

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Alan Lord/3-1565	Aaron Blumenthal/3-2656

1. BILL SUMMARY

- a. **Legislation Title:** AN ORDINANCE relating to Seattle Public Utilities; amending Ordinance 125475, which adopted the 2018 Budget, lifting the proviso in Section 8 regarding expenditure of funds appropriated in the Combined Sewer Overflow Budget Control Level for construction of the Ship Canal Water Quality Project Storage Tunnel, as Seattle Public Utilities has completed 100% project design and has met the requirement for reporting to the City Council Civil Rights, Utilities, Economic Development & Arts Committee.
- b. **Summary and background of the Legislation:** This ordinance would authorize the SPU General Manager/CEO to expend funds to construct the storage tunnel portion of the Ship Canal Water Quality Project. The Ship Canal Project will help store combined stormwater and wastewater flows from five SPU and two King County sewer basins to reduce Combined Sewer Overflows (CSOs) and meet regulatory requirements.

Ordinance 125475 includes a proviso requiring SPU complete 100% project design of the storage tunnel portion of the project and make a report to the Council's Civil Rights, Utilities, Economic Development & Arts Committee. The proviso further stipulates the utility must secure approval by ordinance before expending funds to construct the storage tunnel. SPU has completed the requirements of the proviso and estimates the cost of the entire Ship Canal Water Quality Project to be \$570 million with a 70% confidence level in that estimate. This total project cost is consistent with the costs reported as part of the Ship Canal Water Quality Project adopted 2019 budget.

The Ship Canal Water Quality Project is a part of Seattle's CSO control program which seeks to meet state and federal permit requirements to reduce the size and number of sewer overflows into receiving water bodies. As part of a Consent Decree to bring the City into compliance with the federal Clean Water Act, SPU developed a plan which proposed several projects that would reduce CSO events. The largest of those projects, the Ship Canal Water Quality Project, addresses wastewater storage capacity needs in the Ballard and Fremont/Wallingford areas. Nearly 70% of the City's CSOs associated with the Plan occur from these basins. This project will store wastewater in a deep underground tunnel that is generally in the street right-of-way.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. **Does this legislation amend the Adopted Budget?** X Yes ____ No
This legislation lifts a proviso adopted with the 2019 Budget.
- 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?**
The legislation will help the City meet the requirements of its federal Consent Decree. Funds to complete the project are allocated in SPU's Drainage and Wastewater Fund.
- c. **Is there financial cost or other impacts of *not* implementing the legislation?**
Under the Consent Decree, SPU is required to address combined sewer overflows in the basins addressed by the Ship Canal Water Quality Project.

Delays in construction of the storage tunnel would increase costs due to escalation and jeopardize the project schedule. The City has a federal Consent Decree that requires the CSO project to be completed no later than December 31, 2025, and the City would face stipulated penalties of up to \$5,000 per day for failure to complete the project.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
No. However, SPU must work with other City departments to complete the project, including FAS, SDOT, Seattle Parks & Recreation, and the Seattle Fire Department.
- b. **Is a public hearing required for this legislation?**
No. The project team conducted numerous public meetings throughout the development of the Plan to Protect Seattle's Waterways and ongoing communications with the community and property owners are planned throughout the project.
- 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. Acquisition of certain property rights for this project has been authorized by ordinances.
- 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. The neighborhoods that have the highest potential to be affected include Ballard, Fremont and Wallingford. There are no anticipated disproportionate impacts to minority or low-income populations.

- 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).**
Not Applicable.

- h. Other Issues:**
None