current forecast projects retail sales to decline 0.3% per year on average.

RETAIL SALES FORECAST

	2022	2023	2024	2025	2026
GWh					
Residential	3,008	2,973	2,956	2,933	2,928
Small and Medium	3,363	3,372	3,380	3,361	3,350
Large and High Demand	2,262	2,262	2,264	2,249	2,241
Total	8,633	8,607	8,600	8,542	8,520
Annual change					
Residential	-1.4%	-1.2%	-0.6%	-0.8%	-0.1%
Small and Medium	0.6%	0.3%	0.2%	-0.6%	-0.3%
Large and High Demand	0.9%	0.0%	0.1%	-0.7%	-0.4%
Total	-0.1%	-0.3%	-0.1%	-0.7%	-0.3%

In the long-run electrification of transportation and buildings is expected to gradually add retail sales, leading to modest growth in the second half of the 20-year forecast. However, the rate at which customers convert to electricity for their energy needs is very uncertain and City Light will continue to research this topic closely.

Long-Term Retail Sales Forecast

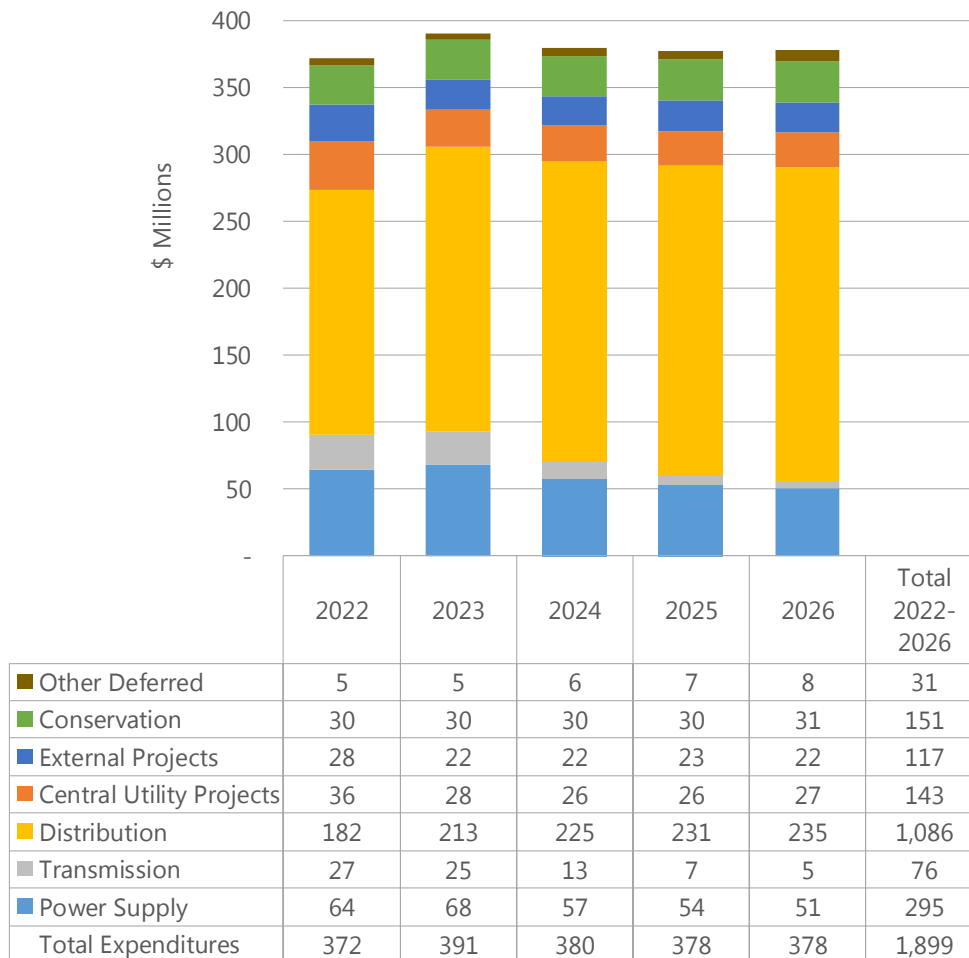


APPENDIX A: CAPITAL REQUIREMENTS DETAIL

CIP

The following bar chart is a graphical depiction of the forecasted capital expenditures from the 2021-2026 adopted CIP. The forecasted capital requirements are anticipated to be lower than recent history. The capital requirements between 2016-2020 averaged \$410 million annually, which includes 2020 with lower than usual capital expenditures due to the impacts of COVID.

CAPITAL REQUIREMENTS FORECAST: BASED ON 2021-2026 ADOPTED CIP



Key infrastructure projects planned during 2022-2026 include the following:

- The underground and overhead equipment replacements, which include replacing older distribution equipment that is nearing the end of its useful life, is overloaded or no longer has available parts.
- The overhead equipment replacement project also includes the accelerated wood pole replacement program.

- Other key projects include the overhead and underground electric power service connections for Medium General Service and various protection, mitigation and enhancement activities that will fulfill the requirements for the 2013 FERC license and settlement agreement at Boundary.

MAJOR CIP PROJECTS 2022-2026 SPENDING, \$MILLIONS

Included in 2021-2026 Adopted CIP Budget

8353: Underground Equipment Replacements	209.2
8351: Overhead Equipment Replacements	199.2
8366: Medium Overhead and Underground Services	93.7
6987: Boundary - Licensing Mitigation	83.2
9969: Software Replacement Strategy (Distribution)	57.6
7125: Denny Substation Transmission Lines	55.2
8363: Network Additions and Services: Broad Street Substation	53.2
9239: Transportation Electrification	51.8
8404: Denny Substation - Network	50.7



2022-2026 Strategic Plan Outreach Summary

Executive Summary

In accordance with Resolution 31463, adopted in September 2013, Seattle City Light engaged with customers and stakeholders to offer opportunities for these groups to provide input on the 2022-2026 Strategic Plan. Outreach efforts for the Strategic Plan began in early 2020, when the intent was to publish a six-year plan in line with the normal cadence of City Light's strategic planning process. However, when the COVID-19 pandemic arrived in our region in March 2020, progress on the next strategic plan was halted in order to attend to the more pressing needs of our community, staff, and business.

When the planning process resumed in early 2021, outreach for the new plan resumed as well. In March and April 2021, City Light presented our 2022-2026 Strategic Plan to community groups and hosted a Virtual Town Hall open to the general public. We created a 2022-2026 Strategic Plan Executive Summary document and made the summary and presentation slides available online for those who were unable to attend one of the outreach sessions.

Top priorities that City Light heard in our outreach conversations included:

- Affordability and predictability of rates
- Mixed feelings around electrification
- Customer involvement in utility decision making
- Positive reactions to debt strategy

Some of the business strategies and programs identified in the 2022-2026 Strategic Plan will be multi-year efforts. We anticipate using the feedback we received to inform planning and implementation for 2022 and beyond. City Light plans to continue the conversations with stakeholder groups. The outreach efforts we initiated for the 2022-2026 Strategic Plan will lead to more ongoing, mutually beneficial relationships with community-based organizations and stakeholder groups going forward.

Outreach Methods

Stakeholder Meetings

City Light contacted 16 stakeholder groups offering them an opportunity to hear information about the 2022-2026 Strategic Plan. City Light presented our high-level business strategies for the plan and asked attendees to provide input. Of the groups contacted, 11 expressed interest in engaging in the process. Stakeholder meetings were arranged for City Light leadership to present an overview of the Business Strategies and answer questions from the group. Over 150 individuals participated in these stakeholder meetings, bringing a variety of perspectives on the strategies laid out in the plan. Following the meetings, stakeholders were encouraged to send any feedback to SCL_StrategicPlan@seattle.gov.

Virtual Town Hall

To encourage participation from community members who may not have been able to attend a stakeholder meeting, we offered a Virtual Town Hall open to the public. The town hall was held on April 15, 2021, from 6:00-7:30pm, on Webex. City Light General Manager and CEO, Debra Smith, presented information on the 2022-2026 Strategic Plan and answered questions from the audience. Community members were encouraged to send any additional questions and feedback to SCL_StrategicPlan@seattle.gov.

Online Materials

City Light shared information about the Strategic Plan on our website. The 2022-2026 Strategic Plan Executive Summary was posted on our website and on our Powerlines blog. The stakeholder presentation was posted on the website. The executive summary and a sample stakeholder presentation are included at the end of the outreach summary for your reference.

Employee Outreach

In addition to the public outreach, City Light leadership presented information about the 2022-2026 Strategic Plan to City Light managers and supervisors and to the City Light Race & Social Justice Initiative (RSJI) Change Team. Employees were invited to attend the virtual town hall on April 15. A Strategic Plan update was shared with employees in the Network Newsletter and on the SCL Hub (City Light's internal employee website).

Customer Experience Outreach

Since the previous Strategic Plan was adopted, City Light has engaged with customers about the Utility Discount Program and the new Utility Services Website. For these efforts, City Light worked with customers to understand the barriers they face when interacting with the utility, and we have begun implementing changes to eliminate these barriers.

Stakeholder Meetings and Virtual Town Hall

Summary of Meetings

Date	Stakeholder Group	Key Questions/Comments	Number of Attendees
3/18/2021	City Light Environmental Advisory Board	<ul style="list-style-type: none"> • City Light should work to be more agile and roll out new programs more quickly • Questions about rate design 	12
3/30/2021	Environmental Justice Committee members, Office of Sustainability and Environment staff	<ul style="list-style-type: none"> • We need to think about affordability beyond just “energy burden” • Need more support for those who don’t qualify for “low income” programs but who still need assistance • City Light needs to connect with work already being done at the community level • Need more support for assistance program applications • Align with other City departments to better serve the community • Need meaningful mitigations for impacts on environmental justice communities 	6
4/5/2021	Seattle Renters’ Commission	<ul style="list-style-type: none"> • Would like City Light to consider a warning period before rates increase • Provide more information around rate structure • Consider changing our schedule so that rate increases in January aren’t occurring during the middle of “peak energy use season” • Make sure our projects to benefit the community don’t just benefit wealthy residents 	9
4/6/2021	Franchise Cities	<ul style="list-style-type: none"> • Interest in electrification of infrastructure—EV charging stations, facilities, proactively planning for future needs • Better coordination on multigovernmental projects and CIP projects • Support infrastructure improvements that will improve power quality and future development in their city 	7
4/8/2021	NW Energy Coalition	<ul style="list-style-type: none"> • Interested in how advanced meters can improve the customer experience • How do we encourage energy efficiency and manage loads at the same time? • As we move to more time-of-day (TOD) pricing, how does that affect those who cannot shift their usage? • Very supportive of electrification; NWEK would like to see City Light be a leader in this area 	19

Date	Stakeholder Group	Key Questions/Comments	Number of Attendees
4/12/2021	Seattle 2030 District, Business Owners and Management Association (BOMA)	<ul style="list-style-type: none"> • Interest in speeding up the implementation of new energy efficiency incentives for businesses and being involved in development/decision making process • Electrification is not necessarily a positive word for BOMA due to the challenges of modifying existing buildings • Concerns about electrification happening too fast without enough homework being done • Want to see commercial real estate represented more in our outreach efforts • Glad to hear about efforts to control debt and ensure financial health 	5
4/15/2021	Staff from Multi-Service Center and Hopelink	<ul style="list-style-type: none"> • Want information in the plan around resuming shutoffs for non-payment; want to be kept in the loop so they can be prepared to serve customers • Would like greater freedom of information around customer data so they can better reach all eligible customers for assistance programs • Looking forward to ongoing opportunities to partner with City Light 	27
4/15/2021	Virtual Town Hall (open to the public)	<ul style="list-style-type: none"> • Questions around re-training workforce to work on electrification in the coming years so that current employees aren't left behind • How do we ensure that we are building a diverse workforce? What does success in this area look like? • Interest in ensuring those who have been traditionally underserved are part of our future plans • Interest in incentives around building electrification, advocating for building electrification 	16
4/29/2021	Key Customers	<ul style="list-style-type: none"> • High level of interest in incentives to electrify existing buildings • Questions and concerns about grid stability and ability to handle the increased load resulting from electrification • Want increased access to their energy use data • Asked about opportunities to partner with City Light on mutually beneficial projects • Support infrastructure improvements that will improve power quality 	65
Total Attendees			166

Key Findings

Affordability and Predictability of Rates

Customer bills remain a high priority across all stakeholder groups. Stakeholders expressed interest in understanding how their rates are currently structured, how rates might be structured in the future, and how City Light can ease transitions to higher or different rates. Customers would like to see a clear explanation when rates are going to change, and they ideally would like rates to increase at a time of year when energy use is not at its peak. Customers also had questions about how advanced meters will impact rates and improve the customer experience.

Residential customers emphasized the need to reimagine some of our bill assistance programs to help those who currently “fall through the cracks” of existing programs. Feedback included encouraging City Light to look at energy burden more holistically and reimagine what assistance programs can look like to benefit the most people who need help.

Mixed Feelings Around Electrification

Stakeholders from environmentally focused groups applauded City Light’s plans for increased electrification and urged the utility to be a leader in bringing the region along with us.

However, for others, there were concerns. Business owners are apprehensive about the high costs associated with retrofitting existing buildings to conform with new electrification standards and pushed for more incentives for converting to electric. Some business representatives noted that they would support a modest rate increase to fund more commercial incentives. These customers also had questions about how City Light’s electrical grid will be able to handle the increased load that will come with more electrification. Commercial customers are eager to see City Light continue to make improvements to our infrastructure so that their power supply is more reliable and consistent.

Environmental justice community members want to ensure that electrification does not come at the expense of their communities through unintended impacts. These representatives would like to see pathways to green jobs and opportunities for Black, Indigenous, and People of Color (BIPOC) community members not only to start jobs at City Light, but to advance through the utility.

Customer Involvement in Utility Decision Making

Commercial and residential customers alike would like to be included in decision making at City Light earlier in the process, when their input can shape the outcomes. One idea for improving customer service in this area is to align our customer-facing programs with other

City departments to maximize accessibility and minimize confusion in the community. If given a seat at the table, customers can advise on environmental justice work already underway at the community level. This would allow City Light (and other City departments) to focus on finding ways to lift up and support existing grassroots programs.

Business customers shared a strong desire for City Light to be quicker to roll out new incentives for energy efficiency projects. These customers would also like to have a greater voice in determining what the incentives will be. They noted that sometimes the bureaucracy involved in City Light processes prevents customers from getting the help they need in a timely manner. Business customers would like more opportunities to partner with City Light to develop mutually beneficial solutions.

Positive Reaction to Debt Strategy

Overall, stakeholders were pleased and relieved to hear about City Light's plan to control debt and right-size the capital improvement program. They appreciate that City Light leadership understands the need to control costs. This strategy is reflected in the lower five-year rate trajectory included in the plan.

Customer Experience Outreach

Background

A core commitment for both the 2019-2024 and 2022-2026 Strategic Plans is improving the customer experience. This cannot be done without working directly with our customers to understand the challenges they face when interacting with City Light. Efforts to modernize and improve the customer journey by making the Utility Discount Program more accessible and launching the new Utility Services Website are highlighted here.

Utility Discount Program Updates

Until early 2020, applying to the City's Utility Discount Program (UDP) required submitting verification of income and waiting 4-6 weeks for approval. This need for income verification was a barrier to many who would benefit from accessing the heavily discounted utility rates. A pilot program was launched in March 2020, as an emergency response measure, in which customers could self-certify if they were eligible to enroll in the program.

When the COVID-19 pandemic arrived in Seattle, Mayor Durkan mandated the UDP self-certification option be made available online for all residential customers in City Light's service territory. In 2020, the UDP self-certification process received over 13,800 unique applications (approved applications during this time totaled more than 11,000). During 2020, UDP saw a net increase in enrollment of 8,558 households, from 34,028 in 2019 to 42,586 in 2020. The difference between the approved applications and the net enrollments reflects the ongoing trend of UDP-eligible households withdrawing from the program even as new households join. The terminations are primarily due to customers moving out of City Light's service area.

City Light continues to work to provide customers with more options. In 2021, City Light, along with Seattle Public Utilities (SPU), Human Services Department, and Seattle IT, will be launching a new Utility Assistance Programs online application process. This online application will provide access to City Light and SPU emergency assistance programs for residential customers. The online, automated system is intended to provide a single, streamlined process for all customer assistance programs. This is one way we can continue to improve the customer experience.

