

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Public Utilities	Vas Duggirala/3-7153	Aaron Blumenthal/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; amending Sections 21.33.030 and 21.76.040 of the Seattle Municipal Code to adjust drainage rates.

**2. Summary and background of the Legislation:**

This ordinance would revise drainage rates and adjust drainage low-income assistance. It would increase rates to meet long-term debt service coverage and cash balance requirements driven largely by capital financing needs.

### **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?**

Several City departments incur drainage fees. The drainage fees for these departments will increase commensurate with the rate increases proposed in this legislation. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library.

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

The Drainage & Wastewater Fund would not fully recover the cost of its business operations and meet its financial policy targets. This could result in a downgrade in the Fund's bond ratings and increase the cost of borrowing.

### **3.d. Appropriations**

This legislation adds, changes, or deletes appropriations.

**3.e. Revenues/Reimbursements**

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

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Revenue Source</b>	<b>2018 Revenue</b>	<b>2019 Estimated Revenue</b>
Drainage and Wastewater Fund (44010)	SPU	Wastewater and Drainage Rates	\$0	\$10,469,337
<b>TOTAL</b>			<b>\$0</b>	<b>\$10,469,337</b>

**Is this change one-time or ongoing?**

One time

Revenue/Reimbursement Notes:

The 2019-2021 Drainage and Wastewater Rate Study proposes drainage rates for 2019 through 2021, which, in addition to demand changes, is expected to increase 2019, 2020, and 2021 revenues \$10 million, \$22 million and \$34 million respectively, over current law.

**\_\_\_ This legislation adds, changes, or deletes positions.**

**4. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
 Several City departments incur wastewater and/or drainage costs. Rates charged to these departments will increase commensurate with the rate increases proposed in this legislation. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library. No.
- b. Is a public hearing required for this legislation?**  
 No.
- 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.

**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?**

This legislation includes increases to the Utility Discount Program to provide rate relief to low income residents.

**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).**

None.

**List attachments/exhibits below:**

Summary Exhibit A - 2019-2021 Drainage and Wastewater Rate Study

Summary Exhibit B - Inclusion of Wastewater Treatment Expense within the Drainage Rate