# SEATTLE CITY COUNCIL

## Transportation and Utilities Committee

## Agenda

**Wednesday, August 18, 2021**

**9:30 AM**

**Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.**

**Alex Pedersen, Chair**
**Dan Strauss, Vice-Chair**
**M. Lorena González, Member**
**Lisa Herbold, Member**
**Tammy J. Morales, Member**
**Debora Juarez, Alternate**

**Chair Info: 206-684-8804; Alex.Pedersen@seattle.gov**

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# SEATTLE CITY COUNCIL

## Transportation and Utilities Committee

## Agenda

## August 18, 2021 - 9:30 AM

**Meeting Location:**
Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

**Committee Website:**
http://www.seattle.gov/council/committees/transportation-and-utilities

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

*In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.*

Register online to speak during the Public Comment period at the 9:30 a.m. Transportation and Utilities Committee meeting at http://www.seattle.gov/council/committees/public-comment.

Online registration to speak at the Transportation and Utilities Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Pedersen at Alex.Pedersen@seattle.gov
Sign-up to provide Public Comment at the meeting at http://www.seattle.gov/council/committees/public-comment
Watch live streaming video of the meeting at http://www.seattle.gov/council/watch-council-live
Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164
One Tap Mobile No. US: +12532158782,,5864169164#

*Please Note: Times listed are estimated*

## A. Call To Order

## B. Approval of the Agenda

## C. Public Comment

## D. Items of Business

1. Res 32016 **A RESOLUTION relating to the University of Washington Husky Stadium Transportation Management Plan; approving a revised framework document that includes performance standards and access management strategies to be included and detailed within in an annual operating plan for certain events at the stadium; and superseding Resolution 27435.**

*Attachments:* Att A – Husky Stadium Transportation Management Plan

*Supporting Documents:*
Summary and Fiscal Note
Central Staff Memo
1986 vs 2022 Transportation Management Plan Comparison
Resolution 27435
1986 Husky Stadium Transportation Management Plan
Presentation
Proposed Amendment 1

**Briefing, Discussion, and Possible Vote**

**Presenters:** Ann Sutphin and Dusty Rasmussen, Seattle Department of Transportation (SDOT); Sally Clark, Dan Erickson, and Julie Blakeslee, University of Washington; Calvin Chow, Council Central Staff

**2.** Appt 02027 **Reappointment of Warren Aakervik Jr. as member, Seattle Freight Advisory Board, for a term to May 31, 2022.**

*Attachments:* Appointment Packet

**Briefing, Discussion, and Possible Vote**

**Presenter:** Christopher Eaves, SDOT

**3.** Appt 02028 **Reappointment of Yasir Alfarag as member, Seattle Bicycle Advisory Board, for a term to August 31, 2023.**

*Attachments:* Appointment Packet

**Briefing, Discussion, and Possible Vote**

**Presenter for Items 3 and 4:** Simon Blenski, SDOT

**4.** Appt 02029 **Reappointment of Andrea Lai as member, Seattle Bicycle Advisory Board, for a term to August 31, 2023.**

*Attachments:* Appointment Packet

**Briefing, Discussion, and Possible Vote**

**5.** Appt 02030 **Reappointment of Erin Tighe as member, Seattle Transit Advisory Board, for a term to August 2, 2023.**

*Attachments:* Appointment Packet

**Briefing, Discussion, and Possible Vote**

**Presenter for Agenda Items 5 and 6:** Nico Martinucci, SDOT

**6.** Appt 02031 **Reappointment of Michelle Zeidman as member, Seattle Transit Advisory Board, for a term to August 2, 2023.**

*Attachments:* Appointment Packet

**Briefing, Discussion, and Possible Vote**

**7.** CB 120138 **AN ORDINANCE relating to the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program; authorizing the Director of the Department of Transportation to acquire, accept, and record both temporary and permanent property rights from abutting property owners located along West Marginal Way Southwest between 17th Avenue Southwest and Delridge Way Southwest, necessary or convenient for the Terminal 5 Quiet Zone Improvements project through negotiation or condemnation; placing the acquired real property rights under the jurisdiction of the Seattle Department of Transportation and designating for transportation, utility, and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.**

*Attachments:* Att 1 - Map of Construction Corridor
Att 2 - Contact List of Properties Affected

*Supporting Documents:* Summary and Fiscal Note
Summary Ex 1 - Vicinity Map
Central Staff Memo
Presentation

**Briefing, Discussion, and Possible Vote**

**Presenters:** Jon Layzer and Jason Fialkoff, SDOT; Calvin Chow, Council Central Staff

8. CB 120159 **AN ORDINANCE relating to grant funds from the United States Department of Transportation and other non-City sources; authorizing the Director of the Seattle Department of Transportation to accept specified grants and execute related agreements for and on behalf of the City; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations for the Seattle Department of Transportation; revising allocations and spending plans for certain projects in the 2021-2026 CIP; and ratifying and confirming certain prior acts.**

*Supporting Documents:*
Summary and Fiscal Note
Central Staff Memo
Presentation

**Briefing, Discussion, and Possible Vote**

**Presenters:** Joanna Valencia, Kyle Butler, and Bill LaBorde, SDOT; Calvin Chow, Council Central Staff

9. CB 120160 **AN ORDINANCE relating to the City Light Department; adding a new section to Chapter 21.49 of the Seattle Municipal Code to establish the Renewable Plus Program; authorizing the City Light Department to implement and execute customer participation agreements; amending Seattle Municipal Code subsection 21.49.130.B to authorize the City Light Department to execute, implement, and administer contracts for the acquisition of eligible renewable energy resources, together with any necessary or convenient transmission, integration, or ancillary services related to such renewable energy.**

*Supporting Documents:*
Summary and Fiscal Note
Presentation

**Briefing and Discussion**

**Presenters:** Scott Cooper, Seattle City Light; Calvin Chow, Council Central Staff

**10.** CB 120128 **AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.**

*Supporting Documents:*
- Summary and Fiscal Note
- Summary Ex A - Drainage and Wastewater Rate Study v2
- Central Staff Memo
- Presentation
- Proposed Substitute

**Briefing, Discussion, and Possible Vote**

**Presenters for Items 10 - 12:** Maria Coe and Karl Stickel, Seattle Public Utilities; Brian Goodnight, Council Central Staff

**11.** CB 120129 **AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.**

*Supporting Documents:*
- Summary and Fiscal Note
- Summary Ex A - Drainage and Wastewater Rate Study
- Central Staff Memo
- Presentation
- Proposed Substitute

**Briefing, Discussion, and Possible Vote**

**12.** CB 120130 **AN ORDINANCE relating to rates and charges for water services of Seattle Public Utilities; revising water rates and charges, and credits to low-income customers; and amending Sections 21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.**

*Supporting Documents:*
- Summary and Fiscal Note
- Summary Ex A - 2022-23 Retail Water Rate Study
- Central Staff Memo
- Presentation

**Briefing, Discussion, and Possible Vote**

**E. Adjournment**

**File #:** Res 32016, **Version:** 1

**CITY OF SEATTLE**

**RESOLUTION _____**

A RESOLUTION relating to the University of Washington Husky Stadium Transportation Management Plan; approving a revised framework document that includes performance standards and access management strategies to be included and detailed within in an annual operating plan for certain events at the stadium; and superseding Resolution 27435.

WHEREAS, the University of Washington's (UW) Husky Stadium has operated with the same Transportation Management Plan (TMP) and Operating Supplement since the Stadium was expanded in 1986 and many of its provisions are no longer relevant; and

WHEREAS, mobility options for Husky Stadium event attendees have expanded and improved over the past 35 years to include an expanding regional light rail system with a station adjacent to the stadium entrance, micromobility options, and transportation network companies not reflected in the 1986 TMP and Operating Supplement; and

WHEREAS, the existing Husky Stadium TMP, adopted in 1986, set what was at that time an ambitious goal for no more than 71 percent of attendees to arrive at Husky Stadium football games by automobile and that goal has been surpassed with approximately 48 percent arriving by private vehicle during the 2019 football season; and

WHEREAS, the 1986 TMP's limitations constrain UW's ability to invest in and promote smarter Husky Stadium mobility solutions by requiring specific tactics and investments that require spending on ineffective and, in some cases, obsolete options; and

WHEREAS, in 1998, the City and UW entered into an agreement to govern campus master planning and off-campus leasing, which was amended in 2003 and 2004; and

WHEREAS, UW proposes to replace the 1986 TMP and Operational Plan with a revised TMP defining goals which will be met via an annually updated Operations Plan approved by a new Husky Stadium TMP Advisory Committee comprised of representatives from Seattle Department of Transportation, Seattle Police Department, King County Metro Transit, Sound Transit, the City-University Community Advisory Committee (CUCAC), and University staff; and

WHEREAS, UW prepared an environmental impact statement (EIS) in 2018 to inform the public including the neighborhoods surrounding the Stadium of the environmental impacts and the proposed process for revising the TMP and the alternatives considered; and

WHEREAS, in 2017 and 2018 UW briefed the CUCAC and community councils for neighborhoods around Husky Stadium as part of scoping the EIS, soliciting feedback on the Draft EIS, and incorporating that community feedback into the proposed revised TMP; and

WHEREAS, UW has continued to engage the campus community, including surrounding neighbors and partner agencies, in developing in the updated TMP that incorporates more aggressive mobility goals and covers events, large and small, other than football; and

WHEREAS, the Husky Stadium TMP Advisory Committee described in Resolution 27445 took action on January 21, 2020 recommending approval of the proposed revised TMP;

NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:**

Section 1. The University of Washington (UW) Husky Stadium Transportation Management Plan (TMP), a copy which is attached as Attachment A to this resolution, is approved. The TMP replaces the plan approved by Resolution 27435 and contained in Comptroller File 294614.

Section 2. UW will convene and support a Stadium TMP Technical Advisory Group. The Technical Advisory Group will include representatives from the Seattle Department of Transportation (SDOT), Seattle

Department of Construction and Inspections, Seattle Police Department, Washington State Department of Transportation, UW, Metro Transit, Sound Transit, and the City-University Community Advisory Committee (CUCAC). The Technical Advisory Group must meet a minimum of twice per year (typically between January and May) to review the Annual Report from the past year and to approve an Operations Plan for the upcoming year.

Section 3. By February of each year, UW will present an Annual Report to Technical Advisory Group members. The report must include results of event attendee surveys; operations feedback from agency partners; feedback from surrounding neighborhoods via outreach to community groups, including CUCAC. The Annual Report will include the following information:

A. Surveys of attendees of at least one Pac-12 Conference weekend game after the start of the previous fall quarter. Attendees of at least one weekday game must also be surveyed if one occurs the previous season. The survey results will capture attendee mode of travel for "last mile," vehicle occupancy and general location if parked, usage of transportation network companies (TNC), and specific mode of public transit; and

B. Performance monitoring data which assesses traffic operations, transit operations and user experience, pedestrian queuing, TNC operations, and parking management strategies.

Section 4. Each year, UW will present a draft update of the TMP's Operations Plan ("Operations Plan") to the Technical Advisory Group, describing strategies and tactics for reducing single occupancy vehicle trips consistent with the TMP's stated goals, managing stadium-related parking, access-related and other transportation related services for events scheduled from July 1, 2021 - June 30, 2022 and for each year thereafter. The annual Operations Plan will incorporate data and feedback from surveys of Husky Stadium event attendees, along with input from agency partners, the surrounding community, and the Technical Advisory Group. The Operations Plan must be approved by the Technical Advisory Group and submitted to the SDOT Director no later than May 31 of each year.

Section 5: Costs associated with the annual Operations Plan and transportation management activities related to stadium events will be UW's responsibility.

Adopted by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its adoption this _____ day of _____, 2021.

_____

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Attachment A - Husky Stadium Transit Management Plan

# HUSKY STADIUM

# TRANSPORTATION MANAGEMENT PLAN

JULY 2021

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# CONTENTS

# HUSKY STADIUM TRANSPORTATION MANAGEMENT PLAN

Since 1920, Husky Stadium has stood near the intersection of Pacific St and Montlake Blvd bordered to the east by Union Bay and Lake Washington. For nearly 100 years the University of Washington Huskies have practiced year-round and played home football games in the fall. Generations of UW graduates have stepped across stages every June. The University and the surrounding communities have grown up around the stadium. The area today is a vibrant interlacing of people, infrastructure and vehicles.

This Transportation Management Plan (TMP) for Husky Stadium updates a plan developed in 1986. It responds to changes in the transportation infrastructure surrounding Husky Stadium and responds to changes in technology and mode choices. In addition, it considers future investments in the transportation system - investments that will influence the effectiveness of key elements of the plan. This TMP is not intended to address transportation to and from other Seattle Campus events/activities or venues. Transportation management strategies for other University events and activities are detailed in the University of Washington (UW) TMP.

## PURPOSE

The purpose and objectives of this TMP include:

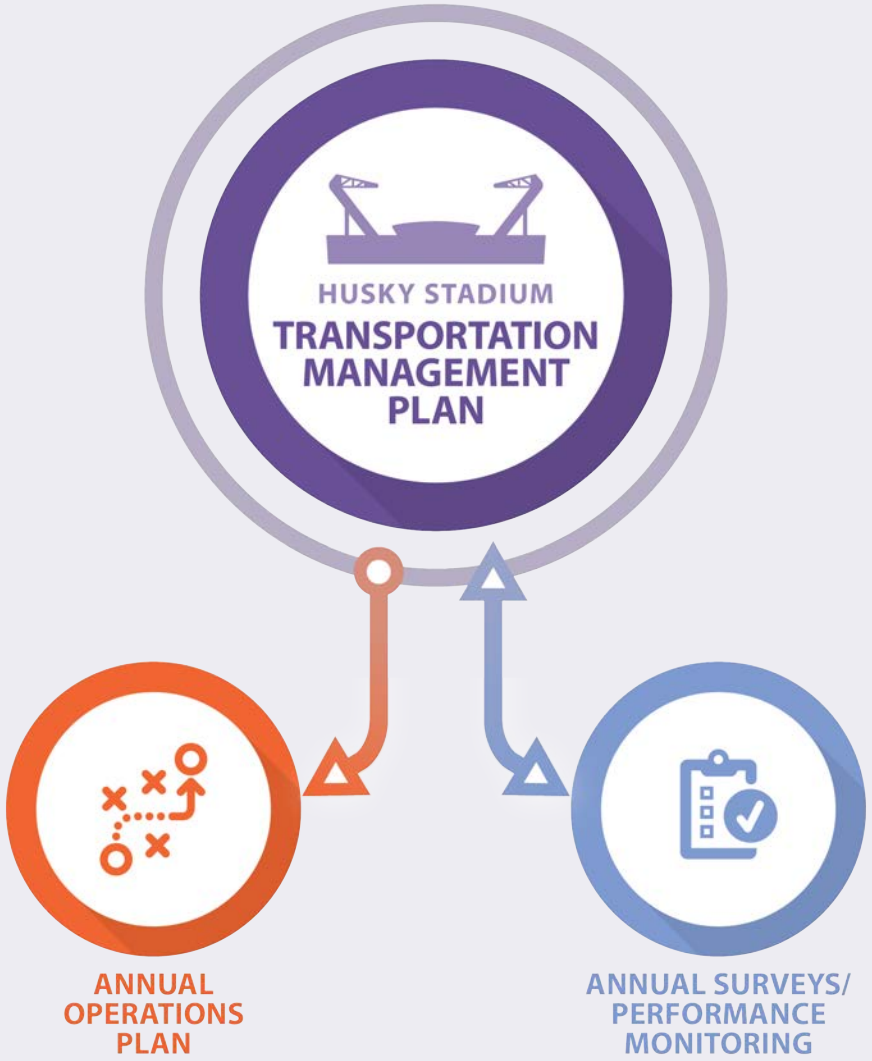
- Develop a TMP that includes forward-looking strategies that continue to effectively move stadium attendees into alternatives to cars, with priority on transit, high capacity vehicles, biking and walking, in order to decrease congestion and parking impacts on the surrounding community.
  - Promote transportation choices available through expanding transit options, such as Sound Transit Link light rail and RapidRide.
  - Incorporate strategies that acknowledge newer trends in transportation (e.g. ridehail, bike share) and focus on decreasing automobiles use and minimizing impacts related to this mode.
- Develop weekday event management strategies, including strategies to meet the unique challenges of weekday football games (as of 2018, one weekday game per season is required two out of every three years).
- Build a flexible structure for annual operating plans that can address future

changes in the transportation system (e.g. SR 520 improvements, proposed second bascule bridge, bus route changes prompted by One Center City)

- Increase flexibility regarding the use of special event only transit service, in favor of other supplemental transit service options, in order to decrease congestion on roadways surrounding the stadium, reduce dependence on curb space in the U-District to stage buses, and address general issues with availability.
- Provide the accountability tools to achieve outcomes and report to stakeholders.

This TMP identifies overall performance goals and potential transportation management strategies for multiple travel modes. The specific measures implemented on an annual basis to achieve the performance goals depend on the completion of planned municipal, regional and state infrastructure improvements, size of the stadium events, changes in mobility technology, and timing of events. As such, the implementation of this TMP will rely on the development of an annual operations plan (see Figure A) to be developed by the UW with input from key operations staff from the local agencies and from the surrounding neighborhoods. The scope and review procedures for the annual operations plan are discussed in more detail in a subsequent section.

**Figure A: Transportation Management Plan Implementation Strategy**



The TMP establishes a Stadium TMP Technical Advisory Group. The annual operations plan would be reviewed with the Stadium TMP Technical Advisory Group prior to each football season, and would apply to all events the following year. The annual operations plan will specify event attendance limits which would trigger the operations plan to be implemented. The Stadium TMP Technical Advisory Group includes representatives from the Seattle Department of Construction and Inspections (SDCI), Seattle Department of Transportation (SDOT), Seattle Police Department (SPD), University of Washington departments, Washington State Department of Transportation (WSDOT), King County Metro, Sound Transit, and a representative from the City-University Community Advisory Committee (CUCAC) (or successor agencies).

Three event sizes are considered in the application of strategies identified in this TMP and the development of the annual operations plan. Events less than 15,000 are not subjected to the TMP goals and objectives; however, appropriate measures will be implemented to manage traffic and encourage non-Single Occupancy Vehicle (SOV) modes. The event sizes fall into three tiers based on attendance level: 1) an event with between 15,000 and 24,000 2) an event with between 24,000 and 42,000 and 3) an event with between 42,000 and 70,000 attendees. The upper range corresponds to use of the whole Stadium, while the lower two ranges are consistent with the maximum occupancy of the lower bowl area only.

The potential frequency of non-football events at Husky Stadium is limited as this facility serves as the practice facility for the UW football team. Between the football season itself, spring practice and late summer practice before the season opens in September, the window for potential non-football events is small. The frequency and timing of Husky Stadium events covered in the TMP is summarized on Table 1.

Transportation demand management strategies have been developed and are outlined for the following TMP areas:

- Transit
- Pedestrian
- Bicycle/Micromobility Management
- General Purpose Vehicle Access/ Circulation/Management
- Ridehail Transportation
- Parking Management
- Boats
- Outreach and Education

**Table 1: Summary of Event Frequencies and Timing**

| Attendance Level | Football | Non-Football UW Events | Non-UW Events |
|---|---|---|---|
| | Per NCAA[1] | Up to 8 per year | |
| 15,000 - 24,000 | Weekday and Weekend Events | Weekday and Weekend Events | Weekday and Weekend Events |
| 24,000 - 42,000 | Weekday and Weekend Events | Weekday and Weekend Events | Weekday and Weekend Events |
| 42,000 + | Weekday and Weekend Events | Weekday and Weekend Events | Weekend Events Only |

*Frequency and timing applies to events between 15,000 and 70,000 attendees.*
*There are no frequency or timing limitations on events with less than 15,000 attendees.*

*1 Approx. 7 per season.*

# HISTORY/CONTEXT

*The 1986 University of Washington Stadium Expansion Parking Plan and Transportation Management Program and Stadium Expansion Parking Plan* and *Transportation Management Program Operational Supplement* documented strategies and specific steps for mitigating transportation impacts on the surrounding community. The expanded stadium could accommodate 72,000 attendees (brought down to 70,000 in 2013), so the focus of the 1986 TMP, a building permit requirement, was to accommodate a sellout crowd with lesser parking impact to the residential areas near campus. The keys to accomplishing this goal included the following:

- Providing incentives for taking transit, carpooling, or using other modes to games by mandating "free" (i.e., UW pays) transit scrip for all ticket purchasers,
- Expanding transit service,
- Providing discount pricing for carpools, and
- Providing additional on-campus parking.

There was a secondary goal to expedite postgame traffic traveling to SR 520 and I-5.

Figure B shows the TMP mode split goal established in the 1986 plan, which identified goals for automobile, bus, walk, and boat trips.

Concurrently, over the past three decades King County Metro service has expanded, Link light rail has opened and the region's embrace of Single-Occupancy Vehicle (SOV) alternatives has grown. As a result, transit access to the stadium has improved and, as shown in Figure C, the 16 percent bus goal has not only been met, but far exceeded.

In 2012, Husky Stadium was renovated, and seating capacity came down to 70,000. During renovation, UW's football games were played at CenturyLink Field. UW's payment of rider fares (the scrip required in the 1986 TMP) has been waived since that time on the basis of strong transit ridership numbers without scrip. The transit scrip waiver is administrative and conditional; the City Council needs to approve any permanent changes to the TMP.

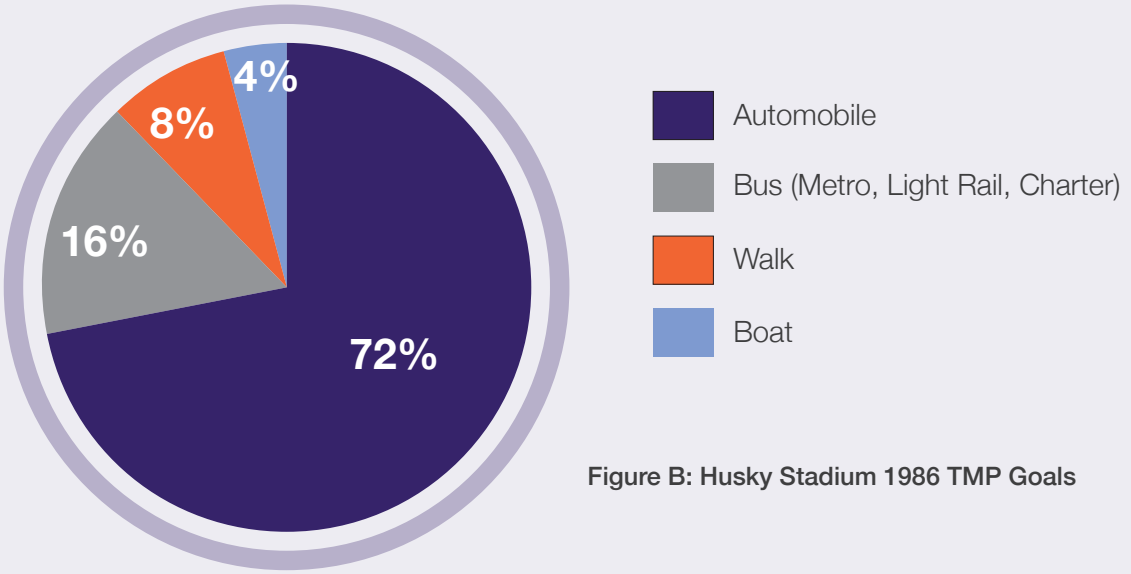


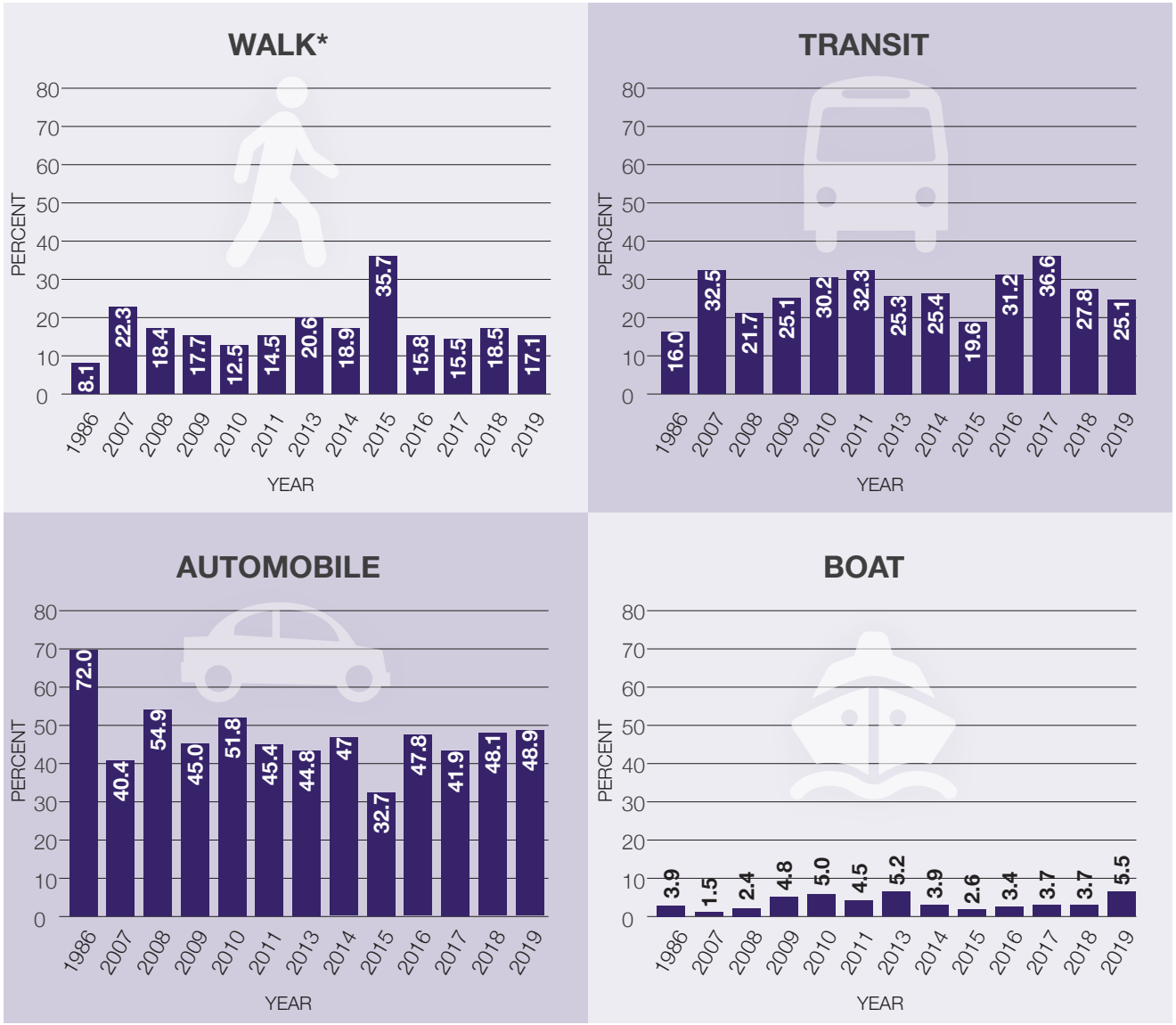

**Figure B: Husky Stadium 1986 TMP Goals**

The UW conducts an annual attendee intercept survey as part of the monitoring and reporting process. The survey is conducted in the fall of each year at a game against a PAC-12 opponent to capture a high-attendance event.

Figure C illustrates the recent historical game day mode splits. The range of bus ridership can vary from game to game and season to season due to several factors such as weather, the Husky's opponent and UW's season record. In 2007, transit ridership to the surveyed game reached approximately 32 percent. In that year, the University of Washington paid King County Metro to provide more than 150 additional coaches per game to meet transit demand. However, in 2008, the Federal Transit Administration (FTA) declared that public transit operators cannot operate sporting event shuttles if a private transit provider is available. A waiver was adopted to allow King County Metro to continue providing service to the games, but this waiver expired in 2016. The availability and access challenges of relying on private operators will be discussed later in this TMP.

In March 2016, Link light rail opened near the stadium, resulting in a transit mode split of 35 percent. This represented an all-time high based on historical data.

**Figure C: Husky Stadium Game Day Historical Modes of Travel**




**Bike mode shares varied between 0.5 % and 1.3 % during the 2007 - 2019 survey period.*

# PERFORMANCE GOALS

Two goals have been identified within this TMP. These two goals address both the demand management objectives and operational objectives. The Transportation Demand Management (TDM) goals defined in this TMP include consideration for weekday* and weekend** events as well as increasing non-auto*** goals in the future as the public transportation system evolves and expands.

The demand management goals for football games were based on current achievement, consideration of future transportation improvements, increased transit services, and new technology and mode choices. The goals for non-football University and non-University events were assumed to be consistent with football events for higher attendance levels (i.e. greater than 42,000). For attendance levels between 15,000 to 24,000 and 24,000 to 42,000, the goal is targeted such that the median size event (33,000 attendees) has auto trips no greater than a 60,000-attendee football game for the pre-event condition under the previous TMP.

**Monday-Friday*
***Saturday-Sunday*
****Includes Transit, Boat, Pedestrian, and Bicycle Travel*

## GOAL 1. Reduce Auto Usage by Event Attendee

Table 2a: TDM Goals for Non-Auto Modes of Travel - Football Events

| Target Year | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2019 | | 1-yr following opening of Northgate Link (estimated at 2021) | | 1-yr following opening of Lynnwood Link (estimated at 2024) | | 1-yr following opening of Everett Link service (estimated at 2035) | |
| Weekday | Weekend | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend |
| 61% | 52% | 63% | 54% | 65% | 58% | 67% | 62% |

Table 2b: TDM Goals for Non-Auto Modes of Travel - Non-Football UW Events & Non-UW Events

| Attendance Level | Target Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | | 1-yr following opening of Northgate Link (estimated at 2021) | | 1-yr following opening of Lynnwood Link (estimated at 2024) | | 1-yr following opening of Everett Link service (estimated at 2035) | |
| | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend |
| 15,000 - 24,000 | 35% | 30% | 37% | 32% | 39% | 34% | 41% | 36% |
| 24,000 - 42,000 | 47% | 36% | 49% | 38% | 51% | 40% | 53% | 42% |
| 42,000+ [1] | 61% | 52% | 63% | 54% | 65% | 58% | 67% | 62% |

*1. Non-UW events greater than 42,000 are on weekends only (see Table 1).*

### GOAL 2. Reduce the Duration of Event-related Mobility Disruptions

This network performance goal will consider operational performance for key corridors around the Stadium and outside the immediate vicinity of the Stadium that will be monitored by SDOT. This network performance goal will look to return traffic conditions within the subarea to non-event conditions within a targeted frame.

# PERFORMANCE MEASURES

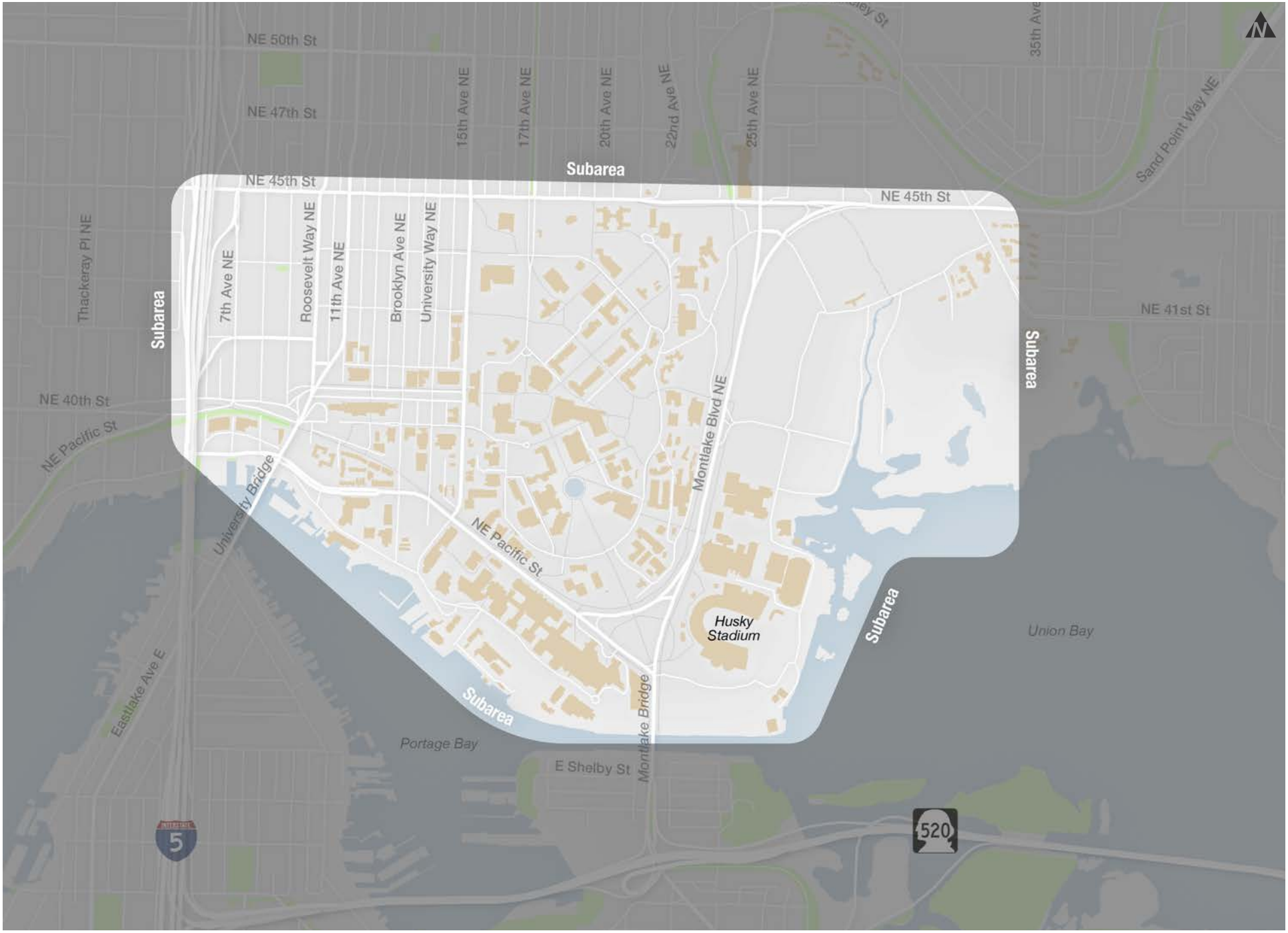
Overarching performance measures connected to the goals of the TMP will remain constant year-to-year. Additional measures may be included as a result of objectives and strategies employed in the annual operations plan. The Stadium TMP Technical Advisory Group will advise on the inclusion and effectiveness of additional performance measures. Performance measures may include:

- Clearance time of pedestrians in Stadium Plaza area and at near-by transit stops
- Clearance time of transit vehicles from Montlake Boulevard and return to normal service
- Post event traffic operations
- Ridehailing vehicle queues beyond designated drop-off/ pick-up or staging areas

This list of performance measures may be modified following review of the annual report by the Stadium TMP Technical Advisory Group, especially if no longer relevant.

With regards to the post event operations, a preliminary target of 60 - 75 minutes to reach non-event traffic conditions within the subarea after the end of a stadium event has been identified. This preliminary goal has been established pending further data collection necessary to establish a baseline condition. Once “typical” events are occurring at Husky Stadium, this goal will be reassessed.

The subarea is defined as the area bounded by NE 55th St to the north, SR 520 to the south, I-5 to the west and 40th Ave NE to the east. While no baseline travel time and volume data is available for corridors such as 15th Avenue NE or NE 45th Street at the moment, UW will develop a plan to collect data over time, in partnership with SDOT, that will help to establish a baseline value against which future performance can be compared against. The focus area subject to the 60-75 minute performance target is identified in the Figure on the following page.


NE 50th St
NE 47th St
NE 45th St
NE 41st St
NE 40th St
NE Pacific St
E Shelby St
15th Ave NE
17th Ave NE
20th Ave NE
22nd Ave NE
25th Ave NE
35th Ave
Sand Point Way NE
Thackeray Pl NE
7th Ave NE
Roosevelt Way NE
11th Ave NE
Brooklyn Ave NE
University Way NE
Montlake Blvd NE
University Bridge
Montlake Bridge
Eastlake Ave E
Subarea
Husky Stadium
Portage Bay
Union Bay
5
520

# TMP FRAMEWORK

There are eight programmatic components of the TMP, each one providing strategies to support the success of the overall TMP. These strategies may be implemented one at a time, or in combination with others. UW Athletics will choose among these strategies and potentially others, to limit vehicle trips and encourage the use of non-auto mobility options. Past success has shown that, taken together, these combined strategies are effective at reducing vehicle trip rates and managing event circulation.

# COMPONENTS OF THE TMP

1. Transit

5. Ridehail Transportation

2. Pedestrian


6. Parking

3. Bicycle/ Micromobility Management

7. Boats

4. General Purpose Vehicles

8. Outreach & Education

# TRANSIT

*(Public, Private Shuttles, and Future MicroTransit)*

Event level congestion around Husky Stadium makes transit a desirable choice for attending football games. Husky Stadium patrons enjoy excellent transit service due to the stadium's proximity to Sound Transit's University of Washington Station, as well as to the Montlake Triangle and Stevens Way, which accommodate King County Metro, Community Transit, and Sound Transit bus service. Before and after events, transit service is an effective choice for transporting event patrons to and from the stadium. Maintaining non-event related transit travel through the area during events is critical. The transit component of this TMP identifies strategies to maintain and enhance use of transit by event attendees from across the region.

Sound Transit's Link light rail opened at the University of Washington in March of 2016. The Northgate Link Extension, opening in 2021, includes the U District Station at NE 43rd Street and Brooklyn Ave NE as well as a station in the Roodevelt neighborhood as well as a station at Northgate. Light rail service is expected to further expand in 2023, including service to Overlake and Bellevue, and in 2024 to Lynnwood, Federal Way, Des Moines, and Downtown Redmond. As compared to the current bus transit serving these areas, Link light rail will afford a more frequent, reliable, high capacity trip with extended service hours. Light rail also operates in a separate right of way and is not subject to roadway congestion.

King County Metro, in partnership with the City of Seattle, will also offer more frequent service with expanded hours through RapidRide lines that will serve the University District. Four RapidRide lines are expected to be operational by 2024, with the Roosevelt line coming on-line by 2021.

## POTENTIAL TRANSIT IMPROVEMENT STRATEGIES

1. Incorporate Sound Transit's event service (i.e. extended service hours, additional trains such as gap trains or more cars during event arrival and departure where feasible) into the annual operations plans.
2. Promote education programs (i.e., information and materials to educate attendees how to access the Stadium by transit) and real-time information tools that offer a range of transit choices, emphasizing links to alternative transportation modes.
3. Provide information and incentives for patrons to try new transit services as they come on-line such as RapidRide and Link light rail extensions.
4. Work with King County Metro, Sound Transit, Community Transit, SDOT (and future transit service providers) to optimize transit operations during peak event periods.
5. Work with partner agencies to improve pedestrian and bicycle access to Link and RapidRide stations.
6. Manage the areas around University of Washington Station for customers to reduce conflicts between pedestrians and cyclists.
7. Work with the transit agencies to promote and facilitate advance transit ticket sales.
8. Encourage employees who work at Husky Stadium to use non-auto modes of travel.
9. Provide information about ride-match opportunities for stadium event employees.
10. Provide supplemental transit service as necessary to achieve performance goals. Stage buses proximate to the stadium entrance post-event in order to expedite the egress of attendees from the stadium area.

### TRANSIT GOALS

- √ Maximize use of transit by event attendees to reduce congestion.
- √ Reduce and replace private shuttles with emerging public transit.

Weekday games require special planning and communication. This begins as soon as the University is made aware of the season schedule. While schools learn of the season schedule approximately a year ahead of time, game time is often not known until just a few weeks before each game. For events occurring during the weekday, transit will be of even greater importance due to commute traffic conditions and the resulting need to further increase the use of non-auto modes by game attendees. Strategies and measures identified for the weekend events will be implemented for the weekday events, as well. An increased effort regarding communication to agency partners, stadium neighbors and the general public regarding the event schedule will be activated for weekday games.

For smaller events, the strategies for larger events will be scaled and adjusted to meet the event needs.

# SPECIAL SERVICE TRANSITION PLAN

Special service provided by King County Metro or private charter has been historically used to supplement regular transit service into the stadium area.

UW Special Service may evolve with changes in the transportation infrastructure surrounding Husky Stadium and when regional transit is expanded that provides increased transit access to the stadium. These changes will be reflected in the annual operations plan.

## Evaluating Special Service

UW Special Service will be evaluated yearly to determine if there are potential routes where Special Service may be eliminated. Elimination of Special Service routes will consider:

1. **Review Existing Special Service.** Special Service routes with low ridership and/or where there are redundant publicly-available transit services i.e., King County Metro, Sound Transit or Community Transit (new or existing) would be identified.
2. **Review of Other Public Transit Capacity and Operations.** Consideration would also be given to the capacity and operations of available public transit service to determine the viability of increasing ridership and utilization of those routes. For example, if the transit service is already over capacity then it may not be viable to serve Husky Stadium attendees.
3. **Evaluation of Potential Mode Shifts.** For Special Service routes that may be eliminated, UW would evaluate what other mode riders along the route could choose. The evaluation would rely on the mode splits achieved for the prior year as reported in the TMP Annual Report. If this analysis results in a projection that the TMP goals will not be achieved or would overburden the public transit service (causing insufficient rider capacity) then the following actions could be taken:
    - UW would implement additional TMP measures to support eliminating Special Service, or
    - UW would work with the transit agencies to explore supplementing public transit service, and/or
    - UW would not eliminate the Special Service.

## Monitoring

This TMP includes annual monitoring and reporting related to the TMP goals for a single weekend football game and for a weekday football game for years that a game is played. When a Special Service route is eliminated the TMP goals would be monitored for at least one additional weekend football game (for a total of two weekend football games) following the reduction in service. If the TMP goals are not being attained, then additional TMP measures would be considered including reinstating the Special Service.

Proposed changes to special services will be communicated in the annual operations plan, and results of monitoring will be included in the annual monitoring report.

# PEDESTRIAN

Most attendees of Husky Stadium events are pedestrians at some point during travel and all depend on safe pathways and crossings to get to and from the stadium. The University of Washington provides a network of pedestrian paths throughout the campus with connections to the local public streets and trail networks. In addition, there is an expansive pedestrian plaza in front of Husky Stadium with convenient, pedestrian connections to the Burke-Gilman Trail, University of Washington Station, campus, and future RapidRide. A grade-separated pedestrian bridge over Montlake Boulevard provides additional access over arterial streets and is accessible by elevator. This grade-separated connection, along with three other pedestrian bridges over Montlake Boulevard, provides high capacity, unimpeded access to the stadium from the core of the University of Washington campus and Burke-Gilman Trail. Additionally, new and enhanced connections for pedestrians and bicycles are planned to connect the stadium to areas south of the Montlake Cut via a second bascule bridge.

A new trail connection to the Eastside along the SR 520 floating bridge opened in 2017.

## POTENTIAL PEDESTRIAN IMPROVEMENT STRATEGIES

1. Protect and improve upon the pedestrian-oriented stadium area. Make all transportation choices, policies and improvements supportive of the pedestrian environment and experience.
2. Improve event signage to and from Husky Stadium and transportation destinations, concentrating efforts on directing attendees along key pedestrian routes.
3. Work to enhance the quality and security of pathways adjacent to the stadium through maintenance of paths, quality lighting, event signage, and other investments.
4. Minimize vehicular traffic in the area around the University of Washington Link Station area at pre- and post-game time.
5. Manage pedestrian pathways in the area around the University of Washington Station, including reducing conflicts with other modes and improving efficiency for accessing the station.
6. Work with SDOT, SPD and UWPD to monitor and control key unsignalized intersections and access to parking to reduce pedestrian/vehicle conflicts at those locations and accommodate high pedestrian flows.
7. Work with Sound Transit and King County Metro to manage pedestrian wait times and queuing within the Husky Stadium plaza and at transit stops.
8. Coordinate with Sound Transit to define pedestrian flow protocols to safely maximize the light rail train capacity.
9. Work with SPD and UWPD to safely manage crowds around the Stadium.

No significant differences in the TMP strategies for weekday or weekend games are anticipated. Localized traffic control for pedestrian management strategies in and around the University of Washington Link Station may be adjusted based on the size or timing of the event. This would be identified in the annual operations plan to be developed by UW Athletics and reviewed with the Stadium TMP Technical Advisory Group. For smaller events, the strategies for larger events will be scaled and adjusted to meet the event needs.

# BICYCLE/MICROMOBILITY MANAGEMENT

The number of Husky football fans cycling to the stadium is currently limited. The most recent survey conducted in 2017 showed 1.2% of those surveyed came by bicycle. This percentage includes bike share and personal bikes. While the percentage seems small, in raw numbers this could be as many as 700 bicycles for a sellout game. There are a variety of factors that influence bike/scooter usage. These factors include the timing of the event, nature of the event, and the weather conditions. The purpose of this TMP's bicycle strategies is to encourage access to stadium events by bicycle, minimize bike share parking in pedestrian pathways, and reduce bicycle conflicts with other modes.

During major stadium events, UW Athletics provides a bike valet service to store and manage bicycles. UW Athletics has implemented the Bike Valet on Rainier Vista near the junction with the Burke-Gilman Trail and Stevens Way (see Figure D). This location intercepts commuters from the Burke-Gilman Trail and limits the bicycle activity in the stadium and University of Washington Station plaza area where there is a dense and active concentration of pedestrian activity. This valet service, while currently serving bicyclists, may be adapted to serve additional micromobility modes.

Bike share, where people rent bicycles for short trips, is being implemented by the City of Seattle on an experimental basis as of 2018 (and scooter share in 2020). If successful and expanded to places like the Eastside along the SR 520 trail, bike share may become a viable option for attending events, giving people a wider range of options to get to the game and allowing them to make decisions at the spur of the moment for trips to and from an event. Bike share parking is not limited to defined areas around the city, as bike share bikes are self-locking. While convenient for users, unrestricted bike parking at large events can present problems.

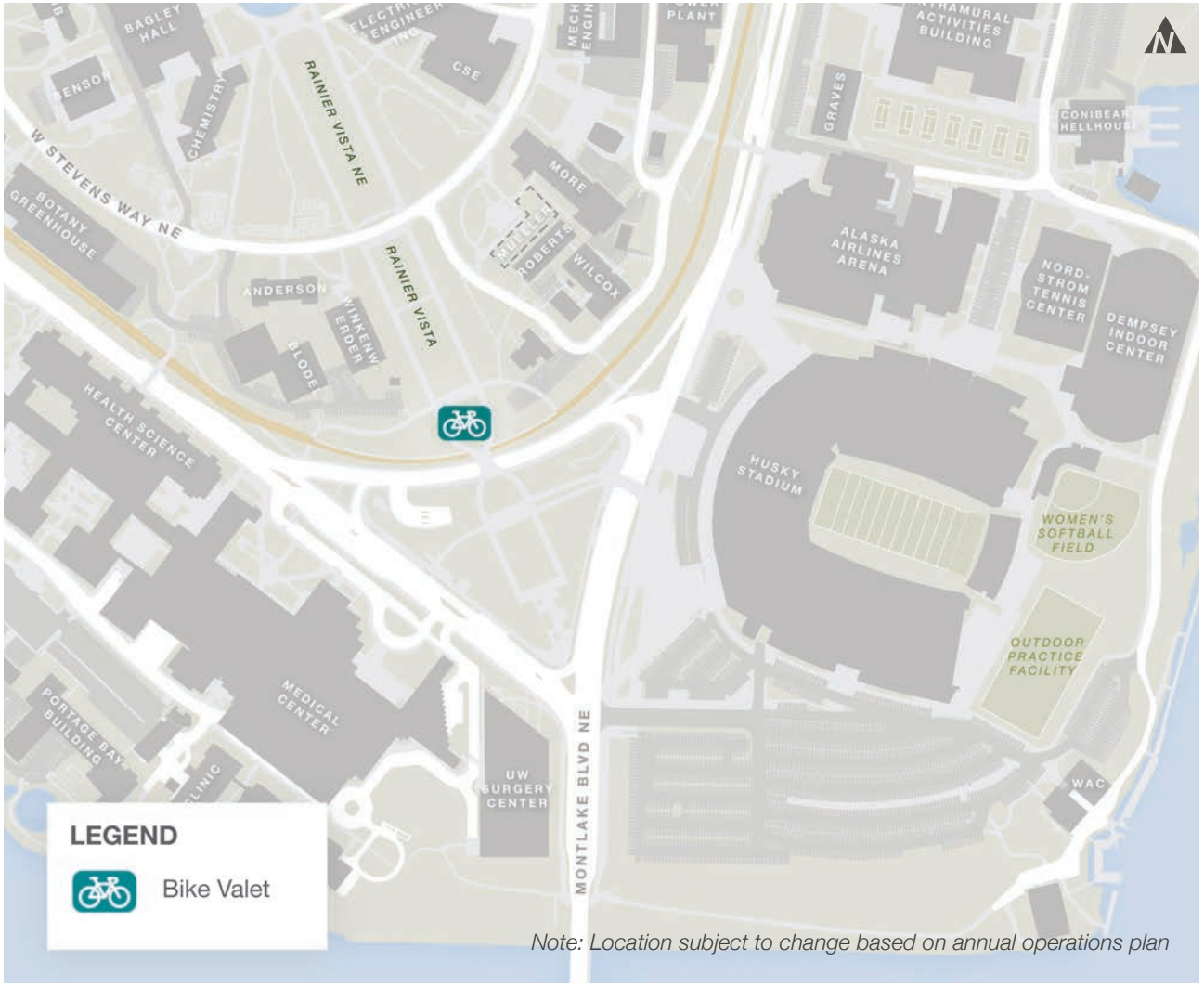
## POTENTIAL MICROMOBILITY IMPROVEMENT STRATEGIES

1. Through signage and advance information, direct cyclists to parking at key intercept locations. This includes bike share users to reduce bicycle conflicts with other modes in the immediate vicinity of the stadium.
2. Provide at least one bicycle valet parking location per large event.
3. Work with bike share providers to manage flow and supply during events.
4. Enhance bicycle parking at strategic locations by providing fixed, covered, locker, or cage parking and/or provide temporary bicycle parking during game days through mobile or stationary bicycle facilities.
5. Provide open source event information that can be integrated with bike share apps to provide real-time information and historic data (as available from bike share providers) to those traveling to and from Husky Stadium events.
6. Proactively intercept and manage the bike share users prior to the primary stadium and University of Washington Station plaza area to collect and redistribute the bike share bikes to locations away from the core plaza area.
7. Offer incentives for employees to bicycle to work, such as bike share membership or free bike share trip codes.

No significant differences in the TMP strategies for weekday or weekend games are anticipated. The timing of the event, with respect to daytime or evening hours, would affect the use of bicycles as a transportation mode for the event. Basic elements such as the bike valet and bike share intercept locations should be implemented in both time periods. No new bike share or bike valet locations have been identified in this TMP. Instead, continued monitoring of the bike/scooter share program and evaluation of bike valet station locations and effectiveness should be reviewed as part of the annual operations plan.

For smaller events, the strategies for larger events will be scaled and adjusted to meet the event needs.

**Figure D: Existing Bicycle Valet Location**



# GENERAL PURPOSE VEHICLE ACCESS/ CIRCULATION/MANAGEMENT

The desire of the UW is to continue to decrease the use of automobiles to access events. Fewer cars translate to fewer parking impacts in surrounding neighborhoods, less congestion on area roads and better environmental performance. Active management of this mode is critical to maintaining a safe and reliable transportation system for both event and non-event commuters. We also recognize that tailgating is part of the Husky Football community experience and is a contributing factor to a level of sustained automobile use for game day.

This TMP's general-purpose vehicle strategies will push to increase average auto-occupancy and maintain freight and emergency service access to the stadium, area hospitals, and surrounding destinations.

Traffic control is an important element in managing vehicles in the area. Currently, traffic control is utilized in a core area around the campus (see Figure E). Additional traffic control is implemented by the Seattle Police Department north and west of the campus as needed.

The purpose of stadium event traffic control is to monitor vehicle and pedestrian volumes under post-event conditions and increase the safety and efficiency of egress from parking lots. In the future, with planned City of Seattle/SDOT investments in the U-District Intelligent Transportation System (ITS), the need for manual control may decrease. Advanced technologies in signal control will allow for a more adaptive system to respond to and be controlled by SDOT from the City's traffic management center, to better flush traffic away from the stadium.

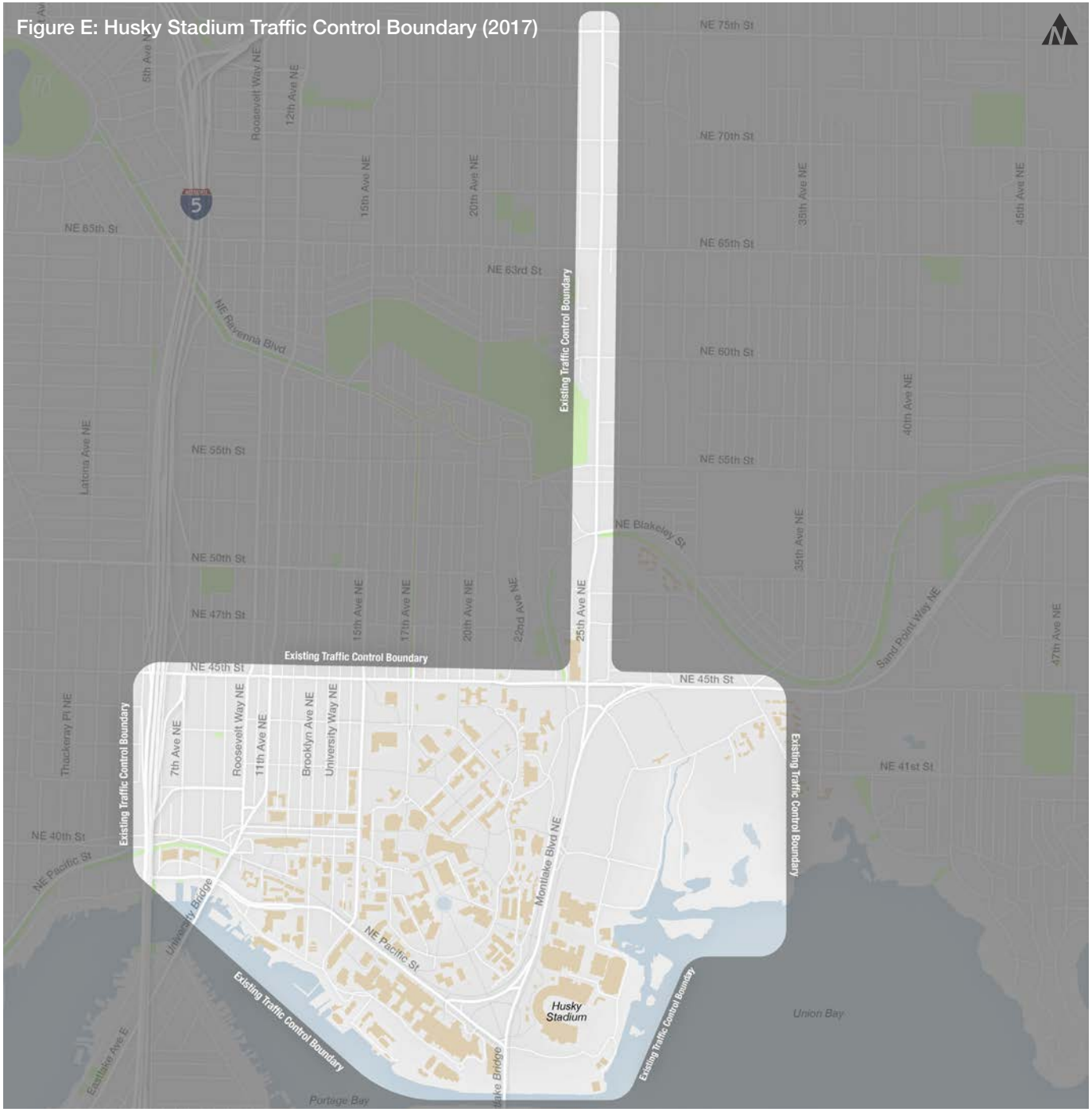
Parking management is a critical element of managing general purpose vehicles accessing events. These strategies are discussed in a subsequent section of this TMP.

## POTENTIAL GENERAL-PURPOSE VEHICLE MANAGEMENT STRATEGIES

1. Provide a broad communication and outreach campaign in advance of events to deter Single Occupancy Vehicle (SOV) travel and encourage use of non-auto modes by both attendees and the general campus community.
2. Accommodate routes for transit, freight and emergency services to access UW and Seattle Children's hospitals.
3. Coordinate with SDOT on the use of dynamic message signs to route vehicles to parking and facilitate egress from the stadium area.
4. Work with SDOT, SPD, and UWPD to develop annual plans for intersection control and road closures to direct vehicles in and out of the stadium area.
5. Set parking prices to incentivize higher occupancy vehicles.

No significant differences in the TMP strategies for weekday or weekend games are anticipated. A greater emphasis will be placed on the communication and outreach campaign in advance of the weekday events to deter non-essential travel away from the area and encourage use of alternative routes or non-auto modes for non-game travel.

Figure E: Husky Stadium Traffic Control Boundary (2017)



# RIDEHAIL TRANSPORTATION

Ridehail transportation includes a range of methods for providing flexible travel options through the sharing of transportation resources, in this case automobiles. The primary intent of the ridehail transportation strategies is to minimize impacts of ridehail vehicles (both congestion and drop-off/pick-up conflicts) on the street system near the stadium.

Ridehail options continue to expand and while their use may decrease parking demand, they are a factor in congestion. To manage ridehail vehicle access in the stadium area, UW Athletics provides for a designated ridehail drop-off/pick-up zone away from the immediate stadium area on game days. The UW-managed designated ridehail area for the 2016 and 2017 football seasons is shown in Figure F. The overall operations of the Ridehail areas are reviewed each year and any changes will be identified in the annual operations plan.

Car-share options provide additional opportunities for attendees to tailor a commute mode that meets their need. For example, they can take the train to the event, but utilize car-share options to travel back home.

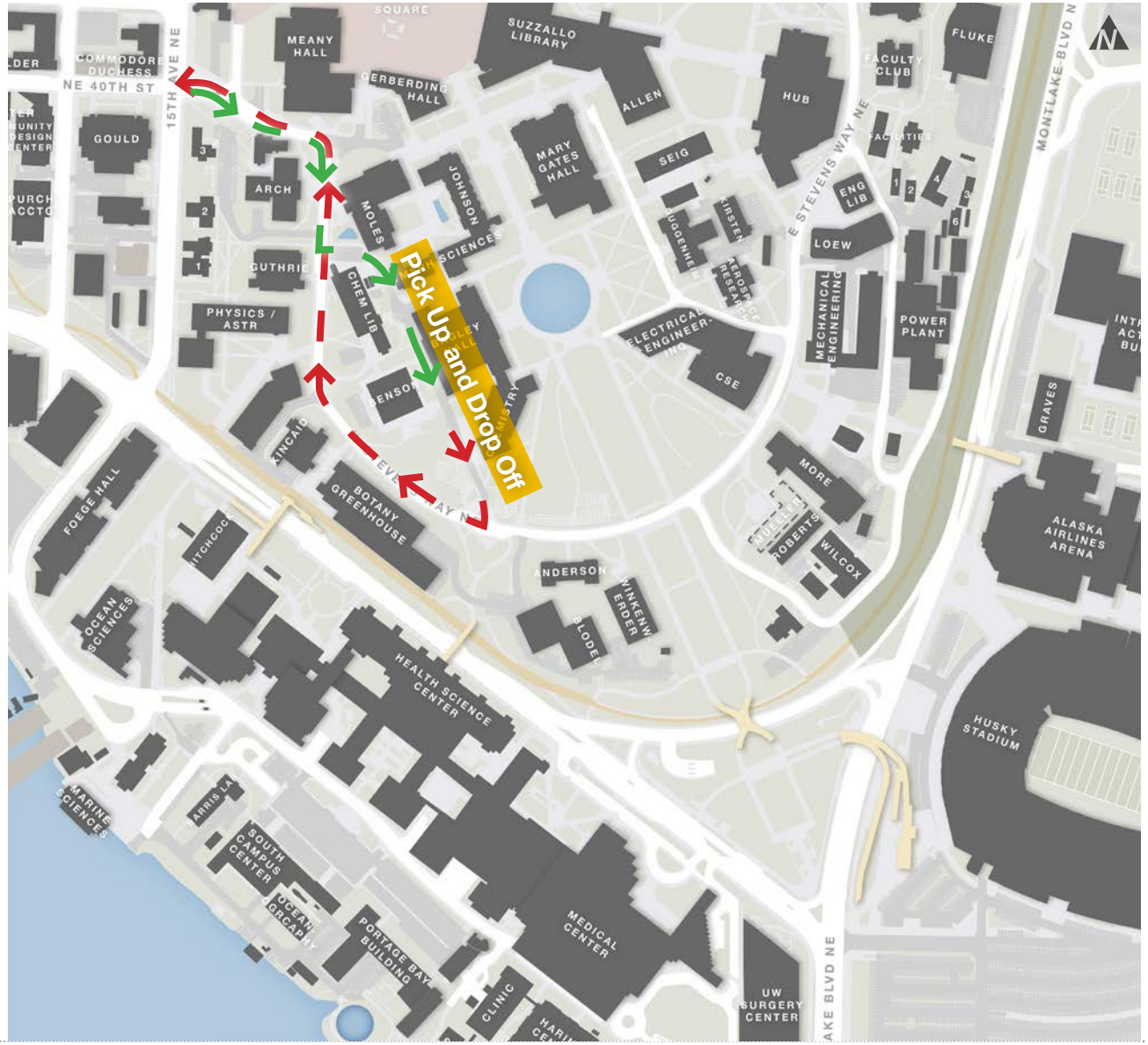
## POTENTIAL RIDEHAIL TRANSPORTATION STRATEGIES

1. Support the expansion of higher occupancy mobility options for ridehail (such as Uber Pool), through preferred pick-up/drop-off locations.
2. Define methods for appropriately managing ridehail services as implementing geofencing technology or “venues” functions.
3. Designate pick-up and drop-off locations away from the activity center and off city ROW to reduce conflicts with pedestrians and vehicles. Specific locations will be reviewed annually and any changes will be outlined in the operations plan.
4. Designate staging area(s) if pick-up and drop-off locations are not able to accommodate demands.
5. Implement temporary wayfinding to direct event attendees to the designated areas, via routes that are designed to accommodate the pedestrian flows.
6. Work with ridehail companies to identify designated parking areas to accommodate vehicles.

No significant differences in the TMP strategies for weekday or weekend games are anticipated.

For smaller events, the strategies for larger events will be scaled and adjusted to meet the event needs.

Figure F: Ridehail Pick-Up/Drop-Off Area (2018 Season)



# BOATS

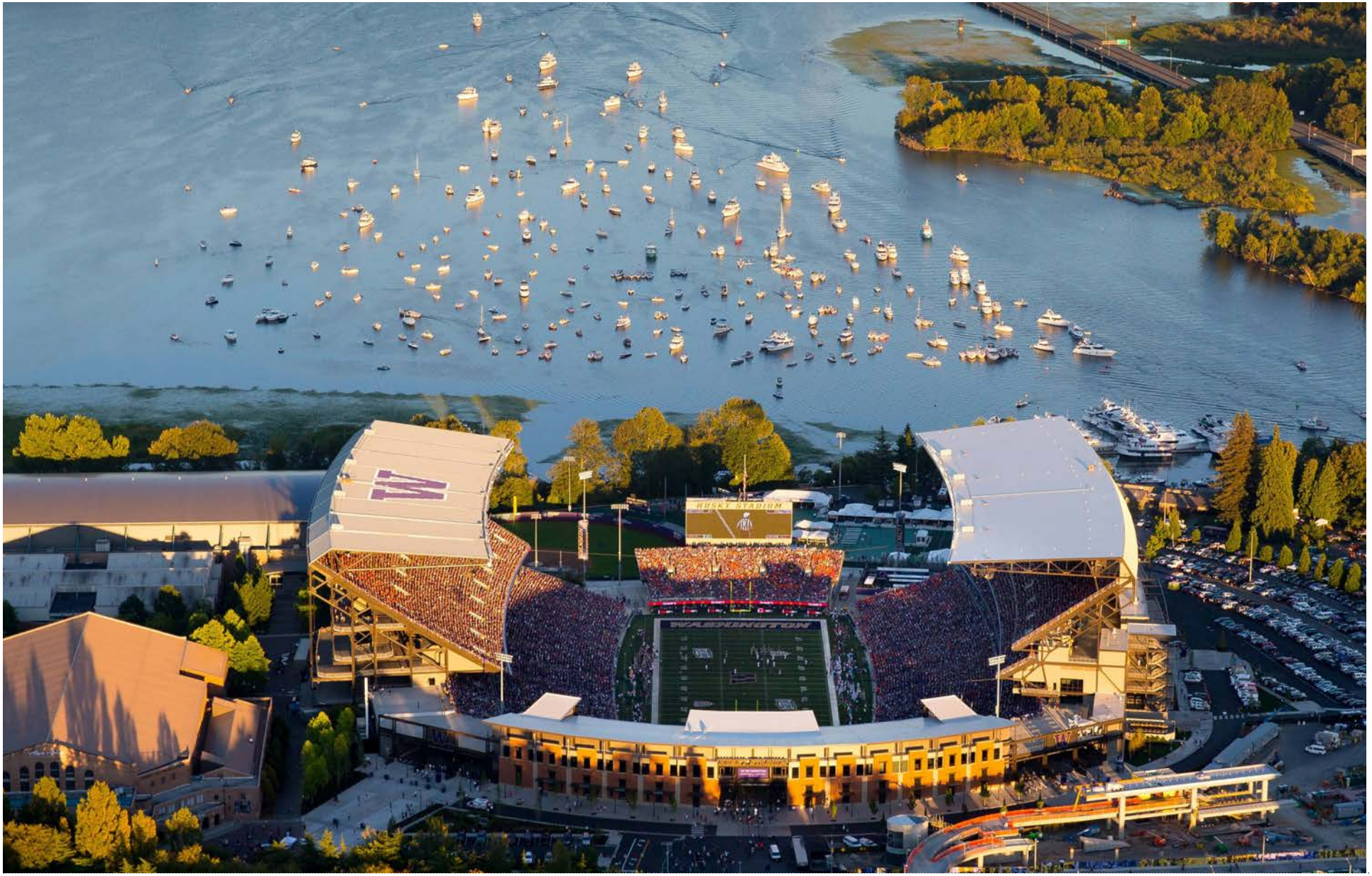
Use of Husky Harbor is a unique and popular form of transportation to Husky Stadium on game day. The unique location allows UW to offer another alternative, non-auto mode of travel. The UW hosts charter boats from local restaurants and hotels, private yachts on the dock as well a water taxi service to boats that have dropped anchor in Union Bay.

As of the 2018 season, all dock space was sold out for every game for both charter boats and private boats. Approximately 150 boats dock on game days and all dock space is utilized around the Waterfront Activities Center (WAC) and Conibear Shellhouse. In addition, water taxi service is also provided for boats that anchor in Union Bay and up to 1,000 people per game are transported from their boat to land by this service.

Private charter boats also dock in Husky Harbor. A maximum of five private charter boats carrying between 100 - 350 passenger each can fit in the designated dock space for charter boats. In addition, the Stadium can accommodate some additional charter boat drop-offs; however, there historically has not been an increased demand for private charter boats. These private charter boats operate to generate a profit, so the limited number that occur on game day is likely due to a lack of demand that does not offset the high cost of operating a charter boat. Weather and game times also play a significant factor such that late season games are not as well attended by boaters due to the potential for unsafe travel conditions with bad weather.

## POTENTIAL BOAT MANAGEMENT STRATEGIES

1. Manage boat reservations/permitting and docking area to minimize conflicts between vessels and ensure there is sufficient space for docking.
2. As required, coordinate with Seattle Fire Department to provide land and water coverage during events.
3. Support water taxis services for anchored boats by providing dock space and coordinate with services to increase space if demand warrants.
4. Promote boating as an option for transportation to the game and provide information on private charter boats.


HUSKY STADIUM
WASHINGTON

# PARKING MANAGEMENT

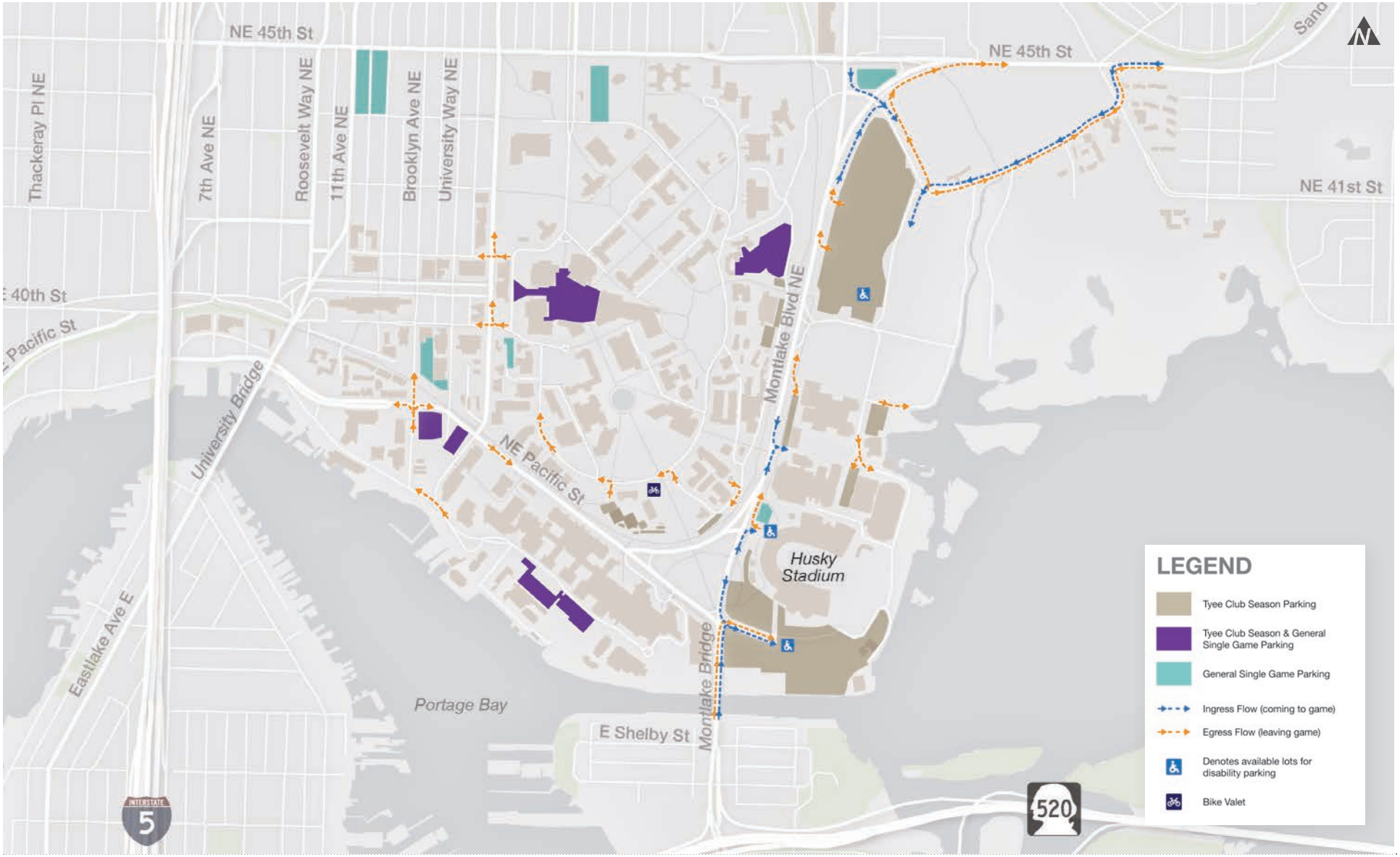
UW Athletics manages the campus parking supply with UW Transportation Services during large events in a variety of ways to reduce vehicle parking in neighborhoods. Pricing is used to incentivize carpools with three (3) or more passengers (as of 2018). The University continues to financially support Residential Parking Zones to better protect surrounding residential neighborhoods. The specific zone boundaries are determined by the City of Seattle. Each season, game dates are updated on parking restriction signs in these neighborhoods. The UW also actively encourages game-day use of the major parking lots on campus as shown in Figure G.

## POTENTIAL PARKING MANAGEMENT IMPROVEMENT STRATEGIES

1. Monitor carpool user rates and change the rates as needed to incentivize more riders per vehicle.
2. Develop designated carpool parking areas with closer access to the stadium to incentivize that mode choice.
3. Set parking prices to incentivize transit use.
4. Continue to monitor available parking as new academic development occurs on campus. Campus parking should be maximized, and tailgating areas adjusted as necessary to prevent parking spillover into neighborhoods.
5. Work with off-site parking providers with surplus capacity adjacent to transit stations to provide information to fans about convenient and competitive parking options.
6. Continue to explore alternatives to tailgating that do not require a personal vehicle.
7. Provide open source and real-time parking information related to events for application developers.

For weekday events, non-stadium use of campus lots is higher than for the weekend games due to the regular operations of the academic quarter. This requires specialized communication with campus commuters. The UW will proactively manage the use of the lots located north and south of the stadium along Montlake Boulevard for weekday event days. This could include restricting student, staff, and faculty parking in these lots the day of the event, as done historically. The UW also actively promotes flexible work hours on days with larger events in order to reduce campus demand for parking.

**Figure G: Husky Stadium Game Day Parking**



# OUTREACH AND EDUCATION

Outreach and education is essential for encouraging and supporting travel behavior choices that help meet TMP goals. The UW conducts several outreach programs to inform event attendees and campus community. Outreach timing and content is informed by the UW's knowledge of the schedule for the upcoming football season, the projected date of Commencement and other special events.

## POTENTIAL OUTREACH AND EDUCATION STRATEGIES

1. Proactively communicate upcoming event schedules to the campus community, surrounding neighborhood community, and key stakeholders surrounding the stadium (i.e. UW and Seattle Children's hospitals).
2. Aggressively promote non-auto mode travel to ticket buyers through ticket information, website, and additional promotions.
3. Provide open source and real-time parking information related to events for application developers.
4. Provide communication and a marketing campaign to promote non-auto travel and inform non-event travelers of alternative options and routes.
5. Work with transportation agency providers to promote non-auto options.
6. Encourage multimodal trip chaining such as train-to-bus or bus-to-bike.
7. Educate and encourage employees on non-auto options for traveling to the stadium, particularly for weekday event conditions.
8. Work with off-site parking providers adjacent to transit stations to provide information to fans about convenient and competitive parking options.
9. Provide information about ride-match opportunities for stadium event employees.

For weekday events, non-stadium use of campus lots is higher than for the weekend games due to the regular operations of the academic quarter. This requires specialized communication with campus commuters. The UW will proactively manage the use of the lots located north and south of the stadium along Montlake Boulevard for weekday event days. The UW also actively promotes flexible work hours on days with larger events in order to reduce campus demand for parking.

# ANNUAL SURVEY/ REPORTING

UW Athletics will monitor and report annually on performance related to the goals outlined in this TMP. The annual report will be informed by observed conditions, feedback from TMP partners, including surrounding neighborhoods, and surveys. UW Athletics will conduct an annual survey and provide the results to the Stadium TMP Technical Advisory Group. The survey will be captured through an attendee intercept process as attendees enter the stadium. Due to the higher volume and compressed nature of pedestrian flows under post-event conditions, intercept surveys would not be conducted under post-event conditions.

The parameters of the annual survey include the following:

- Conduct the survey for a single weekend football game and for a weekday football game for years that a game is played
- Conduct the survey when UW fall quarter classes are in session
- Conduct the survey for a game against a conference opponent
- Survey questions should capture the following:
  - Identify arrival and departure mode choice, specifying “last mile” mode characteristics
  - Identify average vehicle occupancy
  - General location of attendee parking
  - Usage of ridehailing services
  - Specific mode of public transit (i.e. bus, light rail)

In addition to information collected via the intercept survey, additional data will be collected to evaluate the effectiveness of the TMP/Annual Operations Plan and provide information on revisions to the operations plan for the following year.

Data collected to monitor performance of the TMP may include:

- Time to clear the Stadium plaza area as it relates to the University of Washington light rail station activity
- Pedestrian queuing at near-by transit stops (time to clear pedestrians)
- Summarize game day ridership numbers, ridehailing activity, and operational issues, if present
- Post event traffic volumes

# ANNUAL OPERATIONS PLAN

UW Athletics will prepare an annual operations plan identifying the specific operational elements of the TMP. This plan will be drafted by UW Athletics in coordination with representatives from the area transportation and public safety agencies. The operations plan will be informed by the results of the previous year's intercept survey and observed operations, the football season schedule, any changes to the background transportation infrastructure or service, feedback from transit partners and neighborhoods, and will address TMP strategies to achieve the performance goals outlined in this TMP. The operations plan will be provided to the Stadium TMP Technical Advisory Group for review and approval.

Specific elements of the plan may be revised year to year based on consideration of the previous year's operations and progress towards meeting the performance goals. A general framework of the annual operations plan includes the following and may be modified as needed to meet current need:

**Table 3: Focus of the Annual Operations Plan**

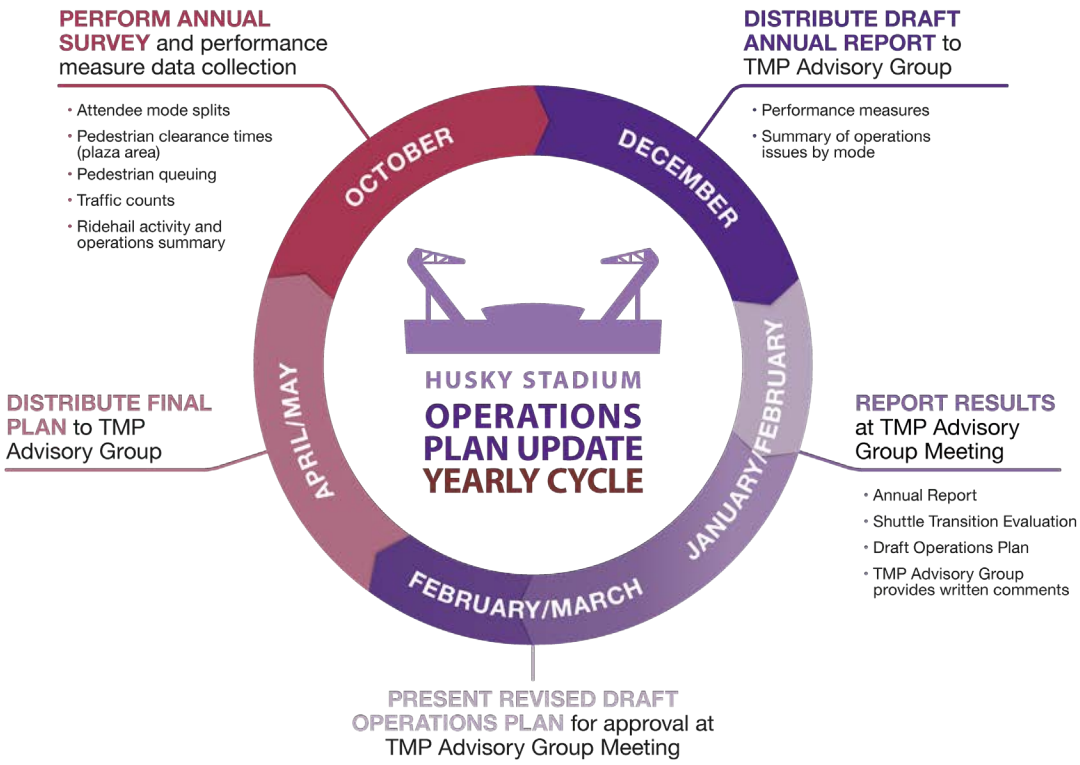
| Operations Plan | Focus |
|---|---|
| Traffic Control | • Identify intersections and traffic management strategies for each<br>• Staffing plan<br>• Schedule |
| Transit | • Identify transit staging areas<br>• Identify changes to special services<br>• Coordination plan for added capacity on existing service or special service<br>• Staffing/communication plan<br>• Confirm staging/layover areas<br>• Coordination plan with ST (train service/ pedestrian management in the plaza) |
| Communication Plan | • Identify key stakeholders<br>• Identify key activities for outreach and education |
| Parking | • Staffing plan<br>• Identify management responsibilities or restrictions at key lots |
| Bicycle/ Micromobility Management | • Identify bike valet location and staffing<br>• Bike share management provisions<br>• Coordinate with bike share companies |
| Ridehail Transportation | • Coordinate with ridehail companies<br>• Identify and confirm management strategies, including staging areas and staffing<br>• Collaborate with the Technical Advisory Group on staging areas |
| Boating | • Staffing and game day management plans for Husky Harbor |
| Pedestrian | • Review traffic control plans for any locations not identified for vehicular management<br>• Identify any plaza/light rail pedestrian management strategies |

# STADIUM TMP TECHNICAL ADVISORY GROUP

The UW will convene and facilitate a Stadium TMP Technical Advisory Group, which will meet at least twice per year. The group will be composed of representatives of the UW, SDCI, SDOT (chair), SPD, WSDOT, King County Metro, Sound Transit, and the City-University Community Advisory Committee (CUCAC) representative (or successor agencies), as well as other necessary governmental agencies. The purpose of this group is to review the annual report and determine whether satisfactory progress towards the goals of the TMP are being met, and whether changes to the TMP or modifications to the annual operations plan are necessary.

Figure H illustrates the operations plan anticipated yearly cycle (as of 2018).

**Figure H: Operations Plan Update Yearly Cycle**



# FINANCIAL OBLIGATIONS

This Transportation Management Plan outlines the goals and strategies intended to reduce auto related travel modes to Husky Stadium events and reduce the effects to the surrounding community. Elements directly associated with game day operations, including parking management and traffic control have been identified in the plan. Costs directly related to game day operations, including parking management, traffic control personnel, traffic control plan approval, and traffic control devices will be the responsibility of the UW. Strategies necessary to achieve the stated goals of the plan will also be funded by the UW. These could include programs or other capital investments necessary to achieve the goals. If capital improvements are implemented that also benefit the broader transportation network during non-game days/time, a cost sharing model may be discussed with the City of Seattle on a case-by-case basis.

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| SDOT | Chris Gregorich/206.850.1468 | Aaron Blumenthal/206.233.2656 |

** 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

**Legislation Title:** A RESOLUTION relating to the University of Washington Husky Stadium Transportation Management Plan; approving a revised framework document that includes performance standards and access management strategies to be included and detailed in an annual operating plan for certain events at the stadium; and superseding Resolution 27435.

**Summary and background of the Legislation:** The attached Resolution would supersede Resolution 27435 which was passed and implemented in 1986, adopting an updated Transportation Management Plan (TMP) for Husky Stadium football games and the annual commencement ceremony.

The 1986 resolution adopted a TMP for Husky Stadium specifying that it could be amended only by action of the City Council after review and recommendation of a Technical Advisory Group (TAG), though the staff-level TAG was also empowered to grant temporary waivers of TMP provisions. After granting three multi-year waivers of a transit scrip provision included in the 1986 TMP, the TAG, made up of staff from UW, City of Seattle and transit agency partners, agreed that it was past time to adopt a new TMP to better reflect changed conditions, especially an expanding light rail system with direct access to the stadium; provide the kind of flexibility incorporated into TMPs at other large event facilities; implement more effective strategies for minimizing automobile use by event attendees; and utilize updated metrics for determining success. UW staff have consulted with neighbors and worked closely with City and transit agency staff to develop the new TMP attached to this Resolution that better reflects an expanding regional light rail system that provides fans with access right to the stadium's doorstep and will allow UW and the City to better achieve mutual goals to reduce game day automobile usage while maximizing occupancy of remaining auto trips, along with the duration of the accompanying traffic disruptions that are felt before games and, even more so, after.

University of Washington has consistently met or exceeded expectations set in the existing TMP in terms of both transit ridership and game day parking impacts. Through updated mode shift and operational goals along with a process for community and agency involvement in developing an Annual Operations Plan, the revised TMP accompanying this Resolution provides more realistic framework for reducing event-related traffic impacts from auto trips as the light rail system continues to expand and as fans embrace other new options for accessing football games and the annual commencement ceremony.

As stated in Sec. 5 of the Resolution, UW will be responsible for covering any costs associated with implementing the Operations Plan and transportation management activities related to Stadium events.

## 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?**
No.

### 3.a. Appropriations

**___ This legislation adds, changes, or deletes appropriations.**

### 3.b. Revenues/Reimbursements

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

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

| Fund Name and Number | Dept | Revenue Source | 2021 Revenue | 2022 Estimated Revenue |
|---|---|---|---|---|
| Transportation Fund – 13000 | SDOT | UW Reimbursement | $61,200 | $64,260 |
| **TOTAL** | | | **$61,200** | **$64,260** |

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

**Revenue/Reimbursement Notes:** 2022 estimated revenue is a 5% increase over 2021.

| | 2021 |
|---|---|
| SDOT RPZ update | $ 25,000 |
| SDOT Signal Ops | $ 14,000 |
| SDOT Traffic Control support | $ 12,000 |
| Subtotal | $ 51,000 |
| Contingency (20%) | $ 10,200 |
| SDOT estimated total | **$ 61,200** |

## 3.c. Positions

___ **This legislation adds, changes, or deletes positions.**

## 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. 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?**
The new Husky Stadium TMP is intended to encourage expanded, more affordable, non-motorized access to events at the stadium, including from more affordable areas to the north and south of the stadium, particularly with the opening of Federal Way and Lynnwood Sound Transit Link stations in 2024.