New Utility Services Website

Another area where City Light worked closely with our customers was in the development of our new Utility Services Website (in collaboration with SPU). The new Utility Services Website gives customers access to new payment options, options to start and stop service, views of their energy usage, and the ability to manage their utility accounts.

These features are only useful if they are simple and easy to use. To ensure usability, 22 tests were completed. Using a prototype that emulated the real site, customers walked through several scenarios to ensure they were able to complete tasks intuitively. These scenarios included activities such as changing service type or looking up rate information. Additional accessibility testing, including colorblind functionality and mobile compatibility, was also conducted.

Conclusion and Next Steps

Our outreach efforts have informed the development of the 2022-2026 Strategic Plan. Over the next five years, we will continue the conversations that we have started with community-based organizations, stakeholder groups, and customers. Some of the business strategies and programs identified in the 2022-2026 Strategic Plan will be multi-year efforts. We anticipate using the feedback we received from our outreach efforts to inform planning and implementation for 2022 and beyond.



Seattle City Light

EXECUTIVE SUMMARY 2022–2026 STRATEGIC PLAN

Over 900,000 people in the Seattle area rely on Seattle City Light every day to keep their homes running, businesses operating, and communities vibrant. It is our duty—and our greatest source of pride—to provide our customers power that is affordable, reliable, safe, and environmentally responsible.

Like many things in 2020, our Strategic Planning process was halted abruptly when the COVID-19 pandemic struck our region. At that time, we recognized the need to pause this long-term planning effort and focus on the immediate safety and wellbeing of our community, customers and employees.

Now, with a hopeful eye to the future, we have returned to our Strategic Plan with the new perspective that the challenges of the past year have given us. The 2022–2026 Strategic Plan

highlights our ongoing commitment to providing essential energy services and outlines our pathways to building a shared energy future with the communities we serve.

The new City Light Strategic Plan is a five-year plan that focuses on building stronger relationships with our customers, improving core service areas, and preparing our utility and our region for large-scale, long-term changes to the energy industry.

Key activities such as grid modernization, technology upgrades, partnerships with customers, and business process improvements will put us in the best possible position to help the Seattle area recover from the pandemic and build a more equitable, sustainable future for all of us.



BUSINESS STRATEGIES:



Improve the Customer Experience

We will meet the needs of our customers by empowering our employees to deliver targeted solutions in a consistently responsive way. Using information gathered from our customers, we will develop programs and services to meet their individual needs and redesign old processes to strengthen and improve core service delivery. We will empower our employees to fulfill our “Customers First” commitment.



Create our Energy Future

To prepare for the future, we will build and maintain smart, resilient, flexible, dynamic, and reliable grid infrastructure that will support long-term decarbonization and electrification efforts. We will prepare for greater integration of distributed energy resources and increased customer options. We will work to reverse historical inequities and avoid unintended harm to historically underrepresented populations by intentionally prioritizing their needs as we create our energy future.



Develop Workforce and Organizational Agility

As we prepare for major transformations in our industry and the environment in which we operate, we will foster an organization that is nimble, adaptable, and responsive. We will cultivate an agile, accountable, and inclusive workforce that reflects the diversity of our community to meet our organization’s emerging needs. We will implement a robust, cross-functional business process framework in consistent, scalable, and data-driven ways.



Ensure Future Financial Stewardship and Affordability

We will support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time, one that continues to encourage efficient use of the products and services we provide. We will reform our capital prioritization process to deliver a capital plan that is prudent, efficient, and community focused.



We Power Seattle

City Light will continue to advance our mission of providing our customers with affordable, reliable, and environmentally responsible energy services. We will prioritize diversity, equity, and inclusion in all that we do and we will actively manage and mitigate the constraints, risks, and uncertainty of operating in a COVID-adjusted environment.

Connect with Us

To learn more about the 2022-2026 Strategic Plan, visit seattle.gov/city-light/about-us/strategic-plan-and-review-panel. Feedback and comments can be sent to SCL_StrategicPlan@seattle.gov.



City Light 2022–2026 Strategic Plan

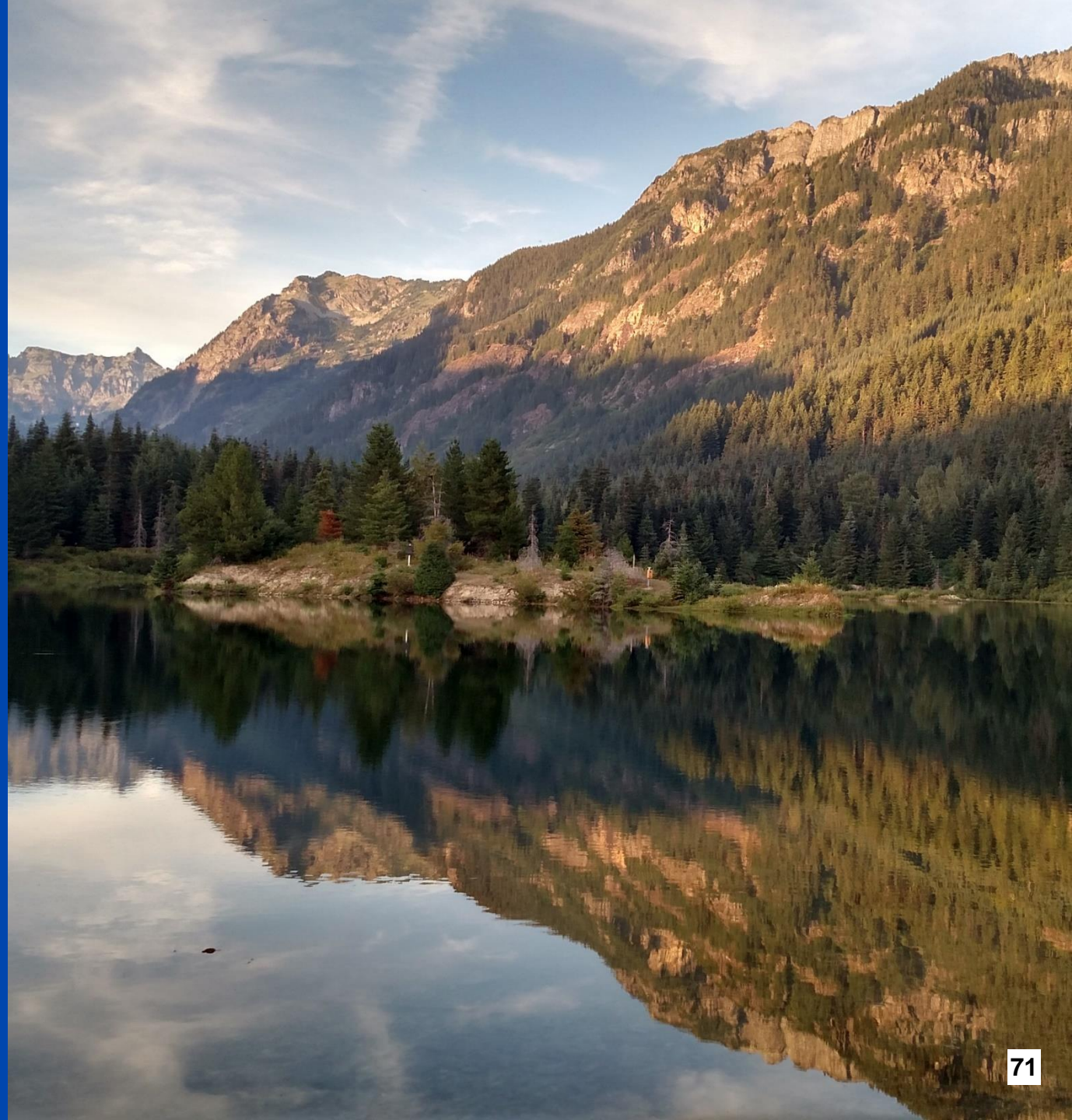
Stakeholder Presentation



Seattle City Light

WE POWER SEATTLE

Plan Foundations



This is Our Fifth Strategic Plan

1. 2013–2018 (First Seattle City Light Strategic Plan)
The plan is updated every 2 years:
2. 2015–2020
3. 2017–2022
4. 2019–2024
5. **2022–2026 Strategic Plan***

*2021–2026 plan drafted but not completed due to COVID-19

Guiding our Path – City Light Mission, Vision & Values

Mission

Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Values



Customers First



Environmental Stewardship



Equitable Community Connections



Operational and Financial Excellence



Safe and Engaged Employees

2022-2026 Strategic Plan



Seattle City Light



Strategic Plan Business Strategies



Improve the Customer Experience



Create our Energy Future



Develop Workforce and Organizational Agility



Ensure Future Financial Stewardship and Affordability



We Power

Improve the Customer Experience

Objective:

Consistently meet customers' needs by providing employees opportunities to deliver targeted and responsive solutions.



Success Measures:

- + Improvement in customer satisfaction scores as measured by benchmark scores, industry experts and our own research (e.g., J.D. Power rating and Seattle City Light longitudinal benchmarking survey)

Improve the Customer Experience

Projects, Initiatives and Activities:

1. **Integrate the “Voice of the Customer” into our organizational culture** – Make use of customer research and equip our employees with the tools, skills and support they need to prioritize customer needs and make “Customers First” a reality.
2. **Strengthen and fix our core customer services** – Redesign old processes to improve service delivery.
3. **Expand customer service options** – Using the information gathered from our customers, develop programs and services to meet their individual needs.



Create our Energy Future

Objective:

Build and maintain smart, resilient, flexible, dynamic and reliable grid infrastructure; prepare for increased integration of distributed energy resources and increased customer options; and work to reverse historical inequity and avoid collateral harm to underserved populations by intentionally prioritizing their needs as we create our energy future.



Success Measures:

- + Increased load/revenue associated with electrification
- + Penetration of automation on our grid
- + Reduction of emissions in Environmental Justice Communities

Create our Energy Future

Projects, Initiatives and Activities:

1. **Fund and implement the “Utility Next” Portfolio** – Deliver new programs to achieve Seattle’s vision of a clean energy future.
2. **Implement grid modernization roadmap** – Prioritize investments needed to support electrification and increase grid flexibility, automation, reliability and resiliency.
3. **Implement electrification plans** – Develop, offer and implement programs authorized in the Transportation Electrification Strategic Investment Plan.
4. **Integrate distribution system and resource planning** – Integrate and align the Integrated Resource Plan with other complementary planning efforts.
5. **Demonstrate leadership and collaboration** – Lead planning and support development of long-term regional decarbonization and electrification solutions and collaborate to ensure capacity and availability of carbon-free generation resources.



Develop Workforce and Organizational Agility

Objective:

Foster an organization that is nimble, adaptable and responsive and cultivate a workforce empowered to support social justice



Success Measures:

- + Workforce development and culture metrics (e.g., diversity, recruitment, employment, promotion and retention measures, and employee culture survey results)
- + Development of foundational and equitably distributed resources and training to do their jobs successfully

Develop Workforce and Organizational Agility

Projects, Initiatives and Activities:

1. **Build an agile workforce** – Anticipate new strategic staffing needs, provide training and development opportunities that prepare employees for the future, support the culture change needed for future success, and build a workforce that reflects our community's diversity.
2. **Institutionalize organizational change management** – Establish a new change management program to provide consistent structure, standards, training, coaching and resources. This program will help employees successfully adapt to and master changes in job functions, business processes, and technology usage.



Ensure Future Financial Stewardship and Affordability

Objective:

Support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time.



Success Measures:

- + Rate path delivered according to Strategic Plan commitments
- + A debt service coverage ratio of 1.8 or higher
- + Capital financed 60% or less by debt

Ensure Future Financial Stewardship and Affordability

Projects, Initiatives and Activities:

1. **Control rate increases** – Hold rate increases to a trajectory that resembles inflation. To do this, we will restructure our project tracking and improve budget management to drive accountability. This will allow us to lower labor costs and right-size the capital program.
2. **Price services for the future** – Building on new technology from advanced meters and billing system upgrades, City Light will continue to deliver new pricing options that encourage decarbonization and grid flexibility while also helping residents and businesses manage their energy costs.



We Power

Objective:

Even as we prepare for the future, City Light will continue to advance our mission of providing our customers with affordable, reliable and environmentally responsible energy services. We will prioritize diversity, equity and inclusion in all that we do and will actively manage and mitigate the constraints, risks and uncertainty of operating in a COVID-adjusted environment.



Success Measures

- + Operational dashboards will be developed for each line of business. These will facilitate data-driven discussions, decisions and actions around our core business functions.

Rate Path



Compare Strategic Plan Rate Increases

	2019	2020	2021	2022	2023	2024	2025	2026	AVG
2019-2024 Strategic Plan	5.8%	5.4%	3.6%	3.9%	4.0%	4.2%			4.5%
2022-2026 Strategic Plan			3.0%	3.9%	3.8%	3.8%	3.0%	3.0%	3.5%



Approved by Seattle City Council in March 2021

A 3.0% increase taking effect April 1, 2021 was approved to offset RSA surcharges which were lifted concurrently. The net impact for customers is rates for 2021 that are unchanged from 2020 levels.

A 3.9% increase was also approved for implementation on January 1, 2022. Note, an upcoming BPA Passthrough rate adjustment is expected to offset a portion of this increase – utility staff estimate the net increase will be ~2.4%.

Questions and Comments



Seattle City Light



THANK YOU



Seattle City Light

SCL_StrategicPlan@seattle.gov

Honorable Jenny A. Durkan
May 14, 2021
Page 4

Seattle City Light Review Panel

c/o L. Barreca, Seattle City Light
P.O. Box 32023 Seattle, WA 98124-4023
CLRP@seattle.gov

May 14, 2021

Mayor Jenny A. Durkan
The City of Seattle
600 Fourth Avenue
P.O. Box 94749
Seattle, WA 98124-4749

RE: City Light Review Panel Comment Letter on Proposed 2022-2026 Seattle City Light Strategic Plan

Dear Mayor Durkan:

This letter presents our comments on the proposed Seattle City Light (City Light) Strategic Plan for 2022-2026 (the Plan) in fulfillment of our duties as members of the City Light Review Panel set forth in Ordinance 124740.

We are pleased to endorse the Plan and support its adoption as presented. In a quickly evolving landscape, this Plan presents a comprehensive, ambitious and strategic set of goals that we believe are well suited to the challenges faced by City Light and its customers. This letter offers our further thoughts and suggestions to you and the utility moving forward.

At the outset, we want to thank General Manager and CEO Debra Smith for her exceptional leadership of the utility. She and her team have been very supportive of the Panel's role and have engaged with us transparently; they bring welcome and positive change to the utility.

Successes and Challenges since adoption of the 2018 Strategic Plan

Reflecting on how City Light has been impacted since the last Strategic Plan was approved three years ago, the COVID pandemic is at the top of the list of disruptions. It caused a sharp decline in electricity usage and a need to significantly adjust how City Light operates. City Light responded quickly and creatively. Employees worked in new ways and launched new efforts to assist customers. Reliability of our electric service was preserved throughout. The entire City Light team should be commended for their success here.

Nearly a year and a half since the beginning of the pandemic, the speed and nature of the economic recovery we all hope for is unclear. Due to the uncertainty of the pandemic, delivery of the Plan was delayed by a year – it is a 5-year plan, rather than the 6-year plans we have worked on with City Light before. We think the delay was the right move.

Successes we observe since issuance of the last strategic plan include:

- Positive changes in leadership at the top and across the utility.
- Increased participation in the Utility Discount Program.
- Pilot programs launched to test new rate design components including the Energy Equity Rate Pilot, Residential Time of Day (TOD) Pilot, Commercial TOD project and the Demand Response Rate Pilot.
- Improved load forecast methodology.
- Launching of the transportation electrification initiative.
- City Light remains in a strong financial position, with an AA bond rating that helps keeps the rate of borrowing low.

The Plan provides a vision, goals, and high-level initiatives to address several challenges facing City Light in the next few years. The Panel believes there are several pressing issues facing City Light; we identify these challenges below, as they each relate to one of the Plan's five "business strategies." Our comments below are not prioritized and are presented in the order in which the Business Strategies are presented in the Plan.

