

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle Public Utilities	Joan Kersnar/4-0839	Chris Godwin/3-2656

** 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

- 1. Legislation Title:** AN ORDINANCE relating to Seattle Public Utilities; adopting the 2019 Water System Plan.
- 2. Summary and background of the Legislation:** This legislation would adopt the 2019 Water System Plan (WSP). The WSP provides guidance for planning and managing the City’s drinking water system and associated capital facilities for the next 20 years, in coordination with growth management planning by the City and other planning agencies in the Puget Sound Basin. The Plan was drafted to meet state requirements for water system plans and land-use planning consistency, as well as King County requirements for franchises and permits.

As a condition of its utility operating permit from the Washington State Department of Health (WDOH), SPU must submit for approval a Water System Plan for planning, managing and operating the drinking water system that serves Seattle and its wholesale customers. Additionally, King County reviews the Plan for compliance with requirements for franchises and permits and land-use consistency. The Plan addresses items identified in a February 2017 pre-plan scoping meeting with WDOH and King County. The process to develop the plan included retail customer input through the Water System Advisory Committee and wholesale customer input through the Seattle Water System Operating Board. The public was invited to comment on a draft of the plan released on March 12, 2018. Changes have been made to the draft plan to address those comments received through June 1, 2018.

The WSP provides guidance to SPU on future direction for all elements of its water system. The plan includes new water use efficiency goals for the regional water conservation program; an update to the Water Shortage Contingency Plan; and strategies and plans for operating, maintaining, and improving the system for the next 10 years and beyond. The policies of the 2007 Water System Plan are being carried forward in this WSP. Adoption of this WSP will replace the action plans of the previous water system plan adopted by the City (Ordinance 124071).

The WSP contains a Capital Facilities Plan covering the period from 2019 through 2040, which includes the budget endorsed through 2023 in the 2018-2023 Adopted Capital Improvement Program (CIP). While the WSP contains references to proposed projects and programs, it does not commit SPU to specific expenditures, as these funding levels are adopted through the regular City budget and CIP approval processes. This includes

funding commitments for the 2019-2028 Water Use Efficiency Goal contained in the 2019 WSP.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? Yes No

- b. 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.

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

Yes. Failure to adopt this legislation would put SPU out of compliance with Washington State requirements and could change SPU's operating permit status such that no new connections to the water system would be allowed. SPU would not be eligible for low-interest loans under the Drinking Water State Revolving Fund. SPU would need to seek design review and approval from WDOH (with fees paid for these reviews) for each water main replacement project that is installed following SPU's standards for design and construction and now covered by the pre-approval process. SPU and its wholesale customers would not meet State regulations requiring establishment and reporting of Water Use Efficiency Goals (WAC 246-290, Part 8). Additionally, SPU would not be able to get new or renewed franchises or right-of-way permits in unincorporated King County. Lastly, SPU's Water Fund bond ratings may be downgraded.

4. OTHER IMPLICATIONS

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

No other City departments are directly affected by this legislation.

- b. Is a public hearing required for this legislation?

A public hearing to adopt the WSP will meet Washington State requirements for a public forum to set the 2019-2028 Water Use Efficiency Goal.

- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

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

No.

e. Does this legislation affect a piece of property?

.No properties are directly affected.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

None identified.

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).

This legislation would not create a new initiative or major programmatic expansion. The 2019-2028 Water Use Efficiency Goal calls for a continuation of the regional water conservation program in order to keep the total average annual retail water use of Saving Water Partnership members under 110 million gallons per day through 2028.

List attachments/exhibits below: