

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Public Utilities	Kahreen Tebeau/471-8116	Akshay Iyengar/684-0716

*\* 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 Seattle Public Utilities; creating a restricted cash account for depositing donations and gifts; authorizing the General Manager/CEO of Seattle Public Utilities to accept donations and gifts into the account for the purpose of providing financial assistance to its low-income customers.

**Summary and background of the Legislation:** The ordinance would create a restricted cash account in the Seattle Public Utilities Water Fund and delegate Council’s authority to accept donations to the General Manager/CEO of Seattle Public Utilities. It would also grant authority to operate and create rules for the use of donations. The purpose of the donations would be to provide additional utility bill assistance to low-income SPU customers, over and above what the utility provides to eligible customers currently.

Currently, SPU offers customer two bill assistance programs: The Utility Discount Program (UDP) and the Emergency Assistance Program (EAP). The UDP provides a discount of 50% off all SPU bills for customers who qualify and enroll in the program. The income eligibility threshold for the UDP is 70% of the State Median Income (SMI). The EAP provides emergency bill assistance to households with income at or below 80% of the SMI, so it has a slightly higher income threshold than the UDP. Households earning up to 70% of the SMI can receive assistance from both programs simultaneously. The EAP provides one-time emergency bill assistance (or twice per year, if there are children in the household) of up to \$448 dollars per bill, or 100% of the bill – whichever is less. This maximum dollar limit is set in the Seattle Municipal Code (SMC) and is revised annually, per the SMC’s provisions, to reflect the growth in SPU’s combined bills each year.

The proposed ordinance would allow SPU to collect donations from the general public and from customers to provide additional bill assistance to low-income customers that supplements the discounts and assistance from the programs described above. These donations would be channeled directly to customers in need and would not be used to cover SPU’s expenses in any way.

The intent is to align eligibility for these donations with the eligibility guidelines for the EAP. An eligible household applying for EAP assistance would receive the EAP assistance, which is \$448 in 2020, toward its bill. If the bill exceeded \$448 dollars, the household would qualify for a credit from the donations. The dollar amount received from the donation fund would be uniform across eligible customers and will be set in SPU Director’s Rules, to be periodically updated as needed and appropriate.

## 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?**

SPU anticipates this body of work will have a cost to the utility and this cost can be absorbed within existing resources.

It is difficult to estimate the volume of donations that may be received. SPU is working to identify and evaluate certain operational issues and options around implementing this ordinance, and estimates it will require about 37 hours per month of administrative work, with an initial annual cost estimate of approximately \$28,000, which may decrease over time.

SPU also plans to run a marketing campaign to raise donations for the fund (potentially in coordination with City Light to include its Project Share Program), which is estimated to cost up to \$10,000 annually. SPU can provide this service within its existing budget.

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

Not implementing this legislation will negatively impact SPU's ability to assist low-income customers.

## 4. OTHER IMPLICATIONS

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

The Department of Finance and Administrative Services, as the City treasury, will necessarily be involved in receipting all donations received for the account.

**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***

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 expand the financial assistance SPU can provide to low-income customers to help them manage their utility bills. People of Color, people with disabilities, and historically disadvantaged communities are disproportionately represented in lower-income households, so expanding this program will disproportionately assist these communities.

**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:**