**f. Climate Change Implications**

1. **Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
   The attached TMP is intended to shift more of the attendance at Husky Stadium major events from auto to transit and other non-auto modes, while also maximizing occupancy of auto trips which should reduce both overall and per-person vehicle miles travelled, thereby reducing GHG emissions.

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.**
   Impacts are related to reducing emissions rather than mitigating them.

**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).**

## List attachments/exhibits below:

SEATTLE CITY COUNCIL
CENTRAL STAFF

August 11, 2021

**M E M O R A N D U M**

**To:** Transportation and Utilities Committee
**From:** Calvin Chow, Analyst
**Subject:** Resolution 32016 - Husky Stadium Transportation Management Plan Update

On August 18, 2021, the Transportation and Utilities Committee will consider and possibly vote on Resolution 32016 to approve an updated transportation management plan (TMP) for the University of Washington's (UW's) Husky Stadium. If adopted, the updated TMP would replace the TMP that was previously approved by Council in 1986. The updated TMP would establish new mode-split performance goals for Husky Stadium attendees, re-establish the Technical Advisory Group to oversee implementation, and require annual reporting of performance.

**Background**

In 1986, the Council adopted Resolution 27435 approving the Husky Stadium TMP as part of the UW's expansion of seating capacity at Husky Stadium. Prior to the Husky Stadium seating expansion, 76 percent of game-day attendees arrived by automobile. The 1986 TMP established a goal of 71 percent of game-day attendees arriving by automobile. To achieve this goal, the 1986 TMP identified several strategies including a transit script program (free bus ride included in the game ticket), expanded transit service ("Husky Special" charter buses), a discount carpool program, ride-matching, marketing, traffic enforcement, and parking management.

Resolution 27435 also established a Technical Advisory Committee process to review implementation of the plan on an annual basis.[1] The Technical Advisory Committee is empowered to make temporary modifications of the TMP, but Resolution 27435 requires that any permanent substantive changes be approved by the Council.

Over time, the surrounding conditions and options for accessing Husky Stadium have changed, and the 1986 TMP is now out of date. In 2019, 48 percent of game-day attendees arrived by automobile, reflecting the availability of new transportation options such as increased availability of King County Metro (Metro) bus service, the adjacent Sound Transit light rail station, micro-mobility bikes and scooters, and ride-hailing services. The UW regularly exceeds the automobile mode-split goal of the 1986 TMP, and the 1986 TMP no longer provides meaningful guidance on transportation management activities for Husky Stadium.

Since Council's approval of the Husky Stadium TMP in 1986, requirements for TMPs have become part of the City's codified development regulations. Typically, the need for a TMP is identified during State Environmental Policy Act (SEPA) review of proposed development and is

[1] The Technical Advisory Committee includes representatives from City departments, UW, Washington State Department of Transportation (WSDOT), Metro, and the City/University Community Advisory Committee (CUCAC).

required as a Master Use Permit (MUP) condition. TMPs are also required as part of major institution master plans. While there is no proposed development action for Husky Stadium, the Seattle Department of Transportation (SDOT) and UW have submitted legislation to adopt an updated TMP for Council's consideration.

**Proposed Updated TMP**

Recognizing that current transportation conditions and operations around Husky Stadium no longer fit within the context of the 1986 TMP, the UW began developing an updated TMP proposal in 2017 and completed an Environmental Impact Statement (EIS) in 2018. The UW conducted public outreach through the City/University Community Advisory Committee (CUCAC) and to surrounding neighborhood and community organizations.

The updated TMP establishes two primary performance goals and re-establishes a Technical Advisory Group to monitor implementation of the TMP and to approve an annual operations plan for Husky Stadium. The updated TMP also acknowledges that costs directly related to game day operations are the responsibility of the UW. Capital improvements which also benefit the broader transportation network during non-game days may be cost shared with the City on a case-by-case basis, but there are no specific City obligations identified in the TMP.

Goal 1 of the updated TMP is to reduce automobile usage by event attendees. The updated TMP includes separate non-automotive mode-split goals for football events and for non-football events, as shown below. The updated TMP identifies the 2019 baseline mode-split and establishes progressively higher performance goals corresponding to the expansion of the Sound Transit light rail system. For weekend football games, the 2019 baseline was a 52 percent non-automobile mode-split. The proposed performance goals are 54 percent one-year after opening of Northgate Link service, 58 percent after Lynnwood Link service, and 62 percent after Everett Link service.

## GOAL 1. Reduce Auto Usage by Event Attendee

Table 2a: TDM Goals for Non-Auto Modes of Travel - Football Events

| Target Year | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2019 | | 1-yr following opening of Northgate Link (estimated at 2021) | | 1-yr following opening of Lynnwood Link (estimated at 2024) | | 1-yr following opening of Everett Link service (estimated at 2035) | |
| Weekday | Weekend | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend |
| 61% | 52% | 63% | 54% | 65% | 58% | 67% | 62% |

Table 2b: TDM Goals for Non-Auto Modes of Travel - Non-Football UW Events & Non-UW Events

| Attendance Level | Target Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | | 1-yr following opening of Northgate Link (estimated at 2021) | | 1-yr following opening of Lynnwood Link (estimated at 2024) | | 1-yr following opening of Everett Link service (estimated at 2035) | |
| | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend | Weekday | Weekend |
| 15,000 - 24,000 | 35% | 30% | 37% | 32% | 39% | 34% | 41% | 36% |
| 24,000 - 42,000 | 47% | 36% | 49% | 38% | 51% | 40% | 53% | 42% |
| 42,000+ [1] | 61% | 52% | 63% | 54% | 65% | 58% | 67% | 62% |

Goal 2 is to reduce the duration of event-related mobility disruptions in the surrounding subarea. The updated TMP establishes a preliminary target of returning traffic to non-event conditions within 60-75 minutes after an event for a subarea defined by Interstate 5, NE 55th Street, 40th Avenue NE, and State Route 520.

Specific performance measures to manage event-related mobility disruptions (such as pedestrian clearing times at transit stops, clearance times of transit vehicles, length of ride-hailing vehicle queues, and post-event traffic operations) would be established by the Technical Advisory Group. The updated TMP acknowledges that additional data collection is necessary to establish the baseline traffic conditions within the subarea, and that the preliminary target will be reassessed once the baseline is established.

To meet the two primary performance goals, the updated TMP identifies potential strategies for transit, pedestrians, bicycles/micro-mobility management, general purpose vehicles, ride-hail transportation, parking, boats, and outreach/education. The UW would develop an annual operations plan identifying specific implementation measures, which would be submitted to the Technical Advisory Group for approval.

**Proposed Legislation**

The proposed legislation before Council would:

- Approve the updated TMP document to replace the 1986 TMP.
- Re-establish the Technical Advisory Group to include representatives from SDOT, Seattle Department of Construction and Inspections (SDCI), Seattle Police Department (SPD), WSDOT, UW, Metro, Sound Transit, and CUCAC. The Technical Advisory Group would meet at least twice a year to review performance for the past year and approve the operations plan (consistent with the approved TMP) for the upcoming year.
- Require an annual report of the past year's performance measures, including the results of a travel mode survey of attendees for at least one Pac-12 Conference weekend game and at least one weekday game (if one occurs). The report must include operations feedback from agency partners and feedback from surrounding neighborhoods via outreach to community groups.
- Require that UW submit an operations plan to the Technical Advisory Group for approval. The operations plan would describe the strategies and tactics for reducing single occupancy vehicle trips to meet the TMP's performance goals.
- Affirm that costs associated with the operations plan and transportation management activities related to stadium events are the responsibility of UW.

**Policy Considerations**

The proposed updated Husky Stadium TMP conforms with the structure of other TMPs for stadiums and major institutions that have been established as part of development actions or major institution master plans. These TMPs generally seek to establish mode-split goals, identify strategies to meet those goals, and provide for on-going monitoring and reporting on performance. The use of a Resolution as the legislative tool to authorize approval of the updated Husky Stadium TMP is unusual, but it follows the direction of the previous 1986 Council action. The existing TMP Technical Advisory Committee has been engaged in developing the proposal and recommends approval of the updated TMP.

If the updated TMP is approved, the UW intends to fund $400,000 of signal upgrades and traffic cameras to provide more tools to manage game day operations and gather baseline data on traffic conditions.[2] This funding agreement is not specifically identified in the updated TMP or in the proposed legislation but was a recommendation from the existing TMP Technical Advisory Committee to support the updated TMP. Other funding items may be identified by the Technical Advisory Group in the future.

The proposed legislation provides an opportunity for Council to emphasize or highlight specific elements of the TMP, if desired. The proposed TMP's final performance goal would be

[2] SDOT would seek reimbursable budget authority for these capital contributions through separate legislation.

established one year after the opening of Everett Link light rail service (estimated to be 2035). As conditions and expectations will continue to change over time, Council may wish to consider adding a provision to reassess the TMP by a future date. Central Staff is available to assist in developing any potential amendments to the legislation.

Please contact me if you have any questions or concerns.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

**Husky Stadium Transportation Management Program (TMP)**

**Comparison of 1986 TMP to Proposed 2020 TMP**

| | 1986 Husky Stadium TMP | 2020 Husky Stadium TMP |
|---|---|---|
| **Authority & Structure** | | |
| **Overview** | City Resolution 27435 recognizes a detailed TMP and Operational Supplement (OS). The TMP established specific transportation and parking management requirements. Key components of the TMP including an introduction with "major" and "secondary" goals, major plan elements, traffic control discussion, parking programs, monitoring program, and a discussion of operating costs and revenue generation.<br><br>The OS describes additional details of game day mobility operations. This included roadway operations, parking lot designations, bus routes – little of which match current operations. The OS could be modified only through an "administrative process satisfactory to the University, DCLU and SED." In practice, this has occurred at the staff level with SDOT and SPD. | A City Resolution would be adopted to recognize a high-level strategic framework TMP for all events with over 15,000 attendees that includes updated approach, goals and strategies. The TMP includes an outline of an annual operation plan. However, a detailed operation plan would not be adopted by City Council.<br><br>The TMP will be operationalized each year through an annual Operations Plan informed by data, attendee survey, partner agency feedback, and by a standing advisory. Specific strategies and operations could be administratively amended to meet changing mobility trends and infrastructure affecting how game attendees travel.<br><br>(No change to the stadium capacity proposed at this time.) |
| **Applicability and Thresholds** | Non-UW Events with over 24,000 expected attendance requires City Council approval (pg. 4 resolution). Documents do not address the number of UW events allowed and other thresholds related to attendance levels or event frequency.<br><br>An impact area to be defined by a technical group. A special events parking area is also designated and mapped. | Clarifies that TMP provisions are required for any event with over 15,000 attendees. Establishes clearer attendance thresholds and allows up to 8 non-football events per year without City Council approval (pg. 3 of TMP). To be authorized, these events must be included the annual operational plan review.<br><br>The TMP renames the impact areas instead to "areas of traffic control" plus additional areas as defined by the annual Operations Plan in coordination with SPD. |
| **How is the TMP Is Operationalized?** | | |
| **Overview** | In practice, an operations plan has been developed internally by UW every spring using attendee survey results and feedback from partner agencies.<br><br>The technical group and advisory group did not regularly convene to review data as described in the resolution (pg. 5 and 6). No program | The TMP requires that an annual Operations Plan be developed incorporating data and feedback from attendees (survey), agency partners, and the community, with review and feedback from the Technical Advisory Group. This annual Operations Plan contains the detailed approach for the coming season (including the Traffic Control Plan). The sections of the annual Operations Plan mirror the strategies of the TMP and spell out in detail the approach for weekend and any weekday games and non- |

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| | modifications were requested until 2012 when a temporary exemption from transit scrip was reviewed and approved. | game events in the coming season. It also clarifies roles of any identified operational partners including any relevant cost reimbursement considerations for public agencies. |
| **Annual Review Groups and their Roles** | Two tiers of committees.<br>1. Technical Group – DCLU (SDCI), SPD and SED (SDOT) plus UW, Metro, WSDOT and "other necessary government agencies." Supposed to submit a report by March 1 of every year to the next level, the Advisory Group.<br>2. Advisory Group – Same agencies plus CUCAC, and chaired by SED (SDOT). Intended to receive annual findings from the Technical Group. Also, receives any recommendations from the Technical Group for changes to the TMP.<br><br>1986 TMP says Advisory Group will meet in the spring and review "the transportation program" each year. The UW has met annually with agency partners for operational plans and review. The Advisory Group has not met in the past decade. | UW will convene and support an ongoing Technical Advisory Group. The Group will replace the Technical and Advisory Groups and will include representatives from SDOT, SDCI, SPD, WSDOT, UW, Metro, Sound Transit and CUCAC. It is anticipated the group would be chaired by SDOT. The Group must meet a minimum of twice per year (typically between January and May) to review an annual monitoring report from the past year and also approve an Operations Plan for the upcoming year (anticipated to be July 1 – June 30). |

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| **Annual Monitoring & Reporting** | Requires information to be gathered "each football season" that will allow the University to make adjustments to the plan to achieve desired goals. Results to be shared with Advisory Group annually by March 1.<br><br>In practice, the UW has issued the Annual Report since 1986, but the Advisory Group was not regularly convened.<br><br>Data to be collected included but not limited to:<br>• Parking data on campus including quantity, parking rate and occupancy<br>• Quantity of cars parking in neighborhoods defined in a map to assess changes and stadium event impacts. Parking enforcement data also required.<br>• Quantify of cars at leased facilities (UW Tower site was previously leased for game day parking)<br>• Traffic congestion. The technical group was to identify 10-12 locations to monitor traffic volumes and intersection delay<br>• Quantify riders on P&R bus service, charter bus, charter boat and private boat. Also, additional transit information on routing, loading and unloading and transit scrip use.<br>• Traffic impacts of non-football events with crowds between 20,000-24,000 for purposes of determining traffic impacts of simultaneous events. | Requirement of an annual monitoring report to the Technical Advisory Group (to be presented in January/February of each year). The report will be delivered before or simultaneously with the advisory group review of the proposed annual Operations Plan for the coming season. That advisory group review and approval will occur no later than April.<br><br>The annual monitoring report must include results of event attendee surveys; operations feedback from agency partners; feedback from surrounding neighborhoods via outreach to community groups, including CUCAC.<br><br>UW surveys attendees at one Pac-12 Conference weekend game per season. The survey game must fall after the start of fall quarter. Questions capture attendee mode of travel for "last mile," vehicle occupancy, general location if parked, usage of ridehail, and specific mode of public transit. UW currently is required to host a weekday game two out of every three years. Attendees of weekday games must be surveyed.<br><br>Other performance monitoring data as required by the City will be included in the report to assess traffic operations, transit operations and user experience (including data collected from transit agencies as provided), pedestrian queuing, ridehail operations, and parking management strategies.<br><br>Figure H of the TMP lays out this process and will be updated in the version sent to the City Council to reflect the advisory group's recommendation. |
| **Program Components** | | |
| **Major Goals** | Accommodate a sell-out crowd of 72,000 with less reliance on parking in residential areas through provision of incentives to ride transit, carpool, use alternative modes (boats, bicycles, walking) and to provide a limited amount of additional parking on-campus. | 1. Reduce auto usage by event attendees (see mode split targets below).<br>2. Reduce the duration of event-related mobility disruptions by targeting a return to "normal" or non-event conditions 45-60 minutes after the end of an event. |
| **Performance Goals** | <u>All events:</u><br>• Auto goal of 71%<br>• Non-auto goal of 29% | Differentiated by type of events.<br><br><u>Football</u>: |

| | | |
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| | • Average car occupancy of 2.7 people for cars parked on campus<br>• Conditionally requires average car occupancy of 2.0 for cars parked at leased parking areas and transit mode share of 9.2%<br>• Area impacted by football attendees should not exceed 1986 level by limiting increase in vehicular traffic to 6% after 1986 stadium expansion (seating increase of 23%) and limit number of parked cars in area are equal or less than 1985 levels | • Non-auto goal of 52% on weekends rising to 62% one year following opening of Everett Link service, est. 2035).<br>• New non-auto goal for occasional, required weekday games – 61% rising over time to 67%.<br><br><u>Non-football events:</u><br>Mode goal depends on size of event (see pg. 4 of the proposed TMP). Non-auto goal rises with opening of each new light rail segment. |
| **Performance Measures** | • Number of vehicles<br>• Average vehicle occupancy for cars parking on campus<br>• Number of people using public transit<br>• Charter bus patrons<br>• Number of people arriving by boat | Connected to goals and mode targets. Mode targets are set in the TMP while specific indicators of success may change over time to best capture performance. The Advisory Group will advise on indicators annually. Measures will include:<br>• Clearance time of pedestrians in Stadium Plaza area and at nearby transit stops and at light rail station;<br>• Clearance time of transit vehicles from Montlake Blvd. and return to normal operations;<br>• Post-event traffic volumes and operations at designated intersections;<br>• Ridehail event queues beyond designated drop-off/pick-up and staging areas. |
| **Strategies to Increase Transit Use** | Transit Service: A Park-and-Ride system as it existed in 1986 and the old "Husky Special Service" routes are specified in the 1986 TMP. These include P&R special service from Lynnwood, Kenmore, Northgate, S. Kirkland, S. Bellevue, Mercer Island, and Federal Way. No mechanism for change beyond a City Council approval process. | Transit Service: Currently, the Husky special service serves the following P&Rs and these may change over time to meet changing demand or lack thereof: Eastgate, Houghton/Kingsgate, S. Kirkland, Shoreline, Northgate and Redondo Heights. The proposed TMP lays out steps UW will take to evaluate game day bus service annually and when new regional light rail stations open that may be redundant to transit routes or special service to P&Rs. UW will evaluate ridership patterns with SDOT, Metro and Sound Transit, and determine if redundant service should be eliminated and/or additional feeder service should be deployed. Potential changes will be evaluated through annual monitoring process and considered in the annual Operations Plan. |
| | Transit Scrip: A requirement that UW provide "free transit scrip" for each "football game ticket purchaser." The University has operated with a temporary waiver of this requirement since 2012. | New TMP deletes transit scrip requirement. Emphasizes maximizing light rail and optimizing bus transit for peak event hours; aggressive event mobility communications; improved ped/bike and other linkages to transit; reducing mode conflicts around UW Station; promoting advance transit ticket sales (details in the |

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| | | annual Operations Plan); encouraging UW employees to use non-auto modes to stadium events. |
| **SOV Reduction Strategies** | Carpooling and Ridematching: Parking rate differentials between carpools (3 or more occupants) and 1- or 2-person vehicle. | The new TMP includes shared use and ridehail use which is emerging as a significant mode of travel to events. Built upon current successful strategies, manages use through better pick-up/drop-off locations; utilize geo-fencing to minimize ridehail vehicles in immediate stadium area; work with ridehail companies on pick-up/drop-off and ingress/egress routes; work with ridehail companies to prioritize higher occupancy ridehail vehicles and discourage single rider ridehail use (most ridehail use at football games are not by single users). Single rider or undocumented occupancy will be considered an auto trips for TMP goal evaluation<br><br>To encourage higher occupancy in private vehicles, the new TMP identifies an increase in carpool rates and carpool parking locations at UW lots as needed to incentivize higher occupancy (see parking management section); |
| **Parking Strategies** | • Increased on-campus parking supply and leased parking space.<br>• Parking programs addressing campus parking, off-campus leased parking, neighborhood parking and charter bus parking.<br>• Measures to dissuade game attendees from parking in surrounding neighborhoods and depict quick travel routes from parking lots to freeways.<br>• Enforcement is conducted in no parking areas surrounding the stadium and in the adjacent neighbor RPZs. | • Set parking prices to incentivize transit use<br>• Get people off of the city grid by continuing to maximize campus parking, encouraging advanced parking sales so people already know where they are going, social media updates, direct attendees to campus where they are filtered within campus to fill campus lots, and directional information.<br>• Utilize off-site parking providers as available<br>• Explore tech solutions that could provide real-time information to discourage people from considering neighborhood parking.<br>• Enforcement is conducted in no parking areas surrounding the stadium and in the adjacent neighbor RPZs.<br>• Neighborhood “no parking” signage: the University continues to financially support Residential Parking Zones to better protect surrounding residential neighborhoods throughout the year. The specific zone boundaries are determined by the City of Seattle. Each football season, game dates are updated on parking restriction signs in these neighborhoods to expand the no parking hours to include game times within the existing RPZs. |

| | | |
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| **Strategies to Promote Non-auto Travel** | Marketing to promote non-auto travel, including promotional mailers to all ticket holders, public service announcements on local radio and TV stations and at the stadium events, and special promotions for the P&R and other transit service. | Outreach and Education – Proactively communicate with event attendees about game schedules and non-auto mobility options; incentivize event day staff to use non-auto modes.<br>The new TMP specifically addresses strategies for pedestrians and use of bicycles.<br>• Pedestrians – Improving ped environment around the Stadium; reducing conflicts at intersections; minimizing transit wait times; optimizing ped flow protocols around light rail train capacity.<br>• Bicycles and Bike share, and micromobility management– Reduce bike conflicts with other modes; continue and possibly expand bike valet service; enhance other bike storage/parking options; proactively intercept and manage bike share and micromobility users before they reach the Stadium.<br><br>Boats continue to be addressed in the TMP:<br>• Boats – minimize conflicts between vessels and available dock space; support game-day water shuttles from Husky Harbor to Waterfront Activity Center and nearby docks; promote boating as a non-auto option. |
| **Traffic Control Plan** | Detailed in the Council adopted TMP and Operational Supplement | Details will be in the Operations Plan that will be administratively reviewed and approved annually. Changes in traffic operations management would reflect changing traffic conditions in the City.<br><br>The new TMP addresses these general principles: encourage non-auto travel; accommodate access though Stadium area for freight, transit and emergency services reaching UW Medicine and Seattle Children's; manage intersections for safety and flow; set parking prices to incentivize higher occupancy. |

RESOLUTION No. 27435

A RESOLUTION relating to the University of Washington Stadium Expansion Parking Plan and Transportation Management Program.

4-8-86 AS ENGROSSED (3-0)
DIVIDED REPORT - FUNDING ALTERNATIVE
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| Introduced: 3-24-86 | By: Gibson |
| Referred: 3-24-86 | To: Trans |
| Refewed: 4-14-86 | To: full Council |
| Reported: APR 21 1986 | |
| Passed: APR 21 1986 | Signed: APR 21 1986 |
| Filed: APR 21 1986 | Published: |

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RESOLUTION 27435

A RESOLUTION relating to the University of Washington Stadium Expansion Parking Plan and Transportation Management Program.

WHEREAS, the University of Washington is a major institution as defined under SMC 23.48.02;

WHEREAS, Husky Stadium is a part of the University of Washington and has an existing seating capacity of 58,500 and is seeking to expand its seating capacity by an additional 13,700 seats;

WHEREAS, the City-University Agreement approved under Ordinance 111113 provides that mitigation actions for traffic impacts associated with any expansion of the Husky Stadium will be addressed through a workable parking plan and traffic management program for the facility to be reviewed in accordance with then City procedures;

WHEREAS, SMC 23.48.18 provides that any stadium containing 20,000 or more seats seeking a master use permit shall submit to the City Council a workable parking plan and parking management program describing the location of available off-street parking, the means by which persons will commute between the required parking areas and the facility, and parking and traffic alternatives;

WHEREAS, the Director of the Department of Construction and Land Use has prepared a report and recommendations on the University's Stadium Expansion Parking Plan and Transportation Management Program and has advised the City Council as to the adequacy of and workability of the Program as required by SMC 23.48.18;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE WITH THE MAYOR CONCURRING:

That the University of Washington Stadium Expansion Parking Plan and Transportation Management Program hereafter referred to as the Plan and the Operational Supplement hereafter referred to as the Supplement attached in C.F. 294614 are approved with the following amendments:

I. University Actions

A. Prior to Construction

1. The University of Washington shall coordinate all activities relating to the development and construction of its proposed new, wider sidewalk along the east side of Montlake Boulevard Northeast with the Seattle Engineer-

ing Department to ensure consistency with the City's actions on the University District Transportation Program.

The University of Washington shall design the proposed wider sidewalk according to Seattle Engineering Department standards and obtain Engineering Department approval of the design. The University shall obtain the necessary permits from the City to construct the sidewalk. The design shall be consistent with the City's actions on the University District Transportation Program.

B. 1986 Season

1. The University shall implement the Plan in accordance with the schedule outlined in the Supplement, provided that the charter bus, charter boat, and new carpool parking fee programs shall be fully implemented in the 1986 season.

2. Decals for the Special Events Parking Area shall be provided by the Engineering Department and distributed by the University of Washington free of charge to the residents. Details of the program shall be negotiated in an agreement between the Engineering Department and the University prior to implementation of the Special Events Parking Area.

3. Beginning with the 1986 fooball season, the University of Washington shall provide information regarding the City's increased parking enforcement efforts and game day parking restrictions to all ticket purchasers as part of its marketing efforts.

4. The University shall ensure adequate shuttle service between the Safeco parking areas and Husky Stadium. Service shall be at such levels to encourage use of the garage in order to meet the goals of the Plan. The shuttle service shall be evaluated after the 1986 football season by the advisory Group and may be modified as part of the Supplement.

5. If the University of Washington is successful in securing WSDOT approval of the proposal to cone off the outside lanes of SR-520, the UW shall implement this measure in 1986.

6. Full implementation of the Plan will occur in the year that the stadium is expanded.

C. During construction

1. Care shall be taken to maintain mud off of City streets by providing for a sawdust mat around the construction site and/or for on-site wheel washing during construction and designation of personnel specifically assigned to remove mud and debris from the streets on a continual basis. Truck beds loaded with excavation material shall be covered, when in transit off campus, to contain the material on the truck.

2. In order to minimize traffic flow disruption on Montlake Boulevard Northeast during site preparation and construction, trucks shall enter city streets only via signalized intersections. No trucks or other construction vehicles shall travel on Montlake Boulevard Northeast after 3:30 p.m. weekdays.

3. Flagpersons shall be on duty during all hours of excavation and construction activities to control traffic at all points of construction-vehicle entry to unsignalized intersections on campus.

4. Parking for all construction workers shall be provided within the construction area in lot E-10 or lot E-9, in that order of preference. Workers shall be specifically instructed not to park in nearby areas in order to carpool to the construction site. This will be emphasized by presentation of the provisions of the construction specifications and campus transportation alternatives at preconstruction meetings. If, during construction, it becomes apparent that construction workers are parking in residential areas, the UW shall take measures to curtail such activity, including written notice to and meeting with contractors and subcontractors.

D. After Stadium Expansion

1. As 24,000 spectators represents the approximate attendance which can easily be accommodated by existing, on-campus parking facilities, the UW shall secure City Council approval for any non UW events of over 24,000 expected attendance. The City Council may require the implementation of any and all reasonable, parking and transportation measures, as recommended by the Advisory Group.

2. The UW shall provide no more than the existing 350 on-campus parking spaces for the press, coaching staffs, game officials, ticket takers, vendors, and other similar game-day personnel.

3. The current staff-level coordination between SED, the Police Department and the UW for implementation of pre- and postgame traffic control plans shall continue.

4. Pedestrian access to the buses staged north of Northeast Pacific Place shall be controlled to assure that pedestrians loading onto buses do not block emergency access.

E. Monitoring Program and Assessment Criteria

1. A Technical Group shall be formed prior to the start of the 1986 football season. This Group shall be composed of representatives of the UW, DCLU, SED, SPD, WSDOT, Metro and any other necessary governmental agencies. The Group shall be responsible for overseeing the collection and review of data for the purpose of determining whether satisfactory progress towards the goals of the Plan are being met and whether changes to the Plan or modifications to the Supplement are necessary. The Technical Group may authorize the implementation of modifications to the Supplement during the football season on a temporary basis. All permanent modifications to the Supplement shall be approved by the Advisory Group.

2. Beginning in 1987, the Technical Group shall report the results of its findings from the data collected to an Advisory Group which will include one representative from the University, a representative from SED, DCLU, DCD and SPD, a representative from Metro, a represent ive from WSDOT and a representative from CUCAC. The Advisory Group shall be chaired by SED. The Technical Group shall make its report no later than March 1 of each year. The reports shall be pre-

pared by the University. The Advisory Group shall meet each year to review and assess the report of the Techical Group to determine any necessary modifications to the Supplement and to make any recommendations to the Council regarding substantive additions, deletions or alternative mitigation measures in the Plan to ensure that the goals of the Plan are being met. The proposed addition and/or deletion of alternative substantive mitigation measures to the Plan shall require City Council approval. The UW shall make modifications to the Supplement as may be required by the Technical or Advisory Group.

3. Beginning with the 1986 football season, the UW shall collect data during each football season. The data to be collected shall include but not be limited to the following as may be determined by the Technical Group:

   a. The quantity of cars parking in each campus lot and at each parking rate for each home game. A survey will be conducted at the first sellout or largest anticipated attendance home game each season to measure the average car occupancy rate for all cars parking in campus lots.

   b. The quantity of cars parking in the neighborhoods as defined in the map attached entitled Appendix A. Monitoring efforts shall also include assessment of any changes in the area, type and magnitude of impact resulting from the mitigating measures. Also the perimeter of impact and the violation rate will be monitored to determine if immediate adjustments to parking enforcement policy should be made.

c. The quantity of cars parking in the parking lot facilities leased from Safeco for each home game. A survey will be conducted at the first sellout or largest anticipated attendance home game each season to measure the average occupancy rate for all cars parking in Safeco facilities.

d. Traffic congestion and conditions before and after each home game. The Technical Group shall identify 10-12 major arterial locations for placement of traffic counters and people to monitor congestions zones. The data collected shall include traffic volumes and intersection delays.

e. The quantity of people using the P&R bus service and the charter buses, charter boats, and private boats will be counted and tabulated for the first sellout or largest anticipated attendance home game. Also, the flow of P&R, charter buses, and Metro buses into and out of the area, the dynamics of unloading and loading, and the level of transit scrip use will be monitored.

4. Prior to conducting the survey, the University shall work with SED to develop traffic monitoring and data collection criteria and reports which shall be approved by the Technical Group.

5. In addition to the responsibilites listed above, the Technical Group shall monitor the traffic impacts of any non-football event that attract crowds between 20,000 and 24,000 and report their findings to the Advisory Group for purposes of determining traffic impacts of simultaneous events. The

University shall identify critical areas to be monitored and this shall be reviewed by the Technical Group.

6. The Advisory Group shall deem the Plan to have made satisfactory progress if the following goals are achieved by the end of the 1989 football season:

a. The average car occupancy rate of cars parking on campus is at least 2.7 people per car. Less than 2.7 people per car does not mean the program is unsuccessful provided the condition described below in "d" is met.

b. The average car occupancy rate of cars parking in the Safeco parking facilities is at least two people per car. Less than 2.0 people per car does not mean the program is unsuccessful provided the condition described below in "d" is met.

c. The average transit ridership is at least 9.2 percent of game attendees. Less than 9.2 percent ridership does not mean the program is unsuccessful, provided the condition described below in "d" is met.

d. The area impacted by the football attendees shall not be larger in area or differently configured than the area currently impacted for existing capacity and attendance. This area shall be defined by a combination of 1985 attendance, parking, and traffic data and 1986 data adjusted to 1985 baseline. The Technical Group shall be responsible for defining the area impacted. This area shall not be increased over 1985 levels for the 1987 and future seasons. In addition, the number of cars parked in the area impacted shall be equal to or

less than 1985 levels, and traffic volumes in the impacted area shall not increase more than 6% above 1985 levels.

BE IT FURTHER RESOLVED THAT:

1. The Seattle Engineering Department and SPD are directed to immediately begin developing an expanded Special Events Parking Area with a residential parking exemption provision for implementation by the commencement of the 1986 football season. SED and SPD shall jointly submit the proposal to the City Council for consideration no later than July 30, 1986.

2. OMB is directed to work with the SED and the Police Department to develop a recommendation regarding the level of [illegible]ty funding needed for additional police personnel for football game days during the 1986 season to enable aggressive towing and parking enforcement in those areas where parking is restricted on game days, as well as any additional SED staff needed for the monitoring program. OMB shall submit its proposal to the City Council for consideration no later than July 30, 1986.

3. The Police Department is directed to pursue aggressive impoundment of all cars parked in violation of the Special Events Parking Area as practicable and as appropriate in keeping with any limitations on resources or conditions governing vehicle impoundments.

ADOPTED by the City Council of the City of Seattle this 21st day of April, 1986, and signed by me in open session in authentication of its adoption this 21st day of April, 1986.

President of the City Council

Filed by me this 21st day of April, 1986.

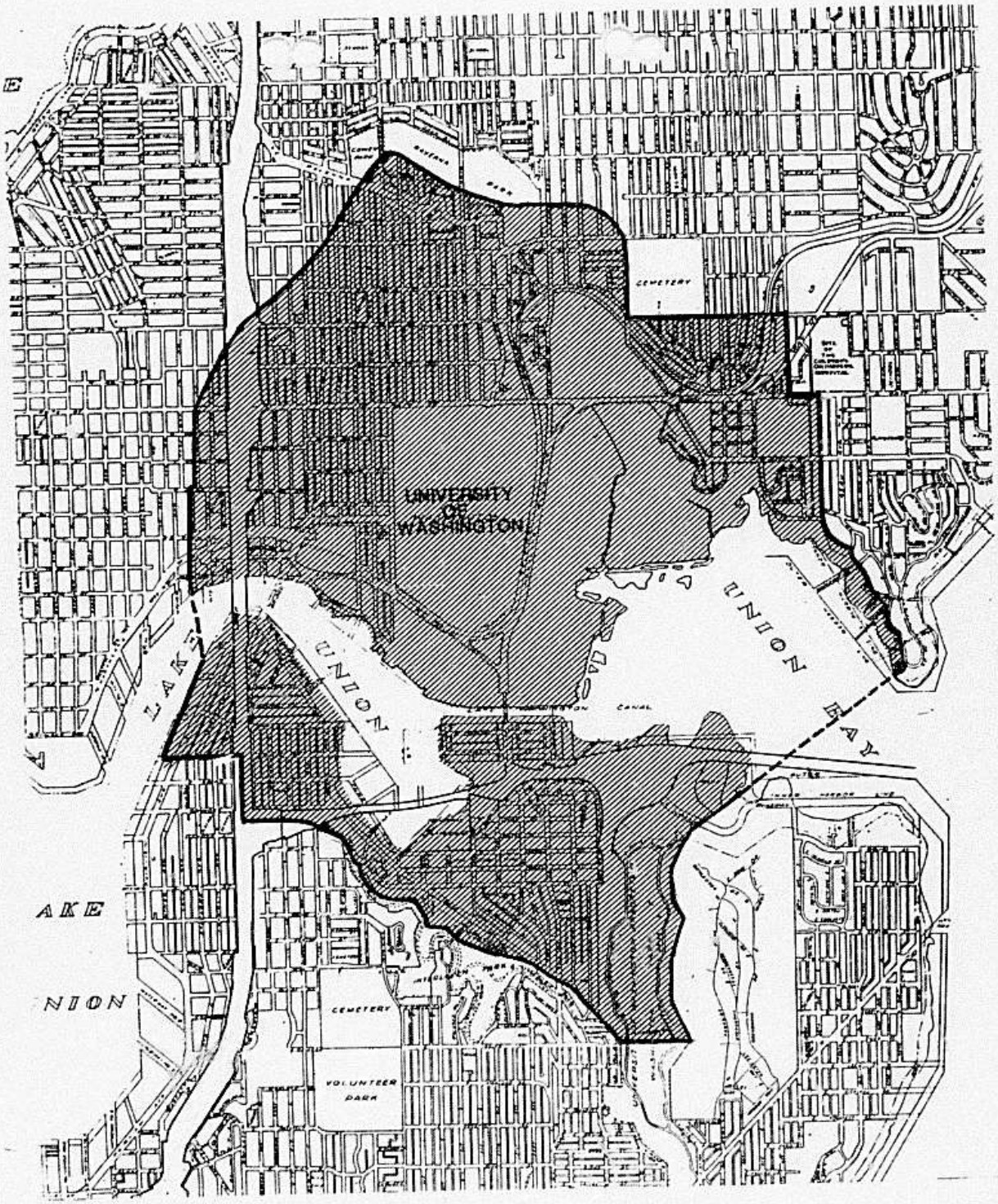
ATTEST: Norward J. Brooks
City Comptroller and City Clerk

BY: Theresa Dunbar
Deputy

THE MAYOR CONCURRING:

Charles Royer
Charles Royer, Mayor

CS 19.2




FOOTBALL PARKING IMPACT AREAS (1985)

APPENDIX A

GB:ec
3/19/86

RESOLUTION 27435

A RESOLUTION relating to the University of Washington Stadium Expansion Parking Plan and Transportation Management Program.

WHEREAS, the University of Washington is a major institution as defined under SMC 23.48.02;

WHEREAS, Husky Stadium is a part of the University of Washington and has an existing seating capacity of 58,500 and is seeking to expand its seating capacity by an additional 13,700 seats;

WHEREAS, the City-University Agreement approved under Ordinance 111113 provides that mitigation actions for traffic impacts associated with any expansion of the Husky Stadium will be addressed through a workable parking plan and traffic management program for the facility to be reviewed in accordance with then City procedures;

WHEREAS, SMC 23.48.18 provides that any stadium containing 20,000 or more seats seeking a master use permit shall submit to the City Council a workable parking plan and parking management program describing the location of available off-street parking, the means by which person will commute between the required parking areas and the facility, and parking and traffic alternatives;

WHEREAS, the City Council has held one public hearing on the University of Washington's Stadium Expansion Parking Plan and Transportation Management Program as required by SMC 23.48.18;

WHEREAS, the Director of the Department of Construction and Land Use has prepared a report and recommendations on the University's Stadium Expansion Parking Plan and Transportation Management Program and has advised the City Council as to the adequacy of and workability of the Progam as required y SMC 23.48.18;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE WITH THE MAYOR CONCURRING:

That the University of Washington Stadium Expansion Parking Plan and Transportation Management Program hereafter referred to as the Plan and the Operational Supplement hereafter referred to as the Supplement, attached hereto are approved with the following amendments: (see: C.F. 294614)

University Actions

Prior to Construction

1. Prior to construction, the UW must coordinate with the City regarding its proposed new, wider sidewalk along the east side of Montlake Boulevard Northeast and potential City plans to revise the traffic flow in the Montlake Triangle area.

CS 19.2

1986 Season

1. In accordance with Section23.48.18.B(2)(e)(4) of the Land Use Code which stipulates in part that "the approved plan shall be implemented prior to issuance of an occupancy permit ...," and in order to gauge and anticipate better the actual operational needs of the 1987 season, the UW shall implement the Plan by the 1986 football season, with the exception of the following elements:

   In recognition of the fact that the Plan has been designed to accommodate a larger quantity of game attendants, the UW may reduce, but not eliminate, the number of (1) park-and-ride buses serving the proposed park-and-ride losts, (2) parking spaces proposed for lease from Safeco, and (3) charter buses.

2. The UW shall pay the cost of planning and installing the signs for the expanded "No Parking on Day of Game" area and the signs exempting residents from this parking control. The estimated cost for the signs is $38,800 and the planning and engineering costs are $5,000. The residents shall be responsible for paying for the costs of the decals and the City shall pay future maintenance costs.

3. If the UW is successful in securing WSDOT approval of the proposal to cone off the outside lanes of SR-520, the UW shall implement this measure in 1986.

During Construction

1. Care shall be taken to maintain mud off of City streets by providing for a sawdust mat around the construction site and/or for on-site wheel washing during construction and designation of personnel specifically assigned to remove mud and debris from the streets on a continual basis. Truck beds loaded with excavation material shall be covered, when in transit off campus, to contain the material on the truck.

2. In order to minimize traffic-flow disruption on Montlake Boulevard Northeast during site preparation and construction, trucks shall enter city streets only via signalized intersections. No trucks or other construction vehicles shall travel on Montlake Boulevard Northeast after 3:30 p.m. weekdays.

3. Flagpersons shall be on duty during all hours of excavation and construction activities to control traffic at all points of construction-vehicle entry to unsignalized intersections on campus.

4. Parking for all construction workers shall be provided within the construction area in lot E-10 or lot E-9, in that order of preference. Workers shall be specifically instructed not to park in nearby areas in order to carpool to the construction site. This will be emphasized by presentation of the provisions of the construction specifications and campus transportation alternatives at preconstruction meetings. If, during construction, it becomes apparent that construction workers are parking in residential areas, the UW shall take measures to curtail such activity, including written notice to and meetings with contractors and subcontractors.

After Stadium Expansion

1. As 24,000 spectators represents the approximate attendance which can easily be accommodated by existing, on-campus parking facilities, the UW shall secure City Council approval for any non-UW events of over 24,000 expected attendance. The City Council may require the implementation of any and all reasonable, parking and transportation measures.

2. The UW shall provide no more than the existing 350 on-campus parking spaces for the press, coaching staffs, game officials, ticket takers, vendors, and other similar game-day personnel.

3. The current staff-level coordination between SED, the Police Department and the UW for implementation of pre-and postgame traffic control plans shall continue.

4. Pedestrian access to the buses staged north of Northeast Pacific Place shall be controlled to assure that pedestrians loading onto buses do not block emergency access. This can be accomplished by a correct placement of a portable fence with gates.

5. In order for the plan to be truly dynamic and responsive to actual circulation impacts and needs, the Operational Supplement shall be amended to include a specific discussion of the details of a workable monitoring program, as follows:

The "Parking Plan and Transportation Management Program" shall be monitored by a technical group composed of, but not limited to, representatives of the UW, DCLU, SED, the Police Department, and Metro.

The monitoring program will be conducted by UW employees, who will gather data during the football season to determine the number of vehicles parking on campus and in the Safeco parking areas, and the average car occupancy of these vehicles; the number of people using regular Metro and "Husky Special" service, the P&R service and charter buses; the number of people arriving by boat, and the number of boats moored; the number of vehicles parking in the neighborhoods; and the volume of traffic on major arterials surrounding campus.

The data will be reviewed by the technical group to determine whether satisfactory progress towards the goals of the Plan are being met and whether modifications are necessary. The results of the monitoring program will then by reviewed with an Advisory Group composed of, but not limited to, representatives of the UW, City of Seattle, Metro, WSDOT and the community. The Advisory Group will meet annually in the spring to review and assess the

results of the monitoring program, and propose any necessary modifications to the Plan to ensure that the goals are being met. The proposed addition of new substantive mitigation measures shall require City Council approval.