Business Strategy: Improve the Customer Experience

- Race and Social Justice. There is a need for a more robust social justice and equity response in all government does.
- Growing receivables. In the last year, 20% of City Light's residential customers and 14% of its commercial customers have gone into arrears on their electricity bills.

Business Strategy: Create our Energy Future

- Grid Modernization. City Light's aging electrical grid lacks the flexibility to provide many of the next generation of products and services that customers are beginning to expect.
- Balancing Policy Goals. The utility will need to balance financial and policy support for energy efficiency (reducing demand for electricity) with the new building electrification effort designed to increase demand for electricity.

Business Strategy: Develop Workforce and Organizational Agility

- Focus on Labor Costs. Negotiations have recently been completed with the IBEW to bring City labor costs for line workers in sync with recently approved significantly higher wages in our neighboring electrical utilities. These are critical workers in a competitive hiring environment; this new contract will impact operating costs going forward.

Business Strategy: Ensure Financial Health and Affordability

- Keeping Electric Service Affordable. We are very pleased that the Plan proposes an annual average rate increase over the next 5 years of 3.5% per year -- significantly lower

than the 4.5% annual average in the 2018-2024 Strategic plan. Moving forward, keeping rates at this reduced path will require continued vigilance.

- Rightsizing City Light’s Capital Improvement Plan While Ensuring Assets are Maintained. The Panel would like to see a reduction in the rate pressures created by City Light’s large annual debt repayment obligations. While use of debt financing does increase affordability in the short term, over time, over dependence on debt will overburden the organization financially. We look forward to working with management to examine alternative ways of financing ongoing system investments. City policy requires City Light to fund its capital improvements with at least 40% operating cash, with the balance coming from borrowing: issuing debt. Funding debt service coverage remains the largest single rate driver for City Light in the 2022-2026 Plan.
- Declining Retail Demand. City Light is continuing to experience year over year declines in the demand for electricity, and there is a major question mark about how and when commercial demand for electricity, in particular, will recover as we move beyond the COVID pandemic. City Light’s reliable and comparably low-cost electricity is a critical foundation for our economy, and economic development helps boost revenues for the City in many areas.
- Rate Design. City Light’s outdated rate structure under-recovers fixed per customer costs and lacks time of use rates or interruptible rates (the latter two items are under study in pilot projects). Revisions to the utility’s rate structure have been put on hold by COVID and we hope will be taken up by the City later this year.
- Reserve Fund Targets. The potential benefits to ratepayers from reducing the target reserve levels in the Rate Stabilization Account (RSA) should be seriously considered. The RSA was established to offset variability in wholesale power revenues that today are a much smaller dollar amount annually than was the case when the RSA was established.

Business Strategy: We Power (maintaining core utility functions)

- Environmental Stewardship. We see a continued need to respond to our region’s deeply held environmental values in the operation of the City’s hydroelectric assets.

The Panel intends to be fully engaged with City Light on all these challenges moving forward. Success of the Plan will be based on execution; in filling in the details around the high-level initiatives presented and identifying and tracking meaningful metrics to measure success. Due to the consideration of so many interconnected variables, this Strategic Plan contains fewer tactical elements than previous plans. There is tremendous work ahead, and we support the goals laid out in the Plan. The utility will need to be nimble as the uncertainties before us are significant – particularly as to the pace of transportation electrification, and the shape of the economic recovery.

Conclusion

The world in which City Light operates is changing rapidly. The Strategic Plan addresses this uncertainty in many ways, positioning the utility to respond effectively to a range of current and future challenges, all with a significant reduction in the annual growth of electric rates as compared to the prior strategic plan.

We are pleased to support this new Strategic Plan and we look forward to working with the utility on its implementation. We thank CEO Debra Smith, her staff team, as well as the staff from the City Council and Budget Offices all of whom support the work of the City Light Review Panel. It is a pleasure to work with such dedicated, excellent public servants. We thank you, Mayor Durkan, and the Council, for your continued support of our efforts as citizen volunteers serving on the Review Panel, and for your work on behalf of the ratepayers of City Light.

We would welcome the opportunity to speak with you and the City Council about the recommendations in our letter.

Sincerely,

Members of the City Light Review Panel¹



Leon Garnett
Panel Chair
Panel Position #7
Low Income Customer Advocate



Mikel Hansen
Panel Vice-Chair
Panel Position #5
Commercial Customer Representative



Anne Ayre
Panel Position #6
Industrial Customer re
Representative



Scott Haskins
Panel Position #2
Utility Financial Analyst



Sara Patton
Panel Position #3
Non-profit Energy Efficiency
Advocate



John Putz
Panel Position #8
At-Large Customer
Representative



Tim Skeel²
Panel Position #1
Economist

¹ We sign this letter in our individual capacities, not as representatives of our employers. Please note there are currently two vacancies on the panel: Position #4, residential customer, and Position #9, suburban franchise area representative.

² Appointment pending.

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle City Light	Kirsty Grainger/4-3713	Greg Shiring/6-4085

** 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:

A RESOLUTION related to the City Light Department, adopting a 2022-2026 Strategic Plan for the City Light Department and endorsing the associated five-year rate path.

Summary and background of the Legislation:

This resolution adopts City Light’s 2022-2026 Strategic Plan and endorses the associated rate path required to support the strategic plan (shown below). It also requests that the department prepare the 2022 proposed budget and rates to reflect a 3.9% rate increase in 2022.

2022	2023	2024	2025	2026	Average
3.9%	3.8%	3.8%	3.0%	3.0%	3.5%

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 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?

Yes, adoption of the Strategic Plan endorses a six-year rate trajectory, which reflects cost and revenue assumptions implicit in this rate assumption, which will inform future budget proposals and rate legislation.

Is there financial cost or other impacts of *not* implementing the legislation?

Not directly.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
No
- 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?**
City Light takes its lead from the City-wide Race and Social Justice Initiative (RSJI) to end institutional racism in government. When deciding how to implement the programs, initiatives, and activities laid out in the Strategic Plan, City Light will continue to center equity in our work and offer services to vulnerable and historically underrepresented communities consistent with City policy. To increase accessibility for as many members of our community as possible, we will carry out the activities in the Strategic Plan in accordance with City Light's Language Access Plan.

This plan lays out a replicable, intentional approach to reaching customers in need and customers who indicate a preference for a language other than English. We commit to budgeting the time and resources required for translation and interpretation services where needed. We will consult with the Office of Immigrant and Refugee Affairs to ensure our outreach materials and strategies are inclusive and culturally appropriate, and we will seek to implement customer suggestions for improvement whenever possible.

f. Climate Change Implications

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

Not directly, but the Strategic Plan does include initiatives such as electrification that would impact carbon emissions.

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.

Not directly, but the Strategic Plan does include initiatives such as electrification and grid modernization that would impact climate resiliency.

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)?

N/A

List attachments/exhibits below:

N/A

SCL Transportation & Utility Committee Presentation

Committee Briefing

June 16, 2021



RECOVER REFOCUS RESTART

2022-2026 Strategic Plan

2022-2026 Strategic Plan Proposed Council Review

+ June 16th: T&U Committee Presentation

- 2022-2026 Strategic Plan (SCL Presentation)
 - Guiding our path
 - Customer and stakeholder outreach
 - City Light successes
 - Business strategies, objectives, projects/initiatives/actions
 - Rate path
- Q&A*

+ July 7th: T&U Committee follow up

- City Light Review Panel comments (Review Panel Chair and Co-Chair)
- Review Response to Council Questions (Council Staff/SCL)
- T&U Committee Vote

+ July 12th or July 19th : Final Action @ Full Council

- 2022-2026 Strategic Plan Adoption

*SCL is available between T&U Committee meetings to address Council questions/concerns

What is the City Light Strategic Plan?

+ Strategic Plan

- Process established by Ordinance 123256 in 2010
- Six-year view of priorities, initiatives, and measures*
- Six-year rate path, foundation for biennial budget and retail rates*

+ City Light Review Panel

- Provides input on Strategic Plan & Rate Design
- Represent various customer groups and areas of expertise
- Nine volunteer panel members
 - Five members appointed by the Mayor
 - Four members nominated by City Council
 - Staggered three-year terms

* Due to pandemic 2022-2026 SP is a five-year plan



Guiding our Path – City Light Mission, Vision & Values

Mission

Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Values



Customers First



Environmental Stewardship



Equitable Community Connections



Operational and Financial Excellence



Safe and Engaged Employees

Focusing on our community's values

+ 10 Stakeholder group presentations

- Large commercial customers, low-income service providers, environmental advocacy organizations, residential customers, and franchise cities
- Total 150+ attendees

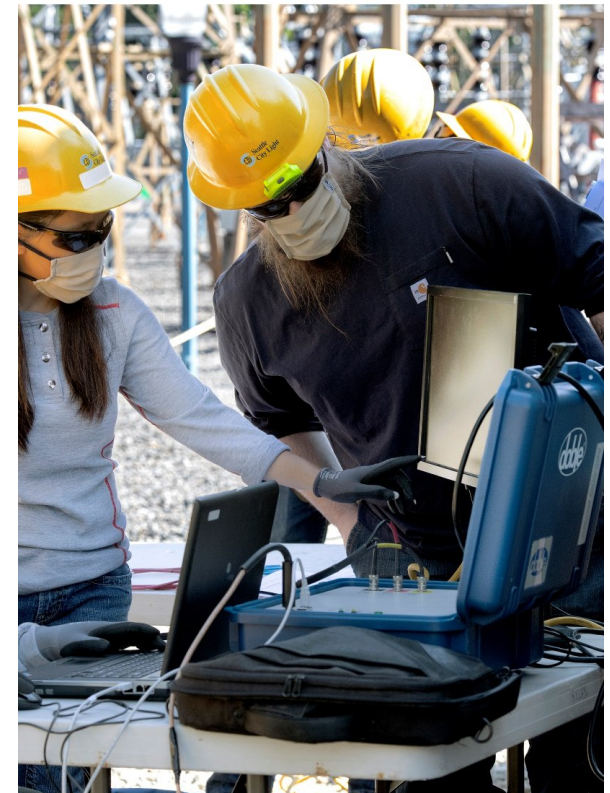
+ 22 strategy planning meetings with the City Light Review Panel

+ Community and employee outreach

- Materials shared through City Light communication channels, including website
- Virtual town hall open to the public
- Employee meetings

From Pandemic to Progress: City Light Success

- + Made customer service more personal and convenient with our on-line portal and Business Customer Service Center.
- + Increased enrollment in the Utility Discount Program by >23%.
- + Invested in the utility's critical infrastructure.
- + Joined the Western Energy Imbalance Market.
- + Earned the highest reliable power provider rating from the American Public Power Association.



2022-2026 Strategic Plan



Strategic Plan Business Strategies



Improve the Customer Experience



Create our Energy Future



Develop Workforce and Organizational Agility



Ensure Financial Stewardship and Affordability



We Power

Improve the Customer Experience



Objective:

Consistently meet customers' needs by providing employees with opportunities and training required to deliver targeted and responsive solutions.

Projects, Initiatives and Activities:

1. [Integrate the "Voice of the Customer" into our organizational culture](#) - Equip our employees with the tools, skills, and support they need to prioritize customer needs and make "Customers First" a reality.
2. [Strengthen and fix our core customer services](#) – Redesign old processes to improve service delivery.
3. [Expand customer service options](#) – Develop programs and services to meet our customers' individual needs.

Create our Energy Future



Objective:

Build and maintain smart, resilient, flexible, dynamic and reliable grid infrastructure; prepare for increased integration of distributed energy resources and increased customer options and; work to reverse historical inequity and avoid collateral harm to underserved populations by intentionally prioritizing their needs as we create our energy future.

Projects, Initiatives and Activities:

1. [Implement grid modernization roadmap](#) – Invest in our grid as needed to handle the increased consumption.
2. [Implement electrification plans](#) – Develop, offer and implement programs authorized in the Transportation Electrification Strategic Investment Plan.
3. [Fund and implement the “Utility Next” Portfolio](#) – Deliver new projects needed to achieve Seattle’s vision of creating a clean energy vision.
4. [Integrate distribution system and resource planning](#) – Integrate and align the Integrated Resource Plan with other complementary planning efforts.

Develop Workforce and Organizational Agility



Objective:

Foster an organization that is nimble, adaptive, and responsive and cultivate a workforce with the skills and knowledge to advance social justice.

Projects, Initiatives and Activities:

1. **Build an agile workforce** – Anticipate new strategic staffing needs, providing training and development opportunities that prepare employees for the future, supporting the culture change needed for future success, and building a workforce that reflects our community's diversity.
2. **Institutionalize organizational change management** – Establish a new change management to provide consistent structure, standards, training, coaching, and resources.

Ensure Financial Stewardship and Affordability



Objective:

Support long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, equitable, and consistent for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time.

Projects, Initiatives and Activities:

1. **Control rate increases** – Hold rate increases to a trajectory that resembles inflation by improving budget accountability, lowering labor costs and right-sizing the capital program.
2. **Price services for the future** – Building on new technology from advanced meters and billing system upgrades, continue to deliver new pricing options that encourage decarbonization and grid flexibility, while also helping residents and businesses manage their energy costs.
3. **Road to Recovery** – Stable revenues are essential to sustain our financial health and deliver affordable electricity. As City Light prepares to restart credit and collections after a five-year hiatus, we need to review and update our policies, services, and practices.

We Power



Objective:

Even as we prepare for the future, City Light will continue to advance our mission to provide customers with affordable, reliable, and environmentally responsible energy services. We will prioritize diversity, equity, and inclusion in all that we do and will actively manage and mitigate the constraints, risks, and uncertainty of operating in a COVID-adjusted environment.

Rate Path



Compare Strategic Plan Rate Increases

	2019	2020	2021	2022	2023	2024	2025	2026	AVG
2019-2024 Strategic Plan	5.8%	5.4%	3.6%	3.9%	4.0%	4.2%			4.5%
2022-2026 Strategic Plan			3.0%	3.9%	3.8%	3.8%	3.0%	3.0%	3.5%



Approved by Seattle City Council in March 2021

A 3.0% increase effective April 1, 2021, was approved to offset RSA surcharges which were lifted concurrently. The net impact for customers is rates for 2021 that are unchanged from 2020 levels.

A 3.9% increase was also approved for implementation on January 1, 2022. Note, an upcoming BPA rate adjustment is expected to offset a portion of this increase –staff estimate the net rate impact for customers will be 2% or less.

Sample Customer Bill Impacts

Bill Example	2021	2022	2023	2024	2025	2026
Percentage		3.9%	3.8%	3.8%	3.0%	3.0%
Residential*	\$76.77	+\$3.00	+\$3.04	+\$3.18	+\$2.61	+\$2.68
Residential - UDP (60% Discount)	\$30.71	+\$1.20	+\$1.22	+\$1.27	+\$1.04	+\$1.07
Small Commercial - Car Wash	\$465	+\$18	+\$18	+\$19	+\$16	+\$16
Medium Commercial - Retail Store	\$7,436	+\$290	+\$294	+\$308	+\$252	+\$259



Same as 2020 bills

*Based on the average residential consumption of 634 kWh per month.

Note: City Light bills residential customers every two months, so these amounts are approximately half of what a customer would see on their bill.

Commitment to Affordability

+ Utility Discount Program

- 60% discount for qualified customers
- Self-certification process increased enrollment

+ Low Income Home Energy Assistance Program (LIHEAP)

- Increased program flexibility and additional funds thru federal COVID relief - administered by outside non-profits

+ Emergency Bill Assistance Program

- Expanded for 2021
- \$1M by allocated by Mayor/Council from federal COVID relief funds

+ Project Share – Employee and SCL customer donation program

+ Increased awareness & flexibility of Payment Plan options

Questions and Comments



THANK YOU



Seattle City Light

SCL_StrategicPlan@seattle.gov



Legislation Text

File #: CB 120100, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to enter into a Water Quality Combined Financial Assistance Agreement between the State of Washington Department of Ecology and The City of Seattle, Public Utilities Department, to partially finance costs related to the construction of the Ship Canal Water Quality Project through a Clean Water State Revolving Fund Loan.

