

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Seattle City Light	Jeff Wolf / (206) 684-3179	Greg Shiring / (206) 386-4085

** 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: AN ORDINANCE relating to the City Light Department; authorizing the General Manager and CEO to execute a ten-year agreement with Pend Oreille County, for loss of revenues and additional financial burdens associated with the City Light Department's operation of the Boundary Hydroelectric Project on the Pend Oreille River pursuant to RCW 35.21.420, 35.21.425, 35.21.426, and 35.21.427; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: A prior 10-year agreement with Pend Oreille County pursuant to RCW 35.21.420, .425, .426, and .427 and approved by Ordinance 123402 expired at the end of 2019. This negotiated agreement establishes a new payment schedule for the years 2020-2029. This legislation authorizes the General Manager/Chief Executive Officer of City Light, or her designee, to execute a ten-year agreement with Pend Oreille County, as well as certain school districts and towns within the county for impact payments required by the Revised Code of Washington for City Light to continue operating its Boundary Hydro Electric Generating Facility.

The 5-year contract limits set forth in SMC 3.127.010.B, SMC 3.127.020.A. and SMC 20.50.040.G do not apply here because these agreements do not involve a lease or consultation agreement.

These agreements must be approved by ordinance because the Department is not authorized by SMC 21.49.130 or otherwise to enter into contracts to compensate other government agencies for their losses attributable to the Boundary Hydroelectric Project and pursuant to RCW 35.21.420, .425, .426, and .427.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X 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?

Yes. RCW 35.21.420 requires that a city with a population greater than five hundred thousand people owning and operating a public utility and having facilities for the generation of electricity located in a county other than that in which the city is located, must provide for the impacts of lost revenue and the public peace, health, safety, and welfare of such county by contributing to the support of the county, city, or town government and school district of any such county and enter into contracts setting forth agreed compensation to be made.

Not implementing the legislation would result in Pend Oreille County and school districts taking action under RCW 35.21.426 requiring mandatory arbitration to determine the loss of revenue and/or the cost of the increased financial burden placed upon the county or school district. The arbitrators' decision will be binding upon the city and the city will be required to enter into a contract retroactive to the date when the city was first notified in writing of an increased financial burden.

Payments are ongoing for a 10-year period under the below schedule from 2020 through 2029. It is anticipated that pursuant to RCW 35.21.420, in the year 2029, a new contract for yearly payments will be negotiated with Pend Oreille County.

Attachment A to the 2020 Agreement

STATUTORY PAYMENTS

Year	Statutory Payment
2020	\$2,705,175
2021	\$2,763,336
2022	\$2,822,748
2023	\$2,883,437
2024	\$2,945,431
2025	\$3,008,758
2026	\$3,073,446
2027	\$3,139,525
2028	\$3,207,025
2029	\$3,275,976

Appropriations Notes:

Appropriations for this legislation will be covered by existing available fund balance in CL538 SCL Budget.

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. 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? What is the Language Access plan for any communications to the public?

This legislation will not impact vulnerable or historically disadvantaged communities. This is “business as usual” for Seattle City Light.

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.