Critical Review Data

The monitoring program shall accumulate data as follows:

a. Automobile Parking on Campus - The quantity of cars parking in each lot and the quantity of cars parked at each parking rate ($7, $6 and $3, initially) will be determined for each home game. A survey will be conducted at the first sellout game each season to measure the average car occupancy rate for all cars parking in UW-controlled lots.

b. Automobile Parking in Neighborhoods - The quantity of cars parking in surrounding neighborhoods will be monitored at each home game. Also the perimeter of impact and the violation rate will be monitored to determine if immediate adjustments to parking enforcement policy should be made.

c. Automobile Parking in Safeco Parking Facilities - The quantity of cars parking in the parking lot facilities leased from Safeco will be determined for each home game. A survey will be conducted at the first sellout game each season to measure the average car occupancy rate for all cars parking in Safeco facilities.

d. Traffic Conditions - Traffic congestion and conditions will be monitored before and after each home game to quickly identify problem areas. Each intersection within a two-block radius of the two blocks containing the parking facilities leased from Safeco will be monitored before and after the first home game and each sellout game.

The following Intersections will be monitored before and after the first home game and each sellout game by having each surveyor roam between several of these intersections:

| | |
|---|---|
| Roanoke/Montlake Blvd. | 15th Ave NE/NE Pacific |
| Montlake Blvd/SR-520 | 15th Ave NE/NE 40th St |
| Montlake Blvd/25th Ave NE | 15th Ave NE/NE 41st St |
| Montlalke Blvd/NE Pacific St | 15th Ave NE/NE 45th St |
| Montlake Blvd/NE 45th Street | 15th Ave NE/NE 50th St |
| NE 45th St/Union Bay Place | NE 45th St/17th Ave NE |
| 25th Ave NE/NE 50th St | NE 45th St/I-5 |
| NE 42nd St on-ramp (postgame) | NE 50th St/I-5 |

e. Transit - The quantity of people using th P&R bus service and the charter buses will be counted and tabulated for each home game. Also, the flow of P&R, charter buses, and Metro buses into and out of the area, the dynamics of unloading and loading, and transit scrip use will be closely observed to identify problems.

Assessment of Progress

The Advisory Group shall deem the Plan to have made satisfactory progress if the following goals are achieved by the end of the 1988 football season:

a. The average car occupancy rate of cars parking on campus is at least 2.7 people per car. Less than 2.7 people per car does not mean the program is unsuccessful provided the condition described below in "d" is met.

b. The average car occupancy rate of cars parking in the Safeco parking facilities is at least two people per car. Less than 2.0 people per car does not mean the program is unsuccessful provided the condition described below in "d" is met.

c. The average transit ridership is at least 9.2 percent of game attendees. Less than 9.2 percent ridership does not mean the program is unsuccessful, provided the condition described below in "d" is met.

d. The perimeter of the area impacted by football attendees who park in the neighborhoods is not larger (in area) or differently configured than the area impacted currently.

6. Pursuant to the Advisory Group's recommendations, the UW must be willing to revise all elements of the Plan as necessary, including: number of buses; location of bus staging, loading and unloading, parking fee rates, locations of signs, barricades and traffic control officers, etc.

7. The Advisory Group shall determine the responsiblity for any costs associated with changes to the Plan. In general, all additional start-up costs for implementing changes will be covered by the UW. Maintenance of traffic- and parking-control devices (e.g., signs) in City rights-of-way will generally be the responsibility of the City.

8. In anticipation of increased traffic congestion west of campus, and in recognition of the potential for using the I-5 express lanes for northbound, as well as southbound, traffic, the UW shall be required to make the necessary improvements to the Northeast 42nd Street on-ramp to the Express Lanes to facilitate northbound traffic flow by the beginning of any football season after stadium expansion following a season in which the Advisory Group deems that traffic congestion west of campus was at unacceptable levels. It is recognized that these improvements will require WSDOT approval.

9. In recognition of the fact that the expanded standium will accrue increased admissions tax revenues to the City, the UW shall be responsible for reimbursing the City for increased police and parking enforcement services and auto impound costs only to the extent those annual costs exceed annual admissions tax revenues.

BE IT FURTHER RESOLVED THAT:

1. The City Council grants concept approval to, and authorizes SED to initiate work on, planning and implementing an expanded "No Parking Day of Game " area with a residential parking exemption provision by the 1986 football season. The City shall bear the cost of yearly maintenance and replacement of the signs (approximately $21,600). Residents are expected to purchase exemption decals, if needed by a specific household; and that

2. The City Council instructs the Police Department to pursue aggressive impoundment of all violators of the "No Parking Day of Game" restriction. Clearly posted "Tow-Away Zone" warnings should provide the adequate legal notice to violators to facilitate impoundment; and that

3. The City Council acknowledges the budgetary and personnel impacts of this Plan, and requests to the appropriate City department(s) for a recommendation on the most effective and efficient means of resolving these issues; and that

4. The City Council supports the UW's proposal to cone off the outside lanes of SR-520. This can be accomplished by writing to WSDOT to stress the importance of this measure to the mitigation of existing and future game-day traffic congestion on City streets, and to convey the City's desire to have it implemented by the 1986 football season.

ADOPTED by the City Council of the City of Seattle this _____ day of _____, 1986, and signed by me in open session in authentication of its adoption this _____ day of _____, 1986.

_____
President of the City Council

Filed by me this _____ day of _____, 1986.

ATTEST: _____
City Comptroller and City Clerk

BY: _____
Deputy

THE MAYOR CONCURRING:

_____
Charles Royer, Mayor

CS 19.2


STADIUM EXPANSION
AND
TRANSPORTATION MANAGEMENT
PROGRAM

# UNIVERSITY OF WASHINGTON

# STADIUM EXPANSION PARKING PLAN AND TRANSPORTATION MANAGEMENT PROGRAM

Prepared by the
University of Washington
Transportation Office

February 14, 1986

# PREFACE

This document constitutes the University of Washington's Parking Plan and Transportation Management Program for the Husky Stadium Expansion. It has been prepared in accordance with the provisions of the 1983 City-University Agreement.

An Operational Supplement has been prepared to accompany this document and will be reviewed and updated as necessary as the Plan is implemented and monitored by an advisory group comprised of representatives of involved agencies and communities.

# TABLE OF CONTENTS



## LIST OF TABLES



## LIST OF FIGURES

UNIVERSITY OF WASHINGTON STADIUM EXPANSION
PARKING PLAN AND TRANSPORTATION MANAGEMENT PROGRAM

## I. INTRODUCTION

Husky Stadium currently has a football game seating capacity of 58,500 people. This will increase to 72,200 with construction of the new north stands. The Plan presented herein has been developed in accordance with the City-University Agreement, which requires a workable parking and transportation management plan for stadiums with seating capacity in excess of 20,000. A supplement to the Plan which accompanies this document, contains the operational details regarding the implementation of the adopted Plan. This supplement includes operating procedures which are too detailed to be "detailed" in the Plan and which are intended to be reviewed and adjusted as necessary through an administrative review process.

### Major Goal

The major goal of the Parking and Transportation Plan is to accommodate a sellout crowd of 72,200 with less reliance on parking in the residential areas near campus than at the present time. The keys to accomplishing this goal are to provide incentives for people to ride transit, to carpool, to use alternative modes (boat, bicycle, walking. etc.) and to provide a limited amount of additional parking on-campus. The University has worked with the City of Seattle (Department of Construction and Land Use, Engineering Department, and Police Department), Metro, and the Washington State Department of Transportation (WSDOT) in developing this plan. Successful implementation will require a continuing, cooperative effort between these agencies and the University. The main components of the Plan are outlined below:

1. A park-and-ride bus system to provide convenient transit service from outlying areas directly to the Stadium.

2. A transit scrip program and other incentives to encourage people to ride the bus to the games.

3. A reduced parking rate for carpools to encourage three (or more) occupant vehicles.

4. A substantial increase in on-campus parking rates for one- and two-occupant vehicles.

5. An increase in the on-campus parking supply and leasing of space in the University District to provide additional close-in parking.

6. A marketing program to promote increased use of carpools and nonautomobile modes of transportation (charter bus, walking, boating).

7. Implementation of measures to dissuade people from parking in residential neighborhoods.

8. An information mailer that matches parking areas to postgame traffic flow patterns and encourages people to park in areas compatible with their exiting traffic flow destination.

9. A monitoring program to ensure that the goals of the Plan are being met and to provide a means to revise the Parking and Transportation Plan, if required.

Secondary Goal

A second major goal of the plan is to expedite postgame traffic. This portion of the program focuses on improving traffic flow to SR520 and to I-5, thereby reducing the length of time that traffic obstructs the arterial street system and residential areas. This can be accomplished by "coning" one lane on SR520 eastbound and one lane westbound to provide free flow onto SR520 for a limited time (approximately 30 minutes) and by continuing to use the I-5 express lanes for southbound traffic, and if feasible, the northbound lanes from NE 42nd. St.

Existing Conditions

Currently, the main transportation modes for football game attendees are private auto, charter bus, walking, public transit, and private or charter boat. Private autos transport the majority of game attendees (46,000 people in 20,500 vehicles). Approximately 55 percent of these vehicles park on-campus while the remainder park in the University District and in adjacent neighborhoods (see Table 1).

Every year prior to the beginning of the football season, the University mails a transportation information flier to all football season ticket holders. This flier promotes the use of carpooling and transit and includes maps of the major Husky Special transit routes. In addition, football fans are encouraged to use University parking facilities and not park in surrounding communities if they are commuting to games by private automobile.

With the expansion of the Stadium, an additional 13,800 people (including 100 additional unseated attendees) will have the opportunity to attend Husky football games. To accommodate these additional people, increased emphasis will be placed on alternative modes of transportation (public transit, carpooling, walking, and boating) through incentive programs and marketing (see Table 2). The Plan is designed to limit the increase in vehicular traffic to 6 percent even though the number of seats increases by 23 percent. Increases in vehicular traffic will be minimized partly as a result of increases in the average car occupancy (see Table 2, Footnote C) expected with the proposed pricing incentives for carpools and increased neighborhood parking enforcement.

Table 1
UW FOOTBALL GAME MODE SPLIT (1984)
EXISTING CAPACITY (58,500)

| Nonauto Mode | Persons | Vehicles/Boats | Percent of Persons |
|---|---|---|---|
| Charter bus | 3,280 | 82 | 5.4 |
| Charter boat | 1,050 | 7 | 1.8 |
| Private boat | 1,440 | 180 | 2.4 |
| Metro | | | |
| Husky Special | 2,050 | 41 | 3.4 |
| Regular schedule | 500 | NA | 0.8 |
| Drop off | 600 | 300 | 1.0 |
| Walk | 5,360 | NA | 8.9 |
| Subtotal | 14,280 | NA | 23.7 |

| Automobile Mode | Persons | Vehicles | ACO[a] | Percent of Persons |
|---|---|---|---|---|
| On Campus | | | | |
| Stadium Area | 3,510 | 975 | 3.6 | 5.8 |
| East Campus | 12,260 | 4,900 | 2.5 | 20.3 |
| Main Campus | 6,750 | 3,070 | 2.2 | 11.2 |
| South Campus | 2,420 | 1,010 | 2.4 | 4.0 |
| West Campus | 2,740 | 1,370 | 2.0 | 4.6 |
| Subtotal | 27,680 | 11,325 | 2.4 | 45.9 |
| Off Campus | | | | |
| U-District | 2,000 | 1,000 | 2.0 | 3.3 |
| Neighborhoods | 16,340 | 8,170 | 2.0 | 27.1 |
| Subtotal | 18,340 | 9,170 | 2.0 | 30.4 |
| TOTAL | 60,300[b] | | | 100.0 |

[a] ACO: Average car occupancy.
[b] Includes 1,800 unseated attendees (press, game officials, vendors, etc.).

Table 2
UW FOOTBALL GAME MODE SPLIT
EXPANDED SEATING CAPACITY (72,200)

| Nonauto Mode | Persons | Vehicles/ Boats | Percent of Persons | Change From 1984[c] Number | Change From 1984[c] Percent |
|---|---|---|---|---|---|
| Charter bus | 5,000 | 125 | 6.8 | +1,720 | + 52 |
| Charter boat | 1,500 | 10 | 2.0 | + 450 | + 43 |
| Private boat | 1,440 | 180 | 1.9 | + 0 | + 0 |
| Metro | | | | | |
| Husky Special | 3,000 | 60 | 4.1 | + 950 | + 46 |
| Regular service | 1,000 | NA | 1.4 | + 500 | +100 |
| Park-n-ride service | 2,740 | 35 | 3.7 | +2,740 | NA |
| Drop off | 770 | 385 | 1.0 | + 170 | + 28 |
| Walk | 6,000 | NA | 8.1 | + 640 | + 12 |
| Subtotal | 21,450 | | 29.0 | +7,170 | + 50 |

| Automobile Mode | Persons | Vehicles | ACO[a] | Percent of Persons | Change From 1984[c] Number | Change From 1984[c] Percent |
|---|---|---|---|---|---|---|
| On Campus | | | | | | |
| Stadium area | 3,510 | 975 | 3.6 | 4.7 | + 0 | + 0 |
| East Campus | 14,840 | 5,300 | 2.8 | 20.1 | +2,580 | +21 |
| Main Campus | 9,060 | 3,485 | 2.6 | 12.2 | +2,310 | +34 |
| South Campus | 2,670 | 955 | 2.8 | 3.6 | + 250 | +10 |
| West Campus | 3,430 | 1,490 | 2.3 | 4.6 | + 690 | +25 |
| Subtotal | 33,510 | 12,205 | 2.7 | 45.2 | +5,830 | +21 |
| Off Campus | | | | | | |
| Safeco | 1,700 | 850 | 2.0 | 2.3 | +1,700 | NA |
| U-District | 2,000 | 1,000 | 2.0 | 2.7 | + 0 | + 0 |
| Neighborhoods | 15,440 | 7,720 | 2.0 | 20.8 | - 900 | - 6 |
| Subtotal | 19,140 | 9,570 | 2.0 | 25.8 | + 800 | + 4 |
| TOTAL | 74,100[b] | | | 100.00 | +13,800 | +23 |

[a]ACO: Average car occupancy. NCHRP Report 187, Quick-Response Urban Travel Estimation Techniques and Transferrable Parameters, was used to estimate ACO of 2.7

[b]Includes 1,900 unseated attendees (press, game officials, vendors, etc.)

[c]Techniques used in estimating the change in car occupancy and transit ridership using various parking rates, transit fares, and transit travel times were based on methodology from NCHRP Report 187, published by the Transportation Research Board. PSCOG information developed in 1983 for the Seattle Comprehensive Transportation Program was correlated with the Quick Response method for applicability to the Seattle area. Results were similar in each case; 12 to 15% increase in ACO and 115 to 125% increase in transit usage for the proposed plan. Charter bus estimates are based on past experience when 100 buses were accommodated.

## II. MAJOR PLAN ELEMENTS

The focus of the transportation program is to provide incentives for people to take transit or carpool to the game. Three major parts of the program are the transit scrip program, expanded transit service, and the discount carpool program. Ride matching, marketing, and enforcement also play key roles in achieving the desired shift in mode. The transportation program addresses changes in postgame traffic patterns as well.

### Transit Scrip Program

A major goal of the transportation program is to encourage football game attendees to take public transportation to the Stadium. At present, 4.2 percent of the attendees arrive via public transit. For the expanded Stadium, ridership will increase to 9.2 percent through improved service and a reduced cost to the rider.

The reduced rider cost will be accomplished by providing each football game ticket purchaser with free transit scrip. The scrip will allow the rider a free transit ride to and from the game on regular Metro service, the "Husky Special" routes, and the proposed park-and-ride service. The scrip will be dated and valid for day-of-game only. It will be mailed to ticket purchasers along with their football tickets. Included will be a description of the program and information regarding transit routes and park-and-ride service to the Stadium.

### Transit Service

The majority of the current transit users ride "Husky Special" buses which operate as extra service on existing routes serving the Stadium area. There are 24 buses carrying 2,050 people on the four "Husky Special" routes. An additional 500 people arrive via regular Metro service on routes serving the Montlake express station and the University District.

Through incentive programs and expanded service, it is estimated that 6,740 people will take public transit (not including charter buses) to football games at an expanded Husky Stadium. This includes additional patrons on existing "Husky Special" routes, on existing regular transit service, and on the new park-and-ride service.

The new park-and-ride bus service is expected to attract 2,740 football game attendees (this is equivalent to 20 percent of the new attendees). The service will be contracted from Metro Transit. This service will be free to users with transit scrip and will provide a convenient, comfortable means of attending the game.

The estimate of 2,740 persons attracted to the park-and-ride service compares favorably with the existing use of charter buses (3,280 persons).

"Husky Special" Service. "Husky Special" service is the service added by Metro on four existing routes to accommodate game attendees. All these extra buses unload and load near the Stadium and arrival times are keyed to game time. Most of these extra buses are not needed elsewhere in the transit system so they layover on Montlake Blvd., just south of the Montlake Bridge, and on N.E. Pacific St. in front of the Hospital in position for loading after the game.

Metro will provide additional "Husky Special" service on the four existing "Husky Special" routes to accommodate the additional riders expected after the Stadium is expanded. Approximately 20 to 25 additional coaches will be required to handle the rider increase in the pregame time period and 15 to 20 coaches for the postgame. The demand will be monitored and if additional coaches are needed Metro has agreed to provide them. The regular Metro transit fare for Saturday service (currently $.55 for a one-way one-zone trip) will apply to this service. Transit scrip as provided by the University will be acceptable on these routes in lieu of cash.

Regular Metro Service. No increase in the number of buses on other regular Metro routes is proposed. Patronage will increase on some routes, particularly those that serve the University District and the Montlake flyer stop and the current number of buses will accommodate the increased riders. The University-issued transit scrip will be valid on regular transit routes as well as Husky special service.

Park-and-Ride Service with Transit Scrip. For pregame service buses will operate from park-and-ride (P&R) lots conveniently located throughout the Seattle metropolitan area (see Figure 1). Approximately 35 coaches will be needed for service to the Stadium for a sellout game and fewer for a nonsellout game.

The P&R lots are located close to area freeways and/or major arterials, and the objective will be to designate routes to and from these lots that provide the shortest travel times. A primary and a secondary route will be designated for each pair of P&R lots.

The most important service criterion is total travel time to the Stadium. Congestion patterns will be analyzed and each bus from each pair of P&R lots will use the route with the shortest travel time.

For postgame service the P&R buses to be used to transport attendees back to their P&R lots after the game will lay over on Montlake Boulevard during the game.

The buses serving the park-and-ride lots will be loaded immediately following the game and will be dispatched before congestion builds up (within 20-30 minutes). This will be an attractive incentive to use this service.

Once loaded, all buses will depart prior to allowing other traffic through the loading area.

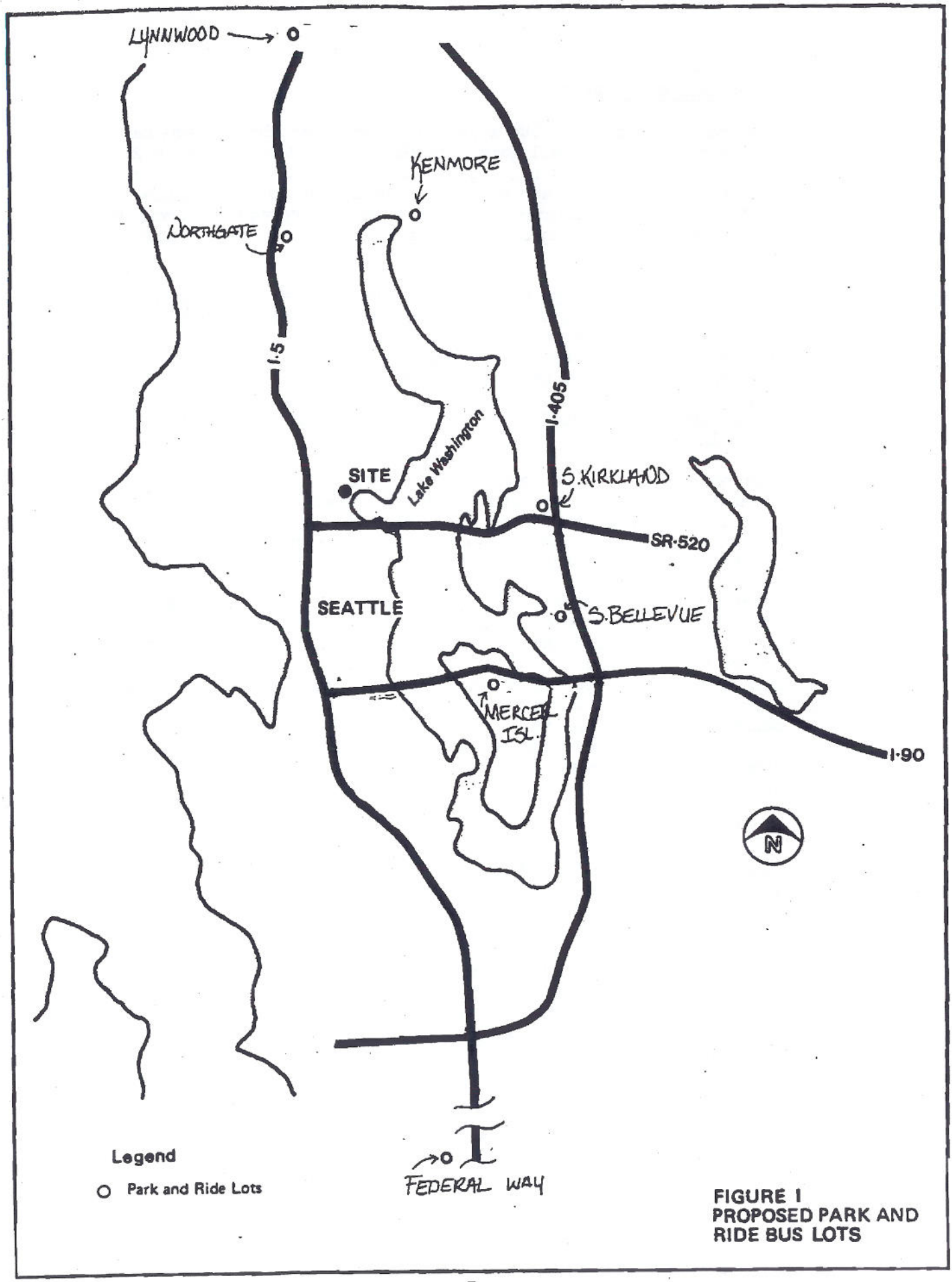



FIGURE 1
PROPOSED PARK AND RIDE BUS LOTS

Discount Carpool Program

Surveys taken during the 1984 season indicate that the average car occupancy rate for football game attendees parking on campus is 2.4 people per vehicle. This rate varies depending on the area of the campus; higher rates are achieved in areas closer to the Stadium. The goal of the proposed program is to increase the average car occupancy (ACO) for vehicles parking on-campus from 2.4 persons per vehicle to 2.7 persons per vehicle.