WHEREAS, The City of Seattle and King County own and operate their own combined sewer systems, portions of which are interconnected and in some locations are at risk of overflows during heavy rain events; and

WHEREAS, the Combined Sewer Overflows (CSOs) are regulated under the federal Clean Water Act and governed by the State of Washington under the terms of National Pollutant Discharge Elimination System (NPDES) permits separately issued to both The City of Seattle and King County; and

WHEREAS, the terms of the NPDES permits require The City of Seattle and King County to limit untreated overflows at each CSO outfall to an average of no more than one per year; and

WHEREAS, under a Consent Decree with the U.S. Environmental Protection Agency (EPA), the Washington Department of Ecology (“Ecology”), and the U.S. Department of Justice (DOJ), authorized by Ordinance 123908 and amended by Ordinance 124129 (the “City’s Consent Decree”), The City of Seattle must implement control measures to limit untreated CSOs in accordance with State of Washington requirements by December 31, 2025; and

WHEREAS, The City of Seattle is required to construct a Shared West Ship Canal Tunnel (aka Ship Canal Water Quality Project) for outfalls 147, 174, 150, 151, and 152 by its approved Plan to Protect Seattle’s

Waterways (“Plan”), Long-Term Control Plan and Integrated Plan; and

WHEREAS, in 2015 the City Council pursuant to Ordinance 124966 authorized Seattle Public Utilities to enter into a Joint Project Agreement (JPA) with King County to design, construct, operate, and maintain the Ship Canal Water Quality Project; and

WHEREAS, under an agreed Non-Material Consent Decree Modification (Case No. 2:13-cv-00677-JCC) with EPA, Ecology, and DOJ, King County under its own Consent Decree must control its combined sewer overflows at 3rd Ave West and 11th Avenue Northwest in accordance with State of Washington Requirements by December 31, 2025, and will also retain its ability to construct and implement its original individual storage and increased conveyance piping project at 3rd Ave West and 11th Ave Northwest, respective, in case the City and County mutually agree in writing to terminate the joint tunnel project, pursuant to the Joint Project Agreement; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager/CEO of Seattle Public Utilities is authorized to execute a Water Quality Combined Financial Assistance Agreement (Agreement No. WQC-2021- SeaPUD-00191) between the State of Washington Department of Ecology and Seattle Public Utilities, substantially in the form as attached hereto as Attachment 1; to partially finance costs related to the construction of the Ship Canal Water Quality Project through a Clean Water State Revolving Fund Loan in the amount of \$66,000,000; to fulfill obligations under the City’s Consent Decree and consistent with its approved Plan to Protect Seattle’s Waterways; and to reduce Combined Sewer Overflows (CSOs), as required by law, in furtherance of the objectives of the Clean Water Act, the Environmental Protection Agency’s CSO Control Policy, and the Washington Water Pollution Control Act.

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved by me this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Water Quality Combined Financial Assistance Agreement No. WQC-2021-SeaPUD-00191



Agreement No. WQC-2021-SeaPUD-00191

WATER QUALITY COMBINED FINANCIAL ASSISTANCE AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF SEATTLE, PUBLIC UTILITIES DEPARTMENT

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and City of Seattle, Public Utilities Department, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	Ship Canal Water Quality Project
Total Cost:	\$570,100,000.00
Total Eligible Cost:	\$66,000,000.00
Ecology Share:	\$66,000,000.00
Recipient Share:	\$0.00
The Effective Date of this Agreement is:	01/01/2020
The Expiration Date of this Agreement is no later than:	01/01/2025
Project Type:	Wastewater Facility

Project Short Description:

This project protects water quality with the construction of an offline 18-ft 10-inch inside-diameter storage tunnel and pump station; 5 access shafts; and a 649 foot long 94-inch inside diameter tunnel under the ship canal. These improvements will store combined-sewer overflow and significantly reduce combined-sewer overflows (CSO) into the Lake Washington Ship Canal at five Seattle Public Utilities (SPU) outfalls and two King County Department of Natural Resources and Parks (DNRP) outfalls.

Project Long Description:

This project protects water quality with the construction of an offline 18-ft 10-inch inside-diameter storage tunnel and pump station; 5 access shafts; and a 649 foot long 94-inch inside diameter tunnel under the ship canal. These improvements will store combined-sewer overflow and significantly reduce combined-sewer overflows (CSO) into the Ship Canal at five Seattle Public Utilities (SPU) outfalls and two King County Department of Natural Resources and

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

Parks (DNRP) outfalls. This is a joint project between the RECIPIENT and King County DNRP. The project is required by both agencies' consent decrees with the Ecology and the EPA to control CSOs to once per year.

On average from 2010- 2014, there were approximately 165 CSO events from these CSO basins that released approximately 80 million gallons of combined sewage into the Ship Canal each year. The RECIPIENT is the lead agency, owns the completed Ship Canal WQ Project facilities, and is responsible for planning, design, permitting, construction, and maintenance of the project. King County DNRP provides review assistance technical expertise in delivering the project.

Overall Goal:

Construct an offline storage tunnel, access shafts and pipelines, and micro-tunnel pipeline, to reduce the amount of CSO that discharges into the Lake Washington Ship Canal (Ship Canal).

DRAFT

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

RECIPIENT INFORMATION

Organization Name: City of Seattle, Public Utilities Department

Federal Tax ID: 91-6001275

DUNS Number: 105962943

Mailing Address: PO Box 34018
 Seattle, WA 98124-4018

Physical Address: 700 Fifth Ave, 49th Floor

Organization Email: daveschuchardt@seattle.gov

Contacts

<p>Project Manager</p>	<p>Alexander Mockos CSO Program Manager</p> <p>700 5th Avenue Suite 2000 Seattle, Washington 98104 Email: alexander.mockos@seattle.gov Phone: (206) 386-4036</p>
<p>Billing Contact</p>	<p>Debby Poris Sr Accountant-Grants</p> <p>700-5th Ave, Suite 4900 Seattle, Washington 98124-4018 Email: deborah.poris@seattle.gov Phone: (206) 733-9631</p>
<p>Authorized Signatory</p>	<p>Mami Hara General Manager/CEO</p> <p>700 5th Ave, suite 4900 Seattle, Washington 98124 Email: mami.hara@seattle.gov Phone: (206) 684-5852</p>

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
 Water Quality
 PO BOX 47600
 Olympia, WA 98504-7600

Physical Address: Water Quality
 300 Desmond Drive SE
 Lacey, WA 98503

Contacts

<p>Project Manager</p>	<p>Kenneth D. Ziebart</p> <p>3190 - 160th Ave SE Bellevue, Washington 98008-5452 Email: kzie461@ecy.wa.gov Phone: (425) 649-7164</p>
<p>Financial Manager</p>	<p>Tammie McClure</p> <p>PO Box 47600 Olympia, Washington 98504-7600 Email: tmcc461@ecy.wa.gov Phone: (360) 407-6410</p>

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

SCOPE OF WORK

Task Number: 1 **Task Cost:** \$10,000.00

Task Title: Grant and Loan Administration

Task Description:

A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include, but are not limited to: Maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; the EAGL (Ecology Administration of Grants and Loans) recipient closeout report; and a two-page outcome summary report (including photos, if applicable). In the event that the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

B. The RECIPIENT shall keep documentation that demonstrates the project is in compliance with applicable procurement, contracting, and interlocal agreement requirements; permitting requirements, including application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items. This documentation shall be available upon request.

C. The RECIPIENT shall maintain effective communication with ECOLOGY and maintain up-to-date staff contact information in the EAGL system. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement:

Properly managed and fully documented project that meets ECOLOGY's grant or loan administrative requirements.

Task Expected Outcome:

- * Timely and complete submittal of requests for reimbursement, quarterly progress reports, Recipient Closeout Report, and two-page outcome summary report.
- * Properly maintained project documentation.

Agreement No: WQC-2021-SeaPUD-00191

Project Title: Ship Canal Water Quality Project

Recipient Name: City of Seattle, Public Utilities Department

Grant and Loan Administration**Deliverables**

Number	Description	Due Date
1.1	Progress Reports that include descriptions of work accomplished, project challenges or changes in the project schedule. Submitted at least quarterly.	
1.2	Recipient Closeout Report (EAGL Form)	
1.3	Two-page Outcome Summary Report	

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

SCOPE OF WORK

Task Number: 2 **Task Cost:** \$0.00

Task Title: Construction Management

Task Description:

A. The RECIPIENT will provide adequate and competent construction management and inspection for the Project. This may involve procuring the professional services. If professional services are procured, and the recipient requests reimbursement for professional services under this agreement, the RECIPIENT will procure them in accordance with state law. The RECIPIENT will include ECOLOGY's specification insert in the contract documents. The RECIPIENT must submit all contracts for construction management services before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will develop a detailed Construction Quality Assurance Plan (WAC 173-240-075) and submit it to ECOLOGY for approval. This plan will describe the activities which the RECIPIENT will undertake to achieve adequate and competent oversight of all construction work.

C. The RECIPIENT will ensure construction progresses according to a timely schedule developed to meet completion dates indicated in the construction contract. The RECIPIENT will revise or update the schedule whenever major changes occur and resubmit to ECOLOGY. In the absence of any major changes, the RECIPIENT will describe progress of the construction in the quarterly progress reports.

D. Upon completion of construction, the RECIPIENT will provide ECOLOGY's Project Manager with a set of record construction drawings, which reflect changes, modifications, and revisions made to the project during construction.

E. Upon project completion, the RECIPIENT will submit the Declaration of Construction Completion form, described in WAC 173-40-095, to ECOLOGY in accordance with WAC 173-240-090. The form, when signed by a professional engineer, indicates that the project was completed in accordance with the plans, specifications, and change orders approved by ECOLOGY, and is accurately shown on the as-built plans.

Task Goal Statement:

See Overall Goal.

Task Expected Outcome:

See Overall Goal.

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

Construction Management

Deliverables

Number	Description	Due Date
2.1	Construction Quality Assurance Plan.	
2.2	Record Drawings.	
2.3	Declaration of Construction Completion document.	

DRAFT

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

SCOPE OF WORK

Task Number: 3 **Task Cost:** \$65,990,000.00

Task Title: Construction

Task Description:

A. The RECIPIENT will include ECOLOGY's specification insert in the bid documents. The RECIPIENT will execute a contract with the low responsive responsible bidder to construct the project. The RECIPIENT will submit Bid Tabs, the Notice of Award, Notice to Proceed and a copy of the executed contract before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will complete the construction in accordance with the approved Plans, Specifications and Addenda in the approval letter dated June 27, 2019. The construction project will include:

- Storage tunnel (~14,000 lf; approx. 18.8 ft. diameter) and odor control
- Micro-tunnel under ship canal (~650-ft. long 94-inch diameter)
- West shaft
- Eleventh Avenue shaft
- Fremont shaft
- Third Avenue shaft
- East shaft

C. The RECIPIENT will conduct a pre-construction conference and will invite ECOLOGY staff, and provide minutes of the conference.

D. As a condition of receiving this funding, the RECIPIENT will review their energy use looking for cost effective energy savings. The recipient may also submit documentation of an energy efficiency review conducted within the last 5 years.

E. As a condition of receiving this funding, the RECIPIENT will develop an asset management program (fiscal sustainability plan). The RECIPIENT will certify that a program that contains at least the minimum required elements is being implemented.

F. The RECIPIENT will negotiate all change orders to the construction contract necessary for successful completion of the project as provided for in WAC 173-240.

G. The RECIPIENT will conduct appropriate cultural resources reviews of the project. The RECIPIENT will provide a 05-05/106 Cultural Resources Review form. The RECIPIENT will provide any additional information for ECOLOGY to lead the required cultural resources consultation.

H. The RECIPIENT will complete an Ecology inadvertent discovery plan template for their project.

I. As a condition of receiving this funding, the RECIPIENT will apply all applicable state and federal laws and authorities. The RECIPIENT will coordinate with ECOLOGY to determine which environmental laws and authorities are required. The RECIPIENT will provide information for ECOLOGY to lead the required under Section 106 of the National Historic Preservation Act or under the Endangered Species Act, unless ECOLOGY defers to another agency. The RECIPIENT will include additional information on the outcome of these laws and authorities as part of the State Environmental Review Process (SERP) to ECOLOGY for review prior to ECOLOGY issuing the SERP determination.

J. This project has been identified as an Equivalency project under the State Revolving Fund Capitalization Grants (CFDA-66.458) and is subject to all federal requirements EPA applies to Clean Water State Revolving Funds. In addition to the federal requirements outlined in Section 4 of agreement terms and conditions, the RECIPIENT will maintain documentation of compliance with all single audit act, federal cross cutters, and federal procurement requirements for architectural and engineering services (Chapter 11 of Title 40, U.S.C).

Task Goal Statement:

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

See Overall Goal.

Task Expected Outcome:

See Overall Goal.

Construction

Deliverables

Number	Description	Due Date
3.1	Documentation of the RECIPIENTS procurement process including advertisement for bids and the affidavit of publication.	
3.2	Bid Tabs, the Notice of Award, and Notice to Proceed.	
3.3	Documentation of an energy efficiency review.	
3.4	Executed construction contract.	
3.5	Minutes of the pre-construction meeting.	
3.6	Certification that the asset management program (fiscal sustainability plan) has been developed and is being implemented.	
3.7	05-05/106 Cultural Resources Review form.	
3.8	Inadvertent Discovery Plan.	

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

Federal Awarding Agency: EPA
 Federal Awarding Agency Contact: David Carcia
 Federal Awarding Agency Phone: 206-533-0890
 Federal Awarding Agency Email: carcia.david@epa.gov
 Federal Awarding Agency Address: 1200 Sixth Avenue, Suite 900, Seattle, WA 98101

CFDA Catalog Name: Capitalization Grants for Clean Water State Revolving Funds

CFDA Number: 66.458
 FAIN: 53000119
 Research Grant: No
 Federal Award Date: 07/01/19
 Total Federal Award Amount: \$33,157,200.00
 Federal Funds Obligated To Recipient: \$66,000,000.00

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%
 Recipient Match %: 0%
 InKind Interlocal Allowed: No
 InKind Other Allowed: No
 Is this Funding Distribution used to match a federal grant? No

Effective Interest Rate: 1.2% Interest Rate: 0.9% Admin Charge: 0.3%

Terms: 20 years

Project Start Date: 01/01/2020 Project Completion Date: 01/01/2025

Estimated Initiation of Operation date: 01/01/2025

Loan Security: Revenue Secure Lien Obligation of the Recipient

Final Accrued Interest: \$

Final Loan Amount: \$

Repayment Schedule Number: 319

SRF Loan	Task Total
Grant and Loan Administration	\$ 10,000.00
Construction	\$ 65,990,000.00

Total: \$ 66,000,000.00

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
SRF Loan	0.00 %	\$ 0.00	\$ 66,000,000.00	\$ 66,000,000.00
Total		\$ 0.00	\$ 66,000,000.00	\$ 66,000,000.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

SECTION 1: DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this agreement:

“Administration Charge” means a charge established in accordance with Chapter 90.50A RCW and Chapter 173-98 WAC, to be used to pay Ecology’s cost to administer the State Revolving Fund by placing a percentage of the interest earned in an Administrative Charge Account.

“Administrative Requirements” means the effective edition of ECOLOGY's Administrative Requirements for Recipients of Ecology Grants and Loans at the signing of this agreement.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the loan, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the loan to the last scheduled maturity of the loan divided by the number of those years.

“Acquisition” means the purchase or receipt of a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights.

“Centennial Clean Water Program” means the state program funded from various state sources.

“Contract Documents” means the contract between the RECIPIENT and the construction contractor for construction of the project.

“Cost Effective Analysis” means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water quality problem as described in Chapter 173-98-730 WAC.

“Defeasement” or “Defeasance” means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“Effective Date” means the earliest date on which eligible costs may be incurred.

“Effective Interest Rate” means the total interest rate established by Ecology that includes the Administrative Charge.

“Estimated Loan Amount” means the initial amount of funds loaned to the RECIPIENT.

“Estimated Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Estimated Loan Amount.

“Equivalency” means projects designated by ECOLOGY to meet additional federal requirements.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

“Expiration Date” means the latest date on which eligible costs may be incurred.

“Final Accrued Interest” means the interest accrued beginning with the first disbursement of funds to the RECIPIENT through such time as the loan is officially closed out and a final loan repayment schedule is issued.

“Final Loan Amount” means all principal of and interest on the loan from the Project Start Date through the Project Completion Date.

“Final Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Final Loan Amount.

“Forgivable Principal” means the portion of a loan that is not required to be paid back by the borrower.

“General Obligation Debt” means an obligation of the RECIPIENT secured by annual ad valorem taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

“General Obligation Payable from Special Assessments Debt” means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

“Gross Revenue” means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the Loan Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defeasance or refund Utility obligations or (B) in an obligation redemption fund or account other than the Loan Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the ECOLOGY’s Funding Guidelines that that correlate to the State Fiscal Year in which the project is funded.

“Initiation of Operation Date” means the actual date the Water Pollution Control Facility financed with proceeds of the loan begins to operate for its intended purpose.

“Loan” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this loan agreement.

“Loan Amount” means either an Estimated Loan Amount or a Final Loan Amount, as applicable.

“Loan Fund” means the special fund created by the RECIPIENT for the repayment of the principal of and interest on the loan.

“Loan Security” means the mechanism by which the RECIPIENT pledges to repay the loan.

“Loan Term” means the repayment period of the loan.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Original Engineer’s Estimate” means the engineer’s estimate of construction costs included with bid documents.

“Principal and Interest Account” means, for a loan that constitutes Revenue-Secured Debt, the account created in the loan fund to be first used to repay the principal of and interest on the loan.

“Project” means the project described in this agreement.

“Project Completion Date” means the date specified in the agreement on which the Scope of Work will be fully completed.

This term is only used in loan agreements.

“Project Schedule” means that schedule for the project specified in the agreement.

“Revenue-Secured Debt” means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

“Reserve Account” means, for a loan that constitutes a Revenue Secured Debt and if specifically identified as a term and

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

condition of the funding agreement, the account of that name created in the loan fund to secure the payment of the principal of and interest on the loan.

“Risk-Based Determination” means an approach to sub-recipient monitoring and oversight based on risk factors associated to a RECIPIENT or project.

“Scope of Work” means the tasks and activities constituting the project.

“Section 319” means the section of the Clean Water Act that provides funding to address nonpoint sources of water pollution.

“Senior Lien Obligations” means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this loan agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this loan agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the loan, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by Chapter 90.50A.020 RCW.

“Termination Date” means the effective date of ECOLOGY’s termination of the agreement.

“Termination Payment Date” means the date on which the RECIPIENT is required to repay to ECOLOGY any outstanding balance of the loan and all accrued interest.

“Total Eligible Project Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for ECOLOGY grant or loan funding, including any required recipient match.

“Total Project Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for ECOLOGY grant or loan funding.

“ULID” means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the Loan Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the loan.

SECTION 2: THE FOLLOWING CONDITIONS APPLY TO ALL RECIPIENTS OF WATER QUALITY COMBINED FINANCIAL ASSISTANCE FUNDING.

The Water Quality Financial Assistance Funding Guidelines are included in this agreement by reference and are available on ECOLOGY’s Water Quality Program website.

A. Architectural and Engineering Services: The RECIPIENT certifies by signing this agreement that the requirements of Chapter 39.80 RCW, “Contracts for Architectural and Engineering Services,” have been, or shall be, met in procuring qualified architectural/engineering services. The RECIPIENT shall identify and separate eligible and ineligible costs in the final architectural/engineering services contract and submit a copy of the contract to ECOLOGY.

B. Acquisition: The following provisions shall be in force only if the project described in this agreement is an acquisition project:

a. Evidence of Land Value and Title. The RECIPIENT shall submit documentation of the cost of the property rights and the type of ownership interest that has been acquired.

b. Legal Description of Real Property Rights Acquired. The legal description of the real property rights purchased with funding assistance provided through this agreement (and protected by a recorded conveyance of rights to the State of Washington) shall be incorporated into the agreement before final payment.

c. Conveyance of Rights to the State of Washington. Upon purchase of real property rights (both fee simple and lesser interests), the RECIPIENT shall execute the document necessary to convey certain rights and responsibilities to ECOLOGY, on behalf of the State of Washington. The documents required will depend on the project type, the real property rights being acquired, and whether or not those rights are being acquired in perpetuity (see options below). The RECIPIENT shall use

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

language provided by ECOLOGY, to record the executed document in the County where the real property lies, and to provide a copy of the recorded document to ECOLOGY.

Documentation Options:

1. Deed of Right. The Deed of Right conveys to the people of the state of Washington the right to preserve, protect, and/or use the property for public purposes consistent with the fund source. RECIPIENTS shall use this document when acquiring real property rights that include the underlying land. This document may also be applicable for those easements where the RECIPIENT has acquired a perpetual easement for public purposes. The RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the deed of right.
2. Assignment of Rights. The Assignment of Rights document transfers certain rights such as access and enforcement to ECOLOGY. The RECIPIENT shall use this document when an easement or lease is being acquired for water quality and habitat conservation. The Assignment of Rights requires the signature of the underlying landowner and must be incorporated by reference in the easement document.
3. Easements and Leases. The RECIPIENT may incorporate required language from the Deed of Right or Assignment of Rights directly into the easement or lease document, thereby eliminating the requirement for a separate document. Language will depend on the situation; therefore, the RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the easement or lease.
- d. Real Property Acquisition and Relocation Assistance.
 1. Federal Acquisition Policies. See Section 4 of this agreement for requirements specific to Section 319 and SRF funded projects.
 2. State Acquisition Policies. When state funds are part of this agreement, the RECIPIENT agrees to comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policy of the State of Washington, Chapter 8.26 RCW, and Chapter 468-100 WAC.
 3. Housing and Relocation. In the event that housing and relocation costs, as required by federal law set out in subsection (1) above and/or state law set out in subsection (2) above, are involved in the execution of this project, the RECIPIENT agrees to provide any housing and relocation assistance required.

e. Hazardous Substances.

1. Certification. The RECIPIENT shall inspect, investigate, and conduct an environmental audit of the proposed acquisition site for the presence of hazardous substances, as defined in RCW 70.105D.020(10), and certify:
 - i. No hazardous substances were found on the site, or
 - ii. Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site is deemed “clean.”
2. Responsibility. Nothing in this provision alters the RECIPIENT's duties and liabilities regarding hazardous substances as set forth in RCW 70.105D.
3. Hold Harmless. The RECIPIENT will defend, protect and hold harmless ECOLOGY and any and all of its employees and/or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorneys' fees) and any and all loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the property the RECIPIENT is acquiring.

f. Restriction On Conversion Of Real Property And/Or Facilities To Other Uses

The RECIPIENT shall not at any time convert any real property (including any interest therein) or facility acquired, developed, maintained, renovated, and/or restored pursuant to this agreement to uses other than those purposes for which funds were approved without prior approval of ECOLOGY. For acquisition projects that are term limited, such as one involving a lease or a term-limited restoration, renovation or development project or easement, this restriction on conversion shall apply only for the length of the term, unless otherwise provided in written documents or required by applicable state or federal law. In such case, the restriction applies to such projects for the length of the term specified by the lease, easement, deed, or landowner

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

agreement.

C. Best Management Practices (BMP) Implementation: If the RECIPIENT installs BMPs that are not approved by ECOLOGY prior to installation, the RECIPIENT assumes the risk that part or all of the reimbursement for that activity may be delayed or ineligible. For more details regarding BMP Implementation, please reference the Water Quality Financial Assistance Funding Guidelines available on ECOLOGY's Water Quality Program funding website.

D. Electronic Fund Transfers: Payment will be issued through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process or electronic fund transfers, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

E. Equipment Purchase: Equipment purchases over \$5,000 and not included in the scope of work or the Ecology approved construction plans and specifications, must be pre-approved by ECOLOGY's project manager before purchase. All equipment purchases over \$5,000 and not included in a contract for work being completed on the funded project, must also be reported on the Equipment Purchase Report in EAGL.

F. Funding Recognition: The RECIPIENT must inform the public about ECOLOGY or any EPA (see Section 3.B for Section 319 funded or Section 5.E for SRF funded projects) funding participation in this project through the use of project signs, acknowledgement in published materials, reports, the news media, websites, or other public announcements. Projects addressing site-specific locations must utilize appropriately sized and weather-resistant signs. Sign logos are available from ECOLOGY's Financial Manager upon request.

G. Growth Management Planning: The RECIPIENT certifies by signing this agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the RECIPIENT shall notify ECOLOGY in writing of this change within 30 days.

H. Interlocal: The RECIPIENT certifies by signing this agreement that all negotiated interlocal agreements necessary for the project are, or shall be, consistent with the terms of this agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT shall submit a copy of each interlocal agreement necessary for the project to ECOLOGY upon request.

I. Lobbying and Litigation: Costs incurred for the purposes of lobbying or litigation are not eligible for funding under this agreement.

J. Post Project Assessment Survey: The RECIPIENT agrees to participate in a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project approximately three years after project completion. A representative from ECOLOGY's Water Quality Program may contact the RECIPIENT to request this data. ECOLOGY may also conduct site interviews and inspections, and may otherwise evaluate the project, as part of this assessment.

K. Project Status Evaluation: ECOLOGY may evaluate the status of this project 18 months from the effective date of this agreement. ECOLOGY's Project Manager and Financial Manager will meet with the RECIPIENT to review spending trends, completion of outcome measures, and overall project administration and performance. If the RECIPIENT fails to make satisfactory progress toward achieving project outcomes, ECOLOGY may change the scope of work, reduce grant funds, or increase oversight measures.

L. Technical Assistance: Technical assistance for agriculture activities provided under the terms of this agreement shall be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State and specific requirements outlined in the Water Quality Funding Guidelines. Technical assistance, proposed practices, or project designs that do not meet these standards may be eligible if approved in writing by ECOLOGY.

SECTION 3: THE FOLLOWING CONDITIONS APPLY TO SECTION 319 AND CENTENNIAL CLEAN WATER FUNDED PROJECTS BEING USED TO MATCH SECTION 319 FUNDS.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

The RECIPIENT must submit the following documents to ECOLOGY before this agreement is signed by ECOLOGY:

1. Federal Funding Accountability and Transparency Act (FFATA) Form, available on the Water Quality Program website.
2. "Section 319 Initial Data Reporting" form in EAGL.

A. Data Reporting: The RECIPIENT must complete the "Section 319 Initial Data Reporting" form in EAGL before this agreement can be signed by Ecology. This form is used to gather general information about the project for EPA.

B. Funding Recognition and Outreach: In addition to Section 2.F. of these Special Terms and Conditions, the RECIPIENT shall provide signage that informs the public that the project is funded by EPA. The signage shall contain the EPA logo and follow usage requirements available at <http://www2.epa.gov/stylebook/using-epa-seal-and-logo>. To obtain the appropriate EPA logo or seal graphic file, the RECIPIENT may send a request to their Ecology Financial Manager.

To increase public awareness of projects serving communities where English is not the predominant language, RECIPIENTS are encouraged to provide their outreach strategies communication in non-English languages. Translation costs for this purpose are allowable, provided the costs are reasonable.

The RECIPIENT shall use the following paragraph in all reports, documents, and signage developed under this agreement:

"This project has been funded wholly or in part by the United States Environmental Protection Agency under an assistance agreement to the Washington State Department of Ecology. The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the mention of trade names or commercial products constitute endorsement or recommendation for use."

C. Load Reduction Reporting: The RECIPIENT shall complete the "Section 319 Annual Load Reduction Reporting" form in EAGL by January 15 of each year and at project close-out. ECOLOGY may hold reimbursements until the RECIPIENT has completed the form. This form is used to gather information on best management practices (BMPs) installed and associated pollutant load reductions that were funded as a part of this project.

D. Time Extension: The RECIPIENT may request a one-time extension for up to 12 months. However, the time extension cannot exceed the time limitation established in EPA's assistance agreement. In the event a time extension is requested and approved by ECOLOGY, the RECIPIENT must complete all eligible work performed under this agreement by the expiration date.

SECTION 4: THE FOLLOWING CONDITIONS APPLY TO SECTION 319 AND STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

A. Accounting Standards: The RECIPIENT shall maintain accurate records and accounts for the project (PROJECT Records) in accordance with Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB), including standards related to the reporting of infrastructure assets or in accordance with the standards in Chapter 43.09.200 RCW "Local Government Accounting – Uniform System of Accounting."

B. Acquisitions: Section 319 and SRF Equivalency project RECIPIENTS shall comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1970)--Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, PL 100-17-1987, and applicable regulations and procedures of the federal agency implementing that Act.

C. Audit Requirements: In accordance with 2 CFR 200.501(a), the RECIPIENT agrees to obtain a single audit from an independent auditor, if their organization expends \$750,000 or more in total Federal funds in their fiscal year. The RECIPIENT must submit the form SF-SAC and a Single Audit Report Package within 9 months of the end of the fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package MUST be submitted using the Federal Audit Clearinghouse's Internet Data Entry System available at:

<https://harvester.census.gov/fac/collect/ddeindex.html>. For complete information on how to accomplish the single audit submission, go to the Federal Audit Clearinghouse Web site: <http://harvester.census.gov/fac/>.

D. Archaeological Resources and Historic Properties (Section 106): The RECIPIENT shall comply with the additional

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

requirements under section 106 of the National Historic Preservation Act (NHPA, 36 CFR 800).

E. Data Universal Numbering System (DUNS) and Central Contractor Registration (CCR) Requirements: RECIPIENTS shall have a DUNS number. Unless exempted from this requirement under 2 CFR 25.110, the RECIPIENT must ensure that their organization's information in the System for Award Management (SAM), <https://www.sam.gov>, is kept current through project closeout. This requires that the RECIPIENT reviews and updates the information at least annually after the initial registration, and more frequently if information changes.

F. Disadvantaged Business Enterprise (DBE): General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this agreement.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under this agreement. Records documenting compliance with the following six good faith efforts shall be retained:

- 1) Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government RECIPIENTS, this shall include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- 2) Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Consider, in the contracting process, whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State, and Local Government RECIPIENTS, this shall include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, require the prime contractor to take the five good faith efforts steps in paragraphs 1 through 5 above.

The RECIPIENT agrees to submit ECOLOGY's Contractor Participation Report Form D with each payment request.

Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

Non-discrimination Provision. The RECIPIENT shall not discriminate on the basis of race, color, national origin or sex in the performance of this agreement. The RECIPIENT shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this agreement which may result in the termination of this contract or other legally available remedies.

This does not preclude the RECIPIENT from enacting broader nondiscrimination protections.

The RECIPIENT shall comply with all federal and state nondiscrimination laws, including but not limited to, Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this agreement may be rescinded, canceled, or terminated in whole or in part and the RECIPIENT may be declared ineligible for further funding from ECOLOGY. The RECIPIENT shall, however, be given a reasonable time in which to cure

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

this noncompliance.

The RECIPIENT shall include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this agreement.

“The Contractor will not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies.”

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list shall include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact
2. Entity's mailing address, telephone number, and e-mail address
3. The procurement on which the entity bid or quoted, and when
4. Entity's status as an MBE/WBE or non-MBE/WBE

G. Electronic and information Technology (EIT) Accessibility: RECIPIENTS shall ensure that loan funds provided under this agreement for costs in the development or purchase of EIT systems or products provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7. Systems or products funded under this agreement must be designed to meet the diverse needs of users without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology.

H. Hotel-Motel Fire Safety Act: The RECIPIENT shall ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (15 USC 2225a, PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance, or to find other information about the Act. Pursuant to 15 USC 2225a.

I. Trafficking In Persons: The RECIPIENT and RECIPIENT employees that are private entities shall not engage in forms of trafficking in persons during the period of time this agreement is effective. This includes, but is not limited to, the procurement of a commercial sex act or forced labor. The RECIPIENT shall notify ECOLOGY immediately of any information received from any source alleging a violation under this provision.

SECTION 5: THE FOLLOWING CONDITIONS APPLY TO STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

The RECIPIENT must submit the following documents/forms to ECOLOGY before this agreement is signed by ECOLOGY:

1. Financial Capability Assessment Documentation
2. Opinion of RECIPIENT's Legal Council
3. Authorizing Ordinance or Resolution
4. Federal Funding Accountability and Transparency Act (FFATA) Form
5. CWSRF Federal Reporting Information form available in EAGL
6. Fiscal Sustainability Plan Certification Form (only required if the project includes construction of a wastewater or stormwater facility construction)
7. Cost and Effectiveness Analysis Certification Form

A. Alteration and Eligibility of Project: During the term of this agreement, the RECIPIENT (1) shall not materially alter the design or structural character of the project without the prior written approval of ECOLOGY and (2) shall take no action which would adversely affect the eligibility of the project as defined by applicable funding program rules and state statutes, or which

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

would cause a violation of any covenant, condition, or provision herein.

