

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
FAS/SPU	Michael Van Dyck / 684-8347 Maria Coe / 233-7905	Saroja Reddy / 615-1232 Akshay Iyengar / 684-0716

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the municipal water system of The City of Seattle; adopting a system or plan of additions and betterments to and extensions of the existing municipal water system; authorizing the issuance and sale of water system revenue bonds in one or more series for the purposes of paying part of the cost of carrying out that system or plan, providing for the reserve requirement, and paying the costs of issuance of the bonds; providing parameters for the bond sale terms including conditions, covenants, and other sale terms; describing the lien of the bonds; creating certain accounts of the City relating to the bonds; amending certain definitions set forth in Ordinance 125714, the Omnibus Refunding Ordinance; authorizing the issuance of water system refunding revenue bonds; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

This legislation provides legal authorization for the Water System to issue up to \$88 million of bonds to fund a portion of capital expenditures outlined in the adopted 2021-2026 Capital Improvement Plan (CIP).

Although the budget, capital plan, and rates make specific assumptions about the use of debt financing for a certain share of the capital program, separate authorization for the issuance of bonds is technically required.

The Water bond sale is anticipated to occur in mid-2022. The bond proceeds, combined with internally generated funds, will support the Water System capital program for about 12 months.

The bond sizing is based on the adopted budget, Strategic Business Plan, rates, planned cash flow, and cash contribution targets. The bond proceeds will also be used to make a deposit to the bond reserve fund and to pay issuance costs. Bonds will have fixed rates, a maximum maturity of 30 years, and estimated annual debt service of \$5.7 million starting in 2023. This bond was incorporated into the rate proposal for 2022-2023.

Major projects supported by the bond issue include: transmission and distribution system upgrades, water quality and treatment, and projects related to Move Seattle. For further information about Water CIP, please see the adopted 2021-2026 capital plan.

**2. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
This legislation affects FAS, who coordinates the issuance of the bonds.

**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?**

No

**f. Climate Change Implications**

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

No

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

No

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

N/A

**List attachments/exhibits below:** None