B. American Iron and Steel (Buy American): This loan provision applies to projects for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the Federal Water Pollution Control Act (33 USC 1381 et seq.) The RECIPIENT shall ensure that all iron and steel products used in the project are produced in the United States. Iron and Steel products means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The RECIPIENT may request waiver from this requirement from the Administrator of the Environmental Protection Agency. The RECIPIENT must coordinate all waiver requests through ECOLOGY. This provision does not apply if the engineering plans and specifications for the project were approved by ECOLOGY prior to January 17, 2014. ECOLOGY reserves the right to request documentation of RECIPIENT’S compliance with this provision.

C. Authority of RECIPIENT: This agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT’S authority, and by the RECIPIENT pursuant to the authorizing ordinance or resolution. The RECIPIENT shall submit a copy of the authorizing ordinance or resolution to the ECOLOGY Financial Manager before this agreement shall be signed by ECOLOGY.

D. Equivalency Projects: (For designated equivalency projects only)

1. The RECIPIENT must procure architectural and engineering services in accordance with the federal requirements in Chapter 11 of Title 40, U.S.C. (see www.gpo.gov/fdsys/pkg/USCODE-2011-title40/pdf/USCODE-2011-title40-subtitleI-chap11.pdf).

E. Fiscal Sustainability Plan Certification: The RECIPIENT shall submit a completed Fiscal Sustainability Plan Certification before this agreement is signed by ECOLOGY. The Fiscal Sustainability Plan Certification is available from the ECOLOGY Financial Manager or on the Water Quality Program website.

F. Funding Recognition and Outreach: In addition to Section 2.F of these Terms and Conditions, the RECIPIENT agrees to comply with the EPA SRF Signage Guidance in order to enhance public awareness of EPA assistance agreements nationwide. The signage guidance can be found at:

<http://www.ecy.wa.gov/programs/wq/funding/FundPrgms/CWSRF/SignageGuidanceJune2015.pdf>.

G. Insurance: The RECIPIENT shall at all times carry fire and extended insurance coverage, public liability, and property damage, and such other forms of insurance with responsible insurers and policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it shall self-insure or participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

H. Litigation Authority: No litigation is now pending, or to the RECIPIENT’S knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the loan (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the loan (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iv) in any manner questioning the proceedings and authority under which the agreement, the loan, or the project are authorized. Neither the corporate existence, or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this agreement has been repealed, revoked, or rescinded.

I. Loan Interest Rate and Terms: This loan agreement shall remain in effect until the date of final repayment of the loan, unless terminated earlier according to the provisions herein.

When the Project Completion Date has occurred, ECOLOGY and the RECIPIENT shall execute an amendment to this loan agreement which details the final loan amount (Final Loan Amount), and ECOLOGY shall prepare a final loan repayment

Agreement No: WQC-2021-SeaPUD-00191
 Project Title: Ship Canal Water Quality Project
 Recipient Name: City of Seattle, Public Utilities Department

schedule. The Final Loan Amount shall be the combined total of actual disbursements made on the loan and all accrued interest to the computation date.

The Estimated Loan Amount and the Final Loan Amount (in either case, as applicable, a "Loan Amount") shall bear interest based on the interest rate identified in this agreement as the "Effective Interest Rate," per annum, calculated on the basis of a 365 day year. Interest on the Estimated Loan Amount shall accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final Loan Amount shall be repaid in equal installments, semiannually, over the term of this loan "Loan Term" as outlined in this agreement.

J. Loan Repayment:

Sources of Loan Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the loan from the sources identified below and to perform and observe all other agreements and obligations on its part, contained herein, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the loan from ECOLOGY, the RECIPIENT agrees to comply with all of the covenants, agreements, and attachments contained herein.

2. For General Obligation. This loan is a General Obligation Debt of the RECIPIENT.

3. For General Obligation Payable from Special Assessments. This loan is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

4. For Revenue-Secured: Lien Position. This loan is a Revenue-Secured Debt of the RECIPIENT's Utility. This loan shall constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this loan is also secured by Utility Local Improvement Districts (ULID) Assessments, this loan shall constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the loan from any funds legally available to it.

6. Defeasance of the Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT shall not be entitled to, and shall not affect, an economic Defeasance of the loan. The RECIPIENT shall not advance refund the loan.

If the RECIPIENT defeases or advance refunds the loan, it shall be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

(i) The Loan Amount with interest

(ii) Any other obligations of the RECIPIENT to ECOLOGY under this agreement, unless in its sole discretion ECOLOGY finds that repayment from those additional sources would not be in the public interest.

Failure to repay the Loan Amount plus interest within the time specified in ECOLOGY's notice to make such repayment shall incur Late Charges and shall be treated as a Loan Default.

7. Refinancing or Early Repayment of the Project. So long as ECOLOGY shall hold this loan, the RECIPIENT shall give ECOLOGY thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the loan.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this agreement, the first semiannual payment of principal and interest on this loan shall be due and payable no later than one year after the project completion date or initiation of operation date, whichever comes first.

Thereafter, equal payments shall be due every six months.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment shall be due on the next business day for Washington State agencies.

Payments shall be mailed to:

Department of Ecology
 Cashiering Unit

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

P.O. Box 47611
Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with ECOLOGY's Financial Manager. No change to the amount of the semiannual principal and interest payments shall be made without a mutually signed amendment to this agreement. The RECIPIENT shall continue to make semiannual payments based on this agreement until the amendment is effective, at which time the RECIPIENT's payments shall be made pursuant to the amended agreement.

2. Late Charges. If any amount of the Final Loan Amount or any other amount owed to ECOLOGY pursuant to this agreement remains unpaid after it becomes due and payable, ECOLOGY may assess a late charge. The late charge shall be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.

3. Repayment Limitations. Repayment of the loan is subject to the following additional limitations, among others: those on defeasance, refinancing and advance refunding, termination, and default and recovery of payments.

4. Prepayment of Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the loan or any portion of the remaining unpaid principal balance of the Loan Amount. Any prepayments on the loan shall be applied first to any accrued interest due and then to the outstanding principal balance of the Loan Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT shall first contact ECOLOGY's Revenue/Receivable Manager of the Fiscal Office.

K. Loan Security

Due Regard: For loans secured with a Revenue Obligation: The RECIPIENT shall exercise due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the loan Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, shall be available over and above such Maintenance and Operation Expense and those debt service requirements.

Where collecting adequate gross utility revenue requires connecting additional users, the RECIPIENT shall require the sewer system connections necessary to meet debt obligations and expected operation and maintenance expenses.

Levy and Collection of Taxes (if used to secure the repayment of the loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the loan, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Not an Excess Indebtedness: For loans secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this agreement and the loan to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the loan.

Utility Local Improvement District (ULID) Assessment Collection (if used to secure the repayment of the loan): All ULID Assessments in the ULID shall be paid into the Loan Fund and used to pay the principal of and interest on the loan.

L. Maintenance and Operation of a Funded Utility: The RECIPIENT shall, at all times, maintain and keep the funded Utility in good repair, working order, and condition.

M. Opinion of RECIPIENT's Legal Counsel: The RECIPIENT must submit an "Opinion of Legal Counsel to the RECIPIENT" to ECOLOGY before this agreement will be signed. ECOLOGY will provide the form.

N. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub contracts in excess of \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request. The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and make such records available for review upon request.

O. Progress Reports: RECIPIENTS funded with State Revolving Fund Loan or Forgivable Principal shall include the following verification statement in the “General Comments” text box of each progress report.

“We verify that we are in compliance with all the requirements as outlined in our funding agreement(s) with the Department of Ecology. This includes but is not limited to:

- The Davis-Bacon Act, 29 CFR (If applicable)
- Washington State Prevailing Wage Rate, Chapter 39.12 RCW (Pertaining to all recipients)
- The Disadvantaged Business Enterprise (DBE), 40 CFR, Part 33”

P. Representations and Warranties: The RECIPIENT represents and warrants to ECOLOGY as follows:

Application: Material Information. All information and materials submitted by the RECIPIENT to ECOLOGY in connection with its loan application were, when made, and are, as of the date the RECIPIENT signs this agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the project, the loan, or this agreement known to the RECIPIENT, which has not been disclosed in writing to ECOLOGY.

Existence; Authority. It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian Tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this agreement and to undertake the project identified herein.

Certification. Each payment request shall constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this loan agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the project or to repay the principal of or interest on the loan, have occurred since the date of this loan agreement. Any changes in the RECIPIENT’s financial condition shall be disclosed in writing to ECOLOGY by the RECIPIENT in its request for payment.

Q. Sale or Disposition of Funded Utility: The RECIPIENT shall not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities, or other part of the funded Utility or any real or personal property comprising a part of the funded Utility unless:

1. The facilities or property transferred are not material to the operation of the funded Utility, or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the funded Utility or are no longer necessary, material, or useful to the operation of the funded Utility; or
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the funded Utility; or
3. The RECIPIENT receives from the transferee an amount equal to an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and loan funds securing such debt) as the Gross Revenue of the funded Utility from the portion of the funded Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.
4. Expressed written agreement by the ECOLOGY-.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

The proceeds of any transfer under this paragraph must be used (1) to redeem promptly, or irrevocably set aside for the redemption of, Senior Lien Obligations and to redeem promptly the loan, and (2) to provide for part of the cost of additions to and betterments and extensions of the Utility.

R. Sewer-Use Ordinance or Resolution for Funded Wastewater Facility Projects: If not already in existence, the RECIPIENT shall adopt and shall enforce a sewer-use ordinance or resolution. Such ordinance or resolution shall be submitted to ECOLOGY upon request.

The sewer use ordinance must include provisions to:

- 1) Prohibit the introduction of toxic or hazardous wastes into the RECIPIENT's sewer system.
- 2) Prohibit inflow of stormwater into separated sewer systems.
- 3) Require that new sewers and connections be properly designed and constructed.

S. Termination and Default:

Termination and Default Events

1. For Insufficient ECOLOGY or RECIPIENT Funds. ECOLOGY may terminate this loan agreement for insufficient ECOLOGY or RECIPIENT funds.
2. For Failure to Commence Work. ECOLOGY may terminate this loan agreement for failure of the RECIPIENT to commence project work.
3. Past Due Payments. The RECIPIENT shall be in default of its obligations under this loan agreement when any loan repayment becomes 60 days past due.
4. Other Cause. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all of its obligations under this loan agreement. The RECIPIENT shall be in default of its obligations under this loan agreement if, in the opinion of ECOLOGY, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this loan agreement.

Procedures for Termination. If this loan agreement is terminated prior to project completion, ECOLOGY shall provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the ECOLOGY shall specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the loan and all accrued interest (the "Termination Payment Date").

Termination and Default Remedies

No Further Payments. On and after the Termination Date, or in the event of a default event, ECOLOGY may, at its sole discretion, withdraw the loan and make no further payments under this agreement.

Repayment Demand. In response to an ECOLOGY initiated termination event, or in response to a loan default event, ECOLOGY may at its sole discretion demand that the RECIPIENT repay the outstanding balance of the Loan Amount and all accrued interest.

Interest after Repayment Demand. From the time that ECOLOGY demands repayment of funds, amounts owed by the RECIPIENT to ECOLOGY shall accrue additional interest at the rate of one percent per month, or fraction thereof.

Accelerate Repayments. In the event of a default, ECOLOGY may, in its sole discretion, declare the principal of and interest on the loan immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligation upon the Net Revenue. That is, the loan is not subject to acceleration so long as any Senior Lien Obligations are outstanding.

Repayments not made immediately upon such acceleration will incur Late Charges.

Late Charges. All amounts due to ECOLOGY and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, shall incur late charges.

Intercept State Funds. In the event of a default event and in accordance with Chapter 90.50A.060 RCW, "Defaults," any state funds otherwise due to the RECIPIENT may, at ECOLOGY's sole discretion, be withheld and applied to the repayment of the loan.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

Property to ECOLOGY. In the event of a default event and at the option of ECOLOGY, any personal property (equipment) acquired under this agreement may, in ECOLOGY's sole discretion, become ECOLOGY's property. In that circumstance, ECOLOGY shall reduce the RECIPIENT's liability to repay money by an amount reflecting the fair value of such property. Documents and Materials. If this agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT shall, at the option of ECOLOGY, become ECOLOGY property. The RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this agreement.

Fees and Expenses. In any action to enforce the provisions of this agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) shall be awarded to the prevailing party as that term is defined in Chapter 4.84.330 RCW.

Damages. Notwithstanding ECOLOGY's exercise of any or all of the termination or default remedies provided in this agreement, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and/or the state of Washington because of any breach of this agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

T. User-Charge System for Funded Utilities: The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and shall adopt a system of user-charges to assure that each user of the funded utility shall pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the project. The user-charge system will include provisions for a connection charge.

In addition, the RECIPIENT shall regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the funded utility, to establish reserves to pay for replacement, and to repay the loan.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled “CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$25,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required DUNS number, at www.fsr.gov <http://www.fsr.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.fsr.gov <http://www.fsr.gov>.

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](http://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf) <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the [System for Award Management \(SAM\)](https://sam.gov/SAM/) <<https://sam.gov/SAM/>> exclusion list.

DRAFT

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS AS OF LAST UPDATED 7-1-2019 VERSION

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/1701004.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic resources. The RECIPIENT must agree to hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - For capital construction projects or land acquisitions for capital construction projects, if required, comply with Governor Executive Order 05-05, Archaeology and Cultural Resources.
 - For projects with any federal involvement, if required, comply with the National Historic Preservation Act.
 - Any cultural resources federal or state requirements must be completed prior to the start of any work on the project site.
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves ground disturbing activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
- Make the IDP readily available to anyone working at the project site.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

- Discuss the IDP with staff and contractors working at the project site.
- Implement the IDP when cultural resources or human remains are found at the project site.
- c) If any archeological or historic resources are found while conducting work under this Agreement:
 - Immediately stop work and notify the ECOLOGY Program, the Department of Archaeology and Historic Preservation at (360) 586-3064, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement:
 - Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then the ECOLOGY Program.
- e) Comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.
- j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review. The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

(WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

quarter being reported.

e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.

b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.

c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.

d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.

e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:

1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.

2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.

g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

a) Be kept in a manner which provides an audit trail for all expenditures.

b) Be kept in a common file to facilitate audits and inspections.

c) Clearly indicate total receipts and expenditures related to this Agreement.

d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington,

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder. RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

- a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.
- b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing, <https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the agreement and any amendments. If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

Agreement No: WQC-2021-SeaPUD-00191
Project Title: Ship Canal Water Quality Project
Recipient Name: City of Seattle, Public Utilities Department

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

DRAFT

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle Public Utilities	Alexander Mockos/3-9066	Akshay Iyengar/4-0716

** 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 Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities to enter into a Water Quality Combined Financial Assistance Agreement between the State of Washington Department of Ecology and The City of Seattle, Public Utilities Department, to partially finance costs related to the construction of the Ship Canal Water Quality Project through a Clean Water State Revolving Fund Loan.

Summary and background of the Legislation: This legislation would authorize the Seattle Public Utilities General Manager to accept a \$66 million, low-interest loan from the Washington Department of Ecology for the Ship Canal Water Quality Project. The loan would save utility ratepayers approximately \$12 million in borrowing costs compared to conventional bond financing.

The Ship Canal Water Quality Project is a joint project being built by Seattle Public Utilities and King County Wastewater Treatment Division involving a 2.7-mile-long underground storage tunnel to significantly reduce the amount of polluted stormwater and sewage that flows into the Lake Washington Ship Canal, Salmon Bay, and Lake Union from Combined Sewer Overflows.

The project is required pursuant to a Consent Decree with the U.S. Environmental Protection Agency, the Washington Department of Ecology, and the U.S. Department of Justice to control untreated combined sewer overflows by December 31, 2025.

Approximately 85% of the City's overflows come from the combined sewers in Crown Hill, Ballard, Fremont, Wallingford, Queen Anne, Downtown, and Capitol Hill. During a heavy storm, the new tunnel will capture and temporarily store more than 29 million gallons of untreated stormwater and sewage until the treatment plant is ready for it. The tunnel will improve water quality by keeping more than 75 million gallons of polluted stormwater (from rain) and sewage on average each year from flowing into the Lake Washington Ship Canal, Salmon Bay, and Lake Union.

SPU and King County are sharing the \$570 million project cost of the project with SPU paying 65% of project costs and King County Paying 35%.

2. CAPITAL IMPROVEMENT PROGRAM

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

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2026:
Ship Canal WQ Project	C314056	Ballard/Fremont Wallingford	8/13/2014	12/31/2025	\$570 million

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes 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?
 No

Is there financial cost or other impacts of *not* implementing the legislation?
 If this legislation were not implemented, \$66 million of Ship Canal WQ Project Costs would have to be bond funded at a higher rate (1.2% vs. 3.0%), resulting in a loss of about \$12 million in savings. These savings will be accounted for in the new rate study being proposed to Council.

3.a. Appropriations

Appropriations Notes:
 No additional appropriation is being sought by this legislation. This loan will be used to finance the Ship Canal Project contained in the Drainage & Wastewater Fund Capital Improvement Program.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
 No
- 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?

None

f. Climate Change Implications

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

None

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.

The Ship Canal Water Quality Project is designed and sized to enhance Seattle's resiliency to future rainfall increases resulting from climate change, and the facility will be able to significantly reduce sewer overflows into the Ship Canal when it is completed into the foreseeable future.

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

List attachments/exhibits below:

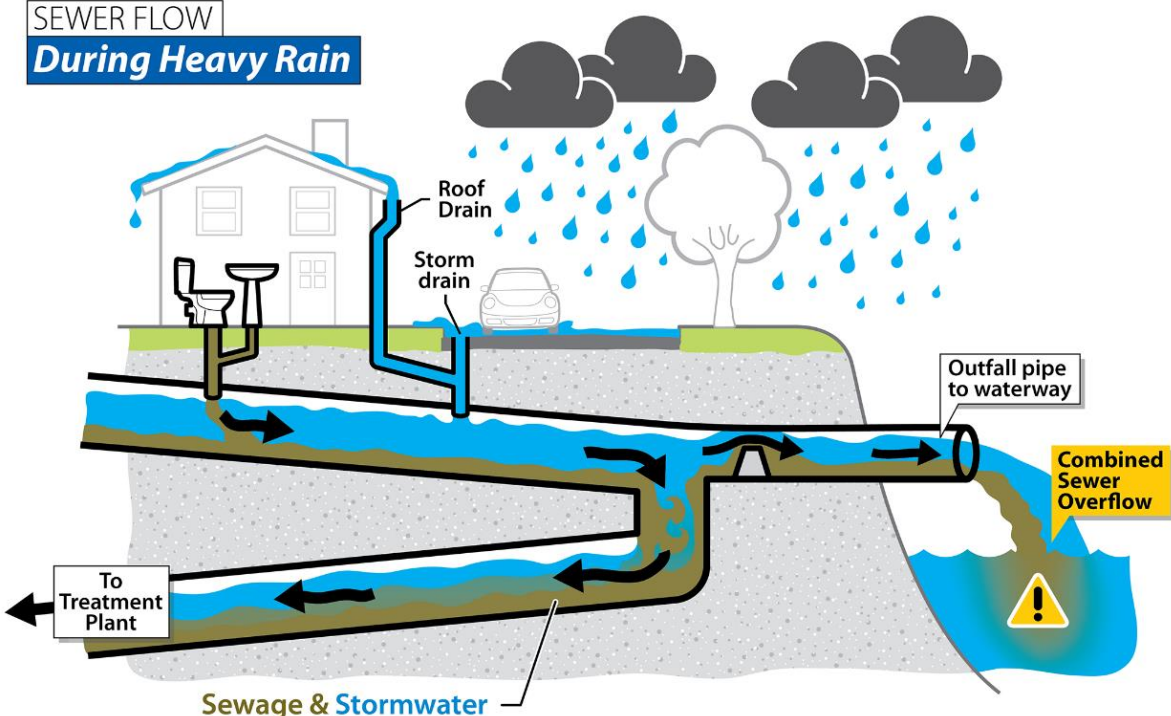
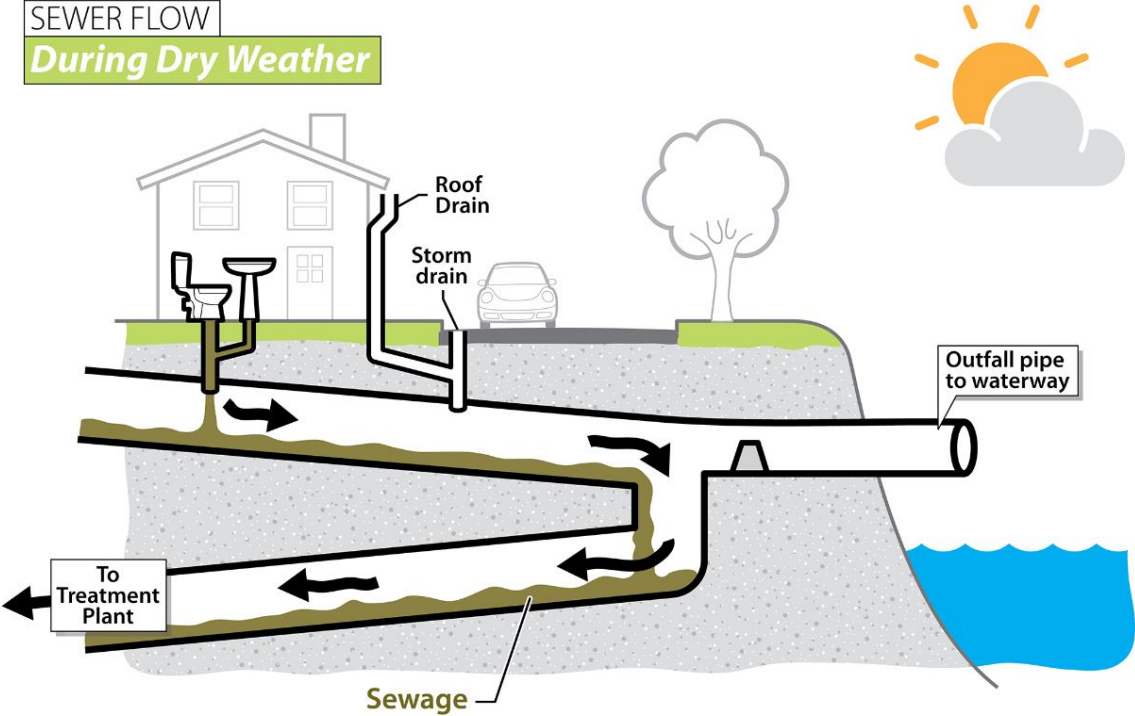
Ship Canal Water Quality Project Project Update

City Council – Transportation & Utilities Committee
June 16, 2021

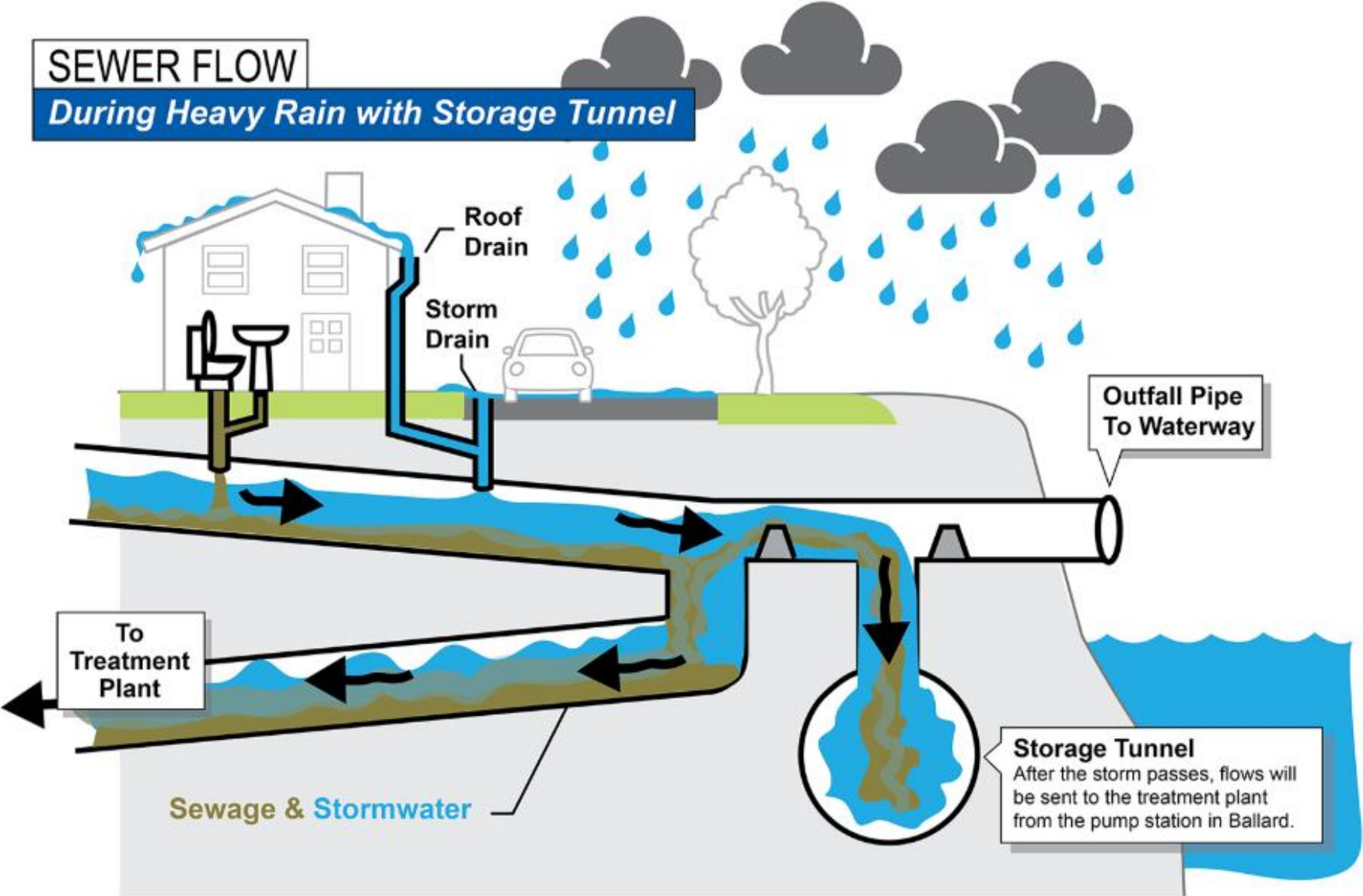
Ship Canal Water Quality Project

- Overview
- Construction Progress
- Uncertainties and Risks
- Cost and Schedule Status
- Clean Water State Revolving Fund Loan

Combined Sewer Overflows



Reducing Combined Sewage Overflows



Ship Canal Water Quality Project

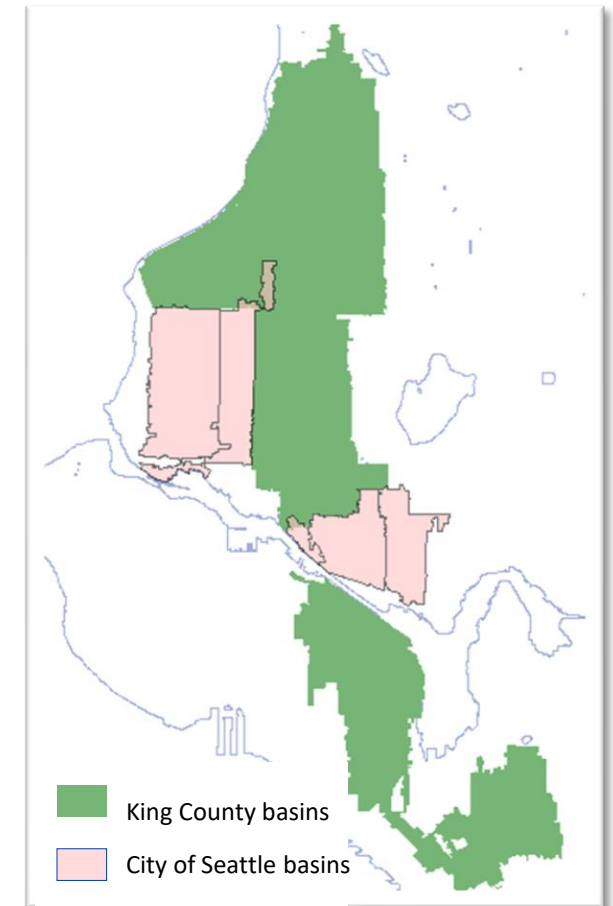
Part of regional efforts to protect people and waters from sewage and stormwater pollution.

Consent Decree

- With US Department of Justice, US Environmental Protection Agency, and WA Department of Ecology
- Less than 1 combined sewer overflow per outfall per year on a 20-year moving average

Joint Project: King County & City of Seattle

- 6 Outfalls: 2 KC, 4 Seattle
- Joint Project Agreement: City of Seattle (65%), King County (35%) on \$570M budget





Seattle
Public
Utilities



King County

Ship Canal Water Quality Project




Ballard Site

East Ballard Site

Fremont Site

Queen Anne Site

Wallingford Site

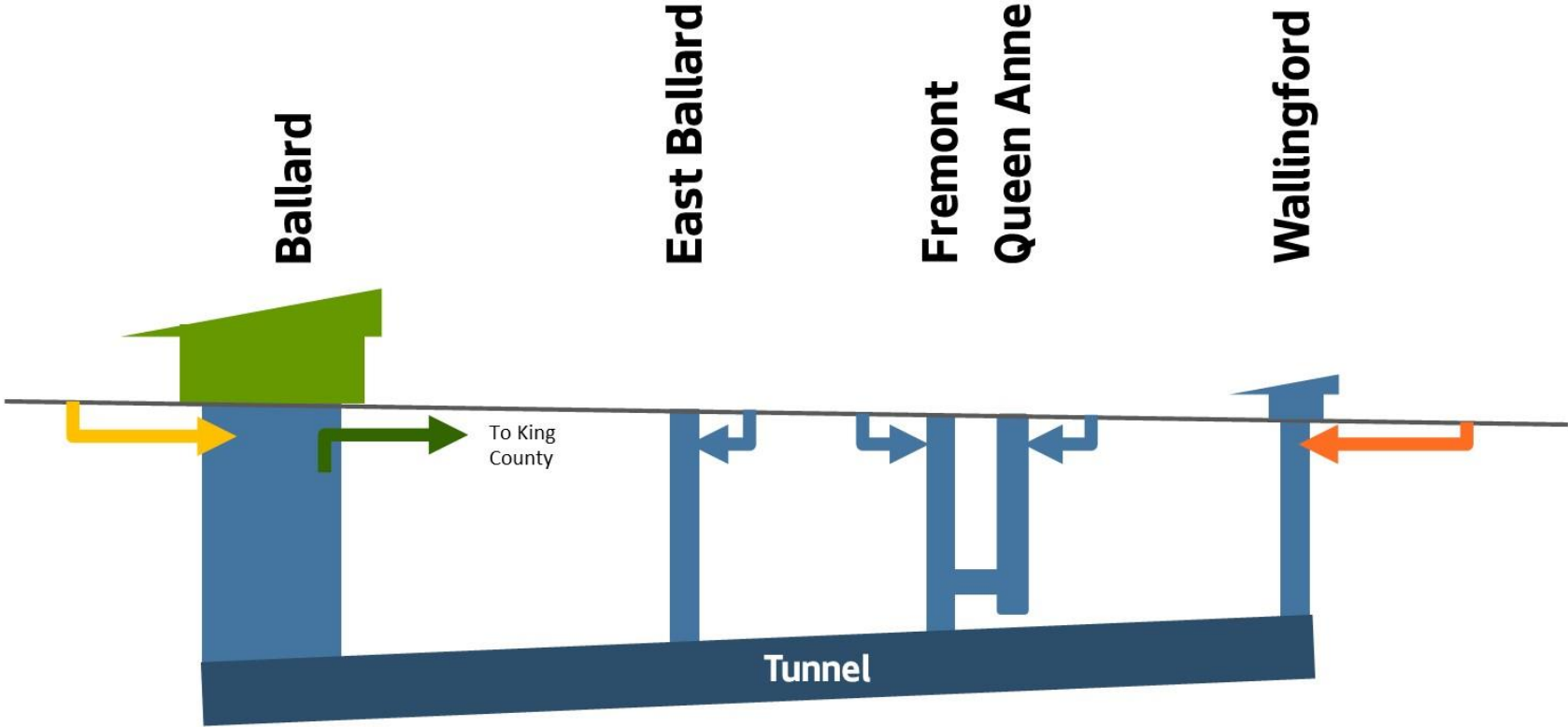
 Underground storage tunnel

 Project elements

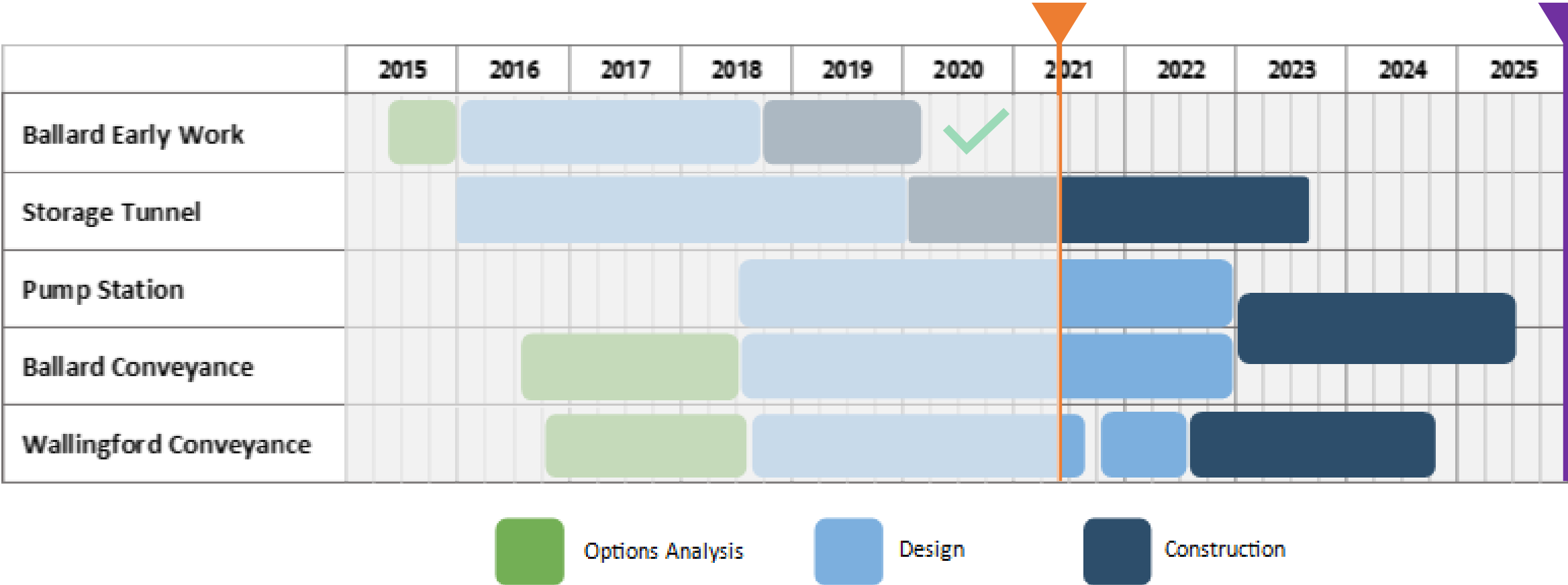
 Neighborhood boundary



Project Components



Project Schedule



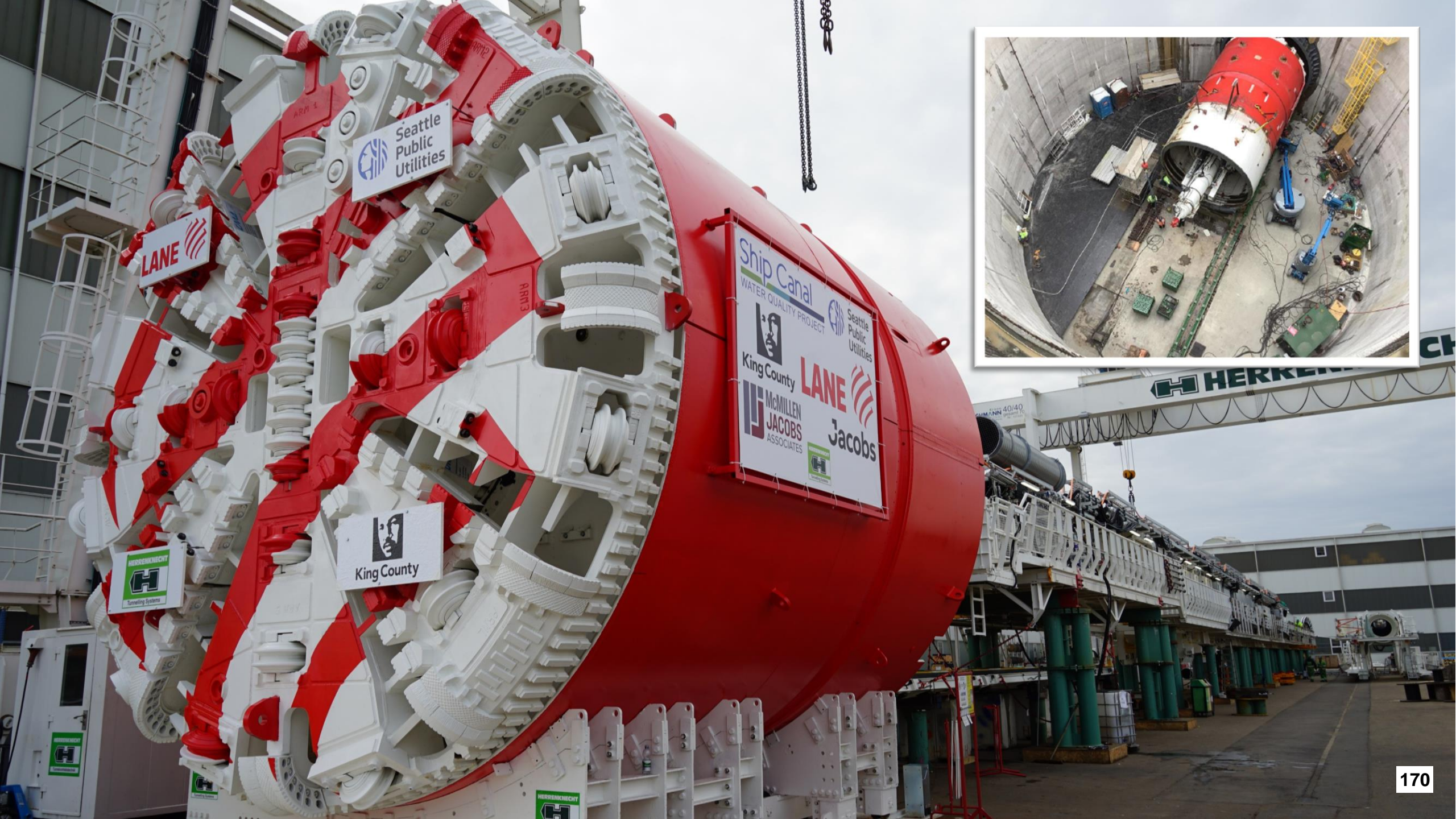
Construction: Ballard Early Works



Construction: Storage Tunnel







Seattle Public Utilities

LANE

Ship Canal
WATER QUALITY PROJECT
Seattle Public Utilities
King County
LANE
McMILLEN JACOBS ASSOCIATES
Jacobs

King County

HERRENKNECHT
Tunneling Systems



Seattle
Public
Utilities



King County

Ship Canal Water Quality Project




Ballard Site

East Ballard Site

Fremont Site

Queen Anne Site

Wallingford Site

 Underground storage tunnel

 Project elements

 Neighborhood boundary



Construction: Drop Shafts



Fremont Drop Shaft and 8 ft. Tunnel



Project Risks

Bidding

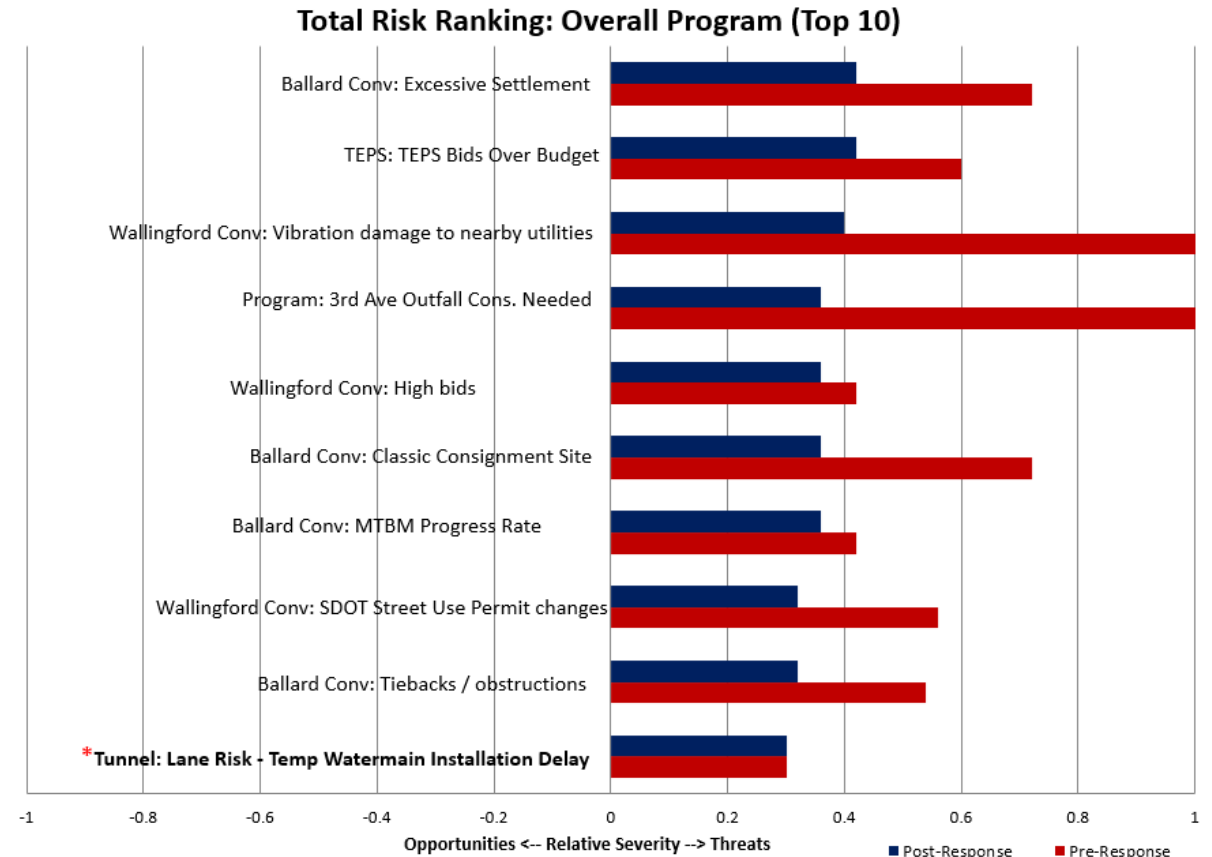
- Bid results on \$100M of remaining construction contracts

Construction

- Underground issues
- Significant safety issues
- Unknown risk events
- Community impacts

Risk Management

- Monitor 400 known risks
- Conduct monthly risk evaluations
- Partner with contractors on their risk management
- Update risk model every six months



Project Cost and Schedule Estimates

Cost

- \$570M with 65% confidence*

Schedule

- 74% confidence* to consent decree deadline at end of 2025

What is
“confidence”?

It is the likelihood that the **final value** will be at or below the **estimated value**.

Clean Water State Revolving Fund (CWSRF) Loan

Loan being voted on today:

- \$66 million dollar loan for costs associated with Storage Tunnel construction
- Saves ratepayers approximately \$12 million in borrowing costs compared to conventional bond financing
- Loan Interest rate 1.2% over 20 years

Loans for Ship Canal Water Quality Project

Type	Fiscal Year	Loan Amount	Status/Comment
CWSRF	2019	\$25M	Executed
EPA WIFIA	N/A	\$192M	Executed
CWSRF	2021	\$66M	Requesting approval today
CWSRF	2022	\$28M	Awarded but not negotiated yet

Total Loans: ~\$311M 80% of SPU project costs

Total savings compared with traditional municipal bonds ~ \$84M

EPA WIFIA = Environmental Protection Agency Water Infrastructure Finance and Innovation Act



**Seattle
Public
Utilities**



King County

Ship Canal Water Quality Project

Ship Canal Water Quality Project Loan Approval Request

City Council – Transportation & Utilities Committee
June 16, 2021

Ship Canal Water Quality Project

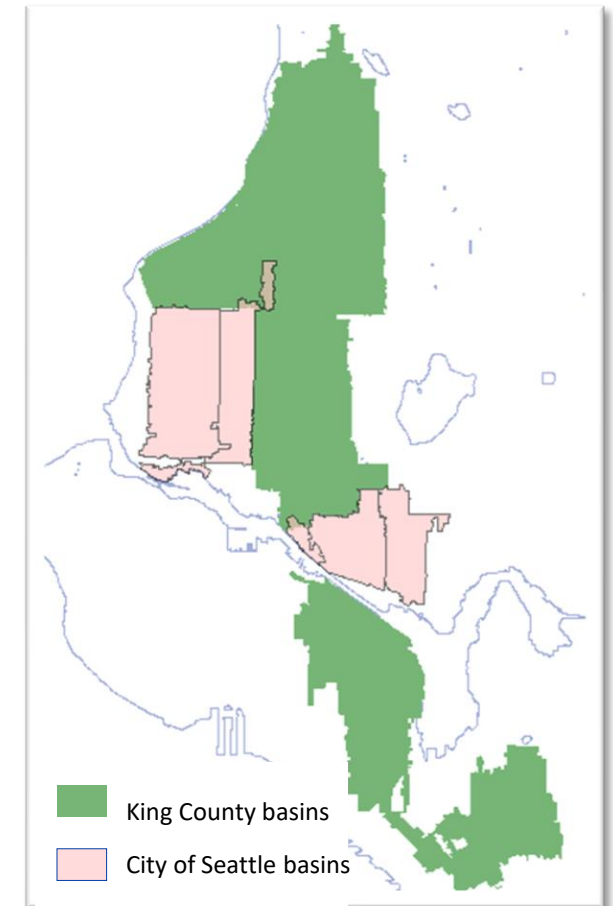
Part of regional efforts to protect people and waters from sewage and stormwater pollution.

Consent Decree

- With US Department of Justice, US Environmental Protection Agency, and WA Department of Ecology
- Less than 1 combined sewer overflow per outfall per year on a 20-year moving average

Joint Project: King County & City of Seattle

- 6 Outfalls: 2 KC, 4 Seattle
- Joint Project Agreement: City of Seattle (65%), King County (35%) on \$570M budget





Seattle
Public
Utilities



King County

Ship Canal Water Quality Project



Ballard Site

East Ballard Site

Fremont Site

Queen Anne Site

Wallingford Site

Underground storage tunnel

Project elements

Neighborhood boundary



Clean Water State Revolving Fund (CWSRF) Loan

Loan being voted on today:

- \$66 million dollar loan for costs associated with Storage Tunnel construction
- Saves ratepayers approximately \$12 million in borrowing costs compared to conventional bond financing
- Loan Interest rate 1.2% over 20 years

Loans for Ship Canal Water Quality Project

Type	Fiscal Year	Loan Amount	Status/Comment
CWSRF	2019	\$25M	Executed
EPA WIFIA	N/A	\$192M	Executed
CWSRF	2021	\$66M	Requesting approval today
CWSRF	2022	\$28M	Awarded but not negotiated yet

Total Loans: ~\$311M 80% of SPU project costs

Total savings compared with traditional municipal bonds ~ \$84M

EPA WIFIA = Environmental Protection Agency Water Infrastructure Finance and Innovation Act



**Seattle
Public
Utilities**



King County

Ship Canal Water Quality Project



Legislation Text

File #: Inf 1828, **Version:** 1

Presentation: Sound Transit Realignment