The existing ACO of 2.4 persons per vehicle is lower than the ACO at a number of other football stadiums. The Transportation and Traffic Engineering Handbook--Second Edition (Institute of Transportation Engineers) Table 21-8 shows a range of 2.5 to 3.8 for other stadiums. The Los Angeles Coliseum has 11,000 onsite parking spaces and 26,500 spaces in the vicinity of the stadium; ACO is 2.6 persons per vehicle in this heavily auto-oriented area. A goal of 2.7 ACO for Husky Stadium is not unrealistic.

The current rate for on-campus football parking is $3.00 per vehicle. Vehicles arriving for non-football events before 11:00 a.m. pay the regular Saturday parking fee of $1.25 per vehicle. Faculty and staff with parking permits do not pay additional fees whether they are on campus to work or to attend the game.

The carpool discount parking program proposes to change the parking rate schedule to encourage more carpools (vehicles with three or more persons). The proposed rates are $7.00 for vehicles with one occupant, $6.00 for vehicles with two occupants, and $3.00 for vehicles with three or more occupants. Because of their size and parking requirements, recreational vehicles would pay the $6.00 rate regardless of the number of occupants. These initial rates would be adjusted as needed to achieve the goal of the carpool program (an average of 2.7 persons per car) and provide operating revenue for the other parts of the Transportation Plan.

Ride Matching

The University, as well as Metro's Commuter Services, currently operate ride-matching services in King County. These services aid the formation of carpools by matching origins and destinations of trips. This service will be a major tool in forming carpools for football game attendees.

Applications for free ride matching service will be mailed to all season ticket holders with their football tickets, along with an explanation of the service. Attendees who purchase individual football tickets at the UW Athletic Department will be given applications for this service at the time of purchase.

Boat Transportation

The University currently provides moorage for up to 200 private boats and 13 charter boats for Husky football games. Permits are sold on a

seasonal basis. Although all of the available permits are sold each year, only 180 private boats and 7 charter boats are typically moored in Union Bay for football games. Up to 204 private boats have been moored for past games. On stormy days, private boat use is lower, but general attendance is also lower, leaving parking and roadway space for attendees that usually come by boat to switch to automobiles. The University will encourage full use of the available moorage facilities through marketing and promotions.

A potential transportation mode which could carry one to two percent of game attendees is "water taxis." Boats capable of carrying over 100 passengers could link the University with areas on the east side of Lake Washington and South Lake Union. Potential origins for water taxis are Kenmore, Kirkland, Renton, and South Lake Union. Crossing time to the Stadium would be approximately 30 minutes. The University will research this option with private charter boat operators to determine their level of interest.

Marketing

Extensive marketing efforts can have a major impact on mode choice for football game attendees. Many people are not aware of the advantages of transit (including charter buses) or carpooling in riding to and from the game. These advantages will be more obvious when the transportation scrip program is implemented. The University can play a major role in educating the public concerning these alternative modes. The University's Transportation Office and the Intercollegiate Athletic Department will work together on an aggressive marketing program to promote alternative modes of transportation (park-and-ride service, public transit, carpools, charter boats, buses, and walking). These marketing efforts will include:

- Promotional information mailed to season ticket holders
- Public service announcements on local radio and television stations
- Public service messages on the Stadium scoreboards and marquees
- Special promotional events to publicize park-and-ride and transit services
- Other promotional activities developed by the Transportation Office and the Intercollegiate Athletic Department.

Enforcement

The Seattle Police Department (SFD) currently assigns nine parking enforcement officers to enforce parking restrictions in the vicinity of the Stadium on game days. Seven of the parking enforcement officers are assigned to the Montlake neighborhood. The remaining two are assigned to the area north of the Stadium. Approximately 25 police officers are

assigned to pregame traffic control and 81 officers to postgame traffic control. The traffic control officers direct traffic at various intersections before and after the game.

The major parking enforcement problems are in the Montlake area. There are violations of the "no parking day of football game" zones, parking adjacent to fire hydrants, and parking in crosswalks. The fines for these offenses vary from $15 to $30. It is city policy to tow vehicles only if they block traffic flow or emergency vehicle access; thus, some violators may not be towed. Some community residents have expressed a desire for stricter enforcement of parking restrictions.

Expansion of the Stadium will require additional police officers and parking enforcement officers. A representative of SPD's Operations Division advises that 20 to 25 additional officers are needed to handle the additional traffic responsibilities. The University will work with SPD representatives for deployment of police and parking enforcement officers.

There are a number of enforcement measures that will be pursued to reduce the number of football game attendees parking in nearby residential areas. These measures include establishing or extending weekend Residential Parking Zones (RPZ's), extending the "no parking day of football game" zones, changing city policy regarding towing vehicles, and raising the fines for parking violations. University staff are working directly with City staff to determine the legal and procedural processes to be followed to implement these enforcement measures. The University will work with the Mayor's Office, the City Council, City staff, and the communities to see that stronger enforcement measures are implemented. If RPZ's are not established, the "no parking day of football game" zones must be continued and should be expanded to include areas where there is a potential for new impacts on neighborhoods.

## III. TRAFFIC CONTROL

### Pregame Traffic Control

Very few changes are proposed to the already well-developed pregame traffic control plan. The approximately 1,300 additional automobiles and approximately 100 buses expected for a sellout game will be distributed by trip origin and time of arrival similar to those that now attend games.

Signs. No changes to existing sign locations are proposed.

Traffic Flow. Pregame traffic flow will not change significantly except in the vicinity of the Safeco parking garages and surface lots to be leased for game-day parking. Further detail regarding traffic flow to the Safeco garage and lots is contained in the Operational Supplement.

Staffing Levels. Three additional Seattle Police Officers will be required as a result of the Stadium expansion, and additional University

of Washington parking staff will be needed to staff the two Safeco garages and two Safeco surface lots.

Postgame Traffic Control

Several revisions are proposed to the postgame traffic control plans. One-way traffic flow patterns, barricades, signs, and extra police officers will be required.

Signs. New signs, barricades, and traffic cones will be added to direct traffic from the Safeco garages and surface lots out of the area with minimum impact on existing flow patterns.

Traffic Flow. Traffic flow patterns will not change significantly except in the vicinity of the Safeco parking areas. Traffic patterns will be modified on NE 43rd Street between 12th Ave. NE and Roosevelt to expedite the flow of vehicles from the Safeco Garages and to help assure that these vehicles do not enter the westbound flow on NE 45th St.

On-campus postgame traffic flow will be slightly modified to accommodate charter bus parking. Mason Road will be one-way southbound between Jefferson Road and Stevens Way during the game and will be closed to all traffic except charter buses from the time the game ends until the charter buses laying over there have loaded and left.

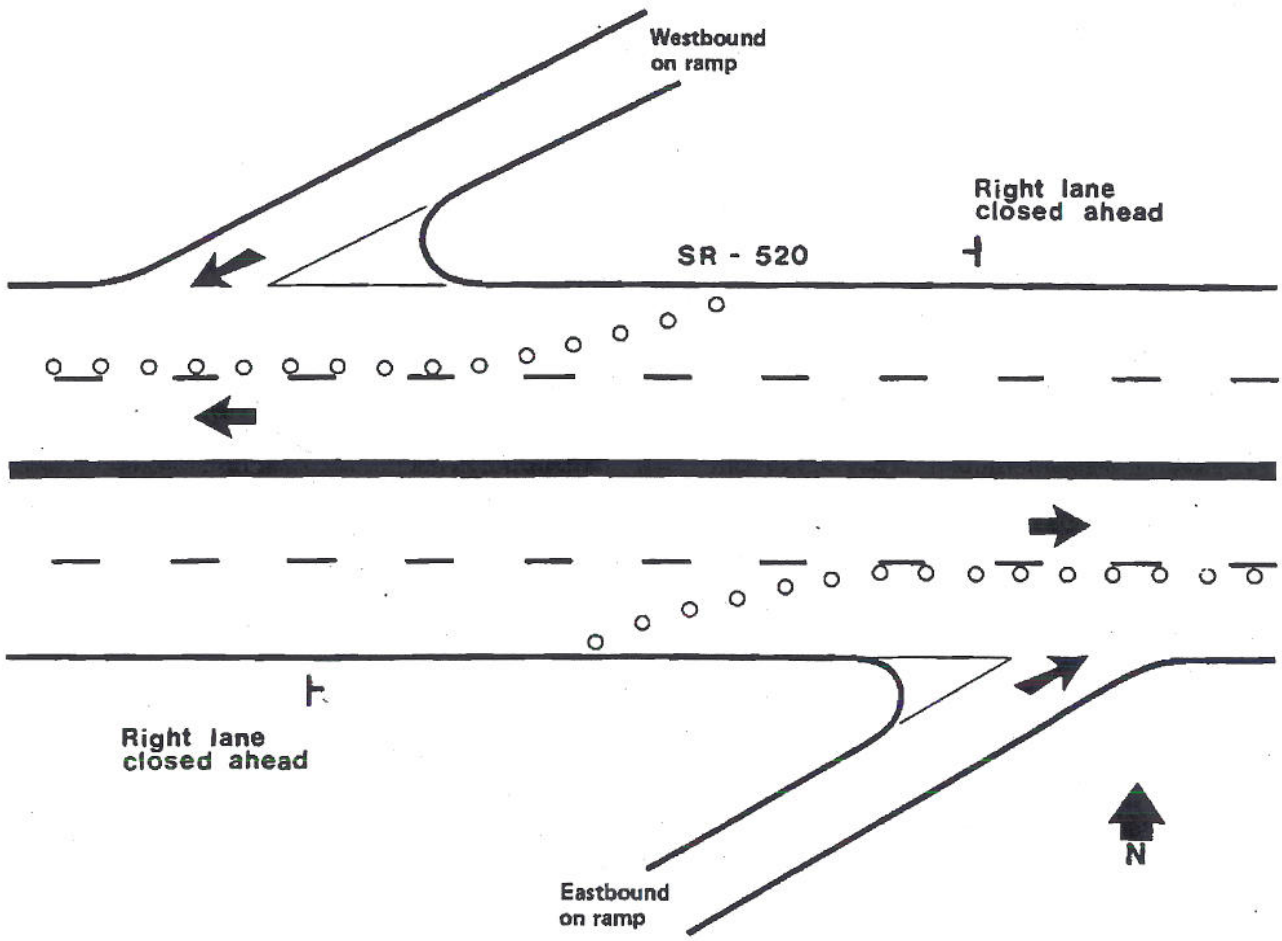
Staffing Levels. Between 20 and 25 additional Seattle Police officers will be required to direct postgame traffic after a game in the expanded Stadium. Additional University of Washington police will be needed to control on-campus postgame traffic.

Pedestrian Flow

Pedestrians will be channeled across Montlake Boulevard at the normal crossing point at NE Pacific Street and NE Pacific Place, but more buses and people will be in the area. A wide pedestrian walkway will be provided along Montlake Boulevard in front of the Stadium with hedges to prevent pedestrians from crossing Montlake Boulevard except at the normal crossing points. In addition, fencing will be erected to help channel pedestrian to normal crossing points.

Automobile Routing

The University, the City and the State will routinely explore changes in automobile routing, designed to expedite movement away from the Stadium. To improve access to SR520, the University requested WSDOT approve "coning-off" the outside lanes on SR520 (see Figure 2) for a limited time (30 minutes) to allow free flow from the Montlake on-ramps supplemented by appropriate traffic control signs. At the present time, WSDOT has denied this request. WSDOT will gather data during the 1986 football season to determine the feasibility of implementation for the 1987 season. The University will vigorously pursue with WSDOT the implementation of this mitigation measure.




**LEGEND**

Temporary Signs

Proposed Temporary Cones

Not to Scale

**FIGURE 2**
**MONTLAKE/SR520**
**INTERCHANGE**

Triangle Garage Access

Access from this Garage for football parking will be to the main campus only; access to Pacific Place will be closed to postgame traffic. This will channel more traffic to the west, away from Montlake Boulevard. Observations by University staff indicate that postgame traffic flows more freely west of campus than in the east campus area.

Emergency Vehicle Access

One or more through lanes on major arterials will always be clear for use by emergency vehicles. Improved emergency vehicle access into neighborhoods will be provided upon Plan implementation. Improperly parked vehicles will be towed. RPZ's will be considered and may be in effect on game days. Expansion of the "no parking day of game" restriction is also included as a mitigation measure.

## IV. PARKING PROGRAM

The goals of the parking program are three-fold: 1) to provide additional University controlled parking for the general public; 2) to provide close in parking for Tyee Club member; and 3) to encourage people to park in areas compatible with their exiting traffic flow destination.

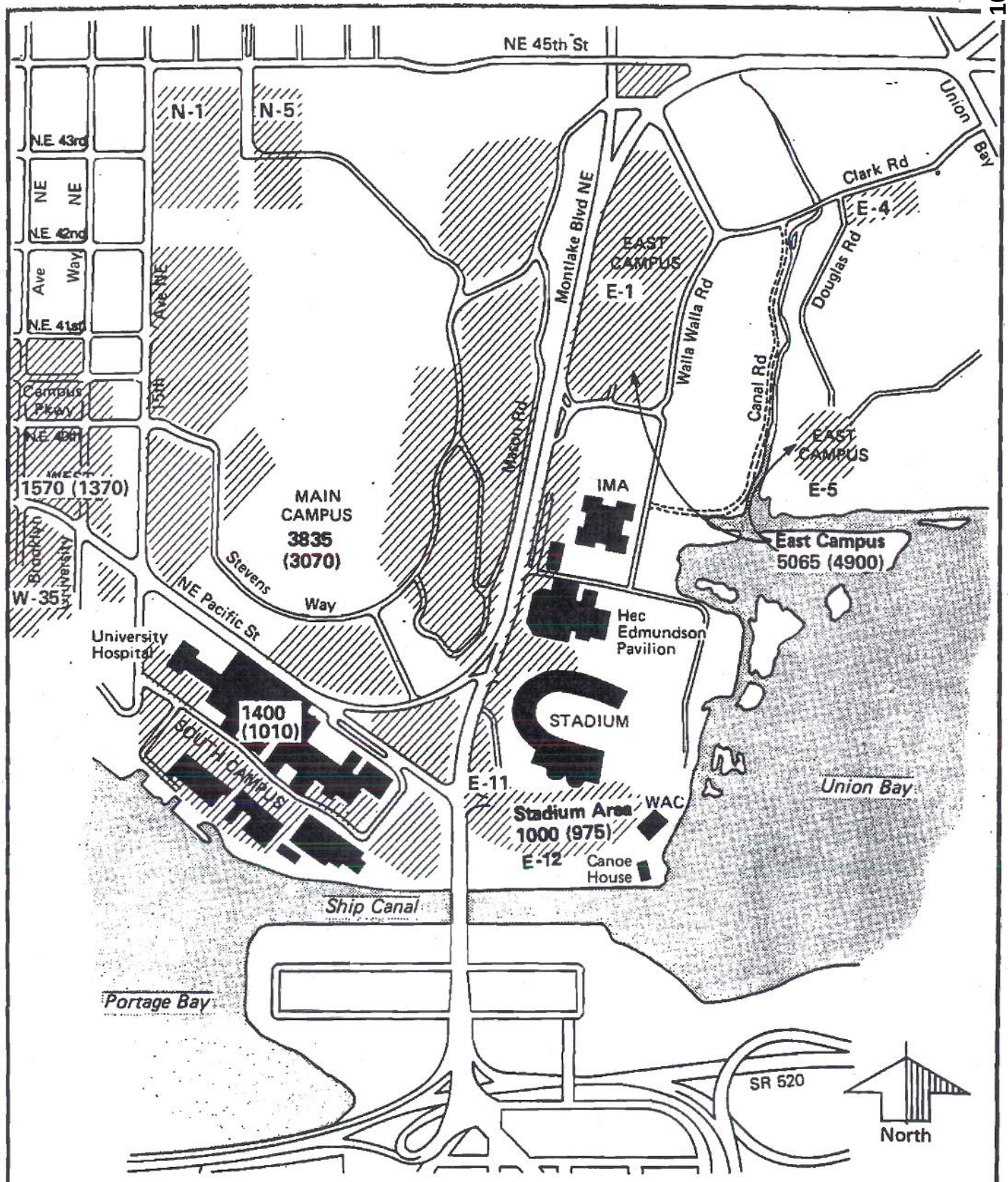
Campus Parking

The current on-campus parking supply for football game days is approximately 13,000 vehicles. Stack-parking certain lots in the West, East and Main Campus will increase the parking supply by 880 vehicles. Approximately 1,675 on-campus parking spaces are used by nongame attendees and this will continue. Figure 3 shows the on-campus parking areas and the 1984 parking use and supply. The discount carpool parking program discussed previously is projected to increase the average car occupancy for those people parking on-campus from 2.4 in 1984 to 2.7 in 1987. Due to the increase in the average car occupancy (as a result of the discount carpool parking program) and the provision of 880 additional parking spaces, 5,830 more people will park on campus after implementation of this Plan.

The University will encourage attendees who commute to games by private automobile to park in campus parking areas according to their postgame traffic flow destination. Each football game ticket purchaser will receive a mailer that shows exiting traffic flow patterns, color coded to parking areas that match exiting traffic flow destinations. Information will also be provided as to streets where traffic flow is restricted.

Off-Campus Parking (Safeco)

A significant increase in parking for football game patrons near campus will be achieved by leasing private off-street spaces in the University District. Approximately 850 spaces controlled by Safeco will be leased for use on football game days. The spaces are located near NE 45th on




**Legend**

- ////// General Parking Zones
- **4900** Number of Available Parking Spaces on Game Days
- **(2500)** Number of Spaces Used by Football Game Attendees

**FIGURE 3**
**ON-CAMPUS FOOTBALL PARKING WITHIN THE PRIMARY IMPACT AREA**

Roosevelt Way, on 11th Avenue NE, and on 12th Avenue NE. These spaces will accommodate approximately 1,700 people. In order to accommodate the traffic entering and exiting the Safeco parking areas, a traffic plan will be implemented to direct traffic away from NE 45th Street.

Neighborhood Parking

It is estimated that the Plan will result in a modest reduction (450 vehicles and 900 people) in parking in neighborhoods. The reduction will be due primarily to increased enforcement and more stringent penalities. Neighborhood parking for game attendees will be eliminated in those areas where residential parking zones or "no parking day of game" regulations are or will be in effect.

Game attendees will attempt to park in any area where parking is available and permitted within approximately 1.5 to 2.0 miles walking distance to the Stadium (based on current patterns). Expanding the Stadium, creating RPZ's to protect any area now used, and/or increased enforcement in any of the existing areas may result in people seeking parking in other nearby areas. This means enforcement will have to be expanded to cover these areas as well and streets in these areas will have to be signed if residents feel it is warranted. Attendees in vehicles "displaced" by improved enforcement will be accommodated in one of the high occupancy vehicle modes that are provided at low or no cost, i.e., $3.00 for a carpool with three or more people, free transit scrip for use on "Husky Special" and regular Metro service, the free P&R service, or by the additional parking available on-campus or at the Safeco garage and lots.

Ticketing and towing of illegally-parked vehicles will provide deterents.

Charter Bus Parking

Charter buses currently park in lots E-11 and E-12, adjacent to the Stadium. There are 70 to 75 buses for an average game. This number increases to 80 to 85 charters for sellout games. It is anticipated that the expanded Stadium will attract an average of 100 charter buses (125 charter buses for sellout games). The increase in charter bus demand is based on: 1) the fact that up to 100 charter buses were used by game attendees in 1978 and 1979; 2) that fees for campus parking will be significantly higher in 1987; and 3) that improved enforcement will encourage attendees to find alternative modes to the games. Sufficient buses are available for the expanded service, as evidenced by the 100 buses used in 1978/1979.

The additional 40 or so charter buses expected at a sellout game after the Stadium is expanded will be parked on campus near the Stadium on Walla Walla Road and the Main Campus on Mason Road. These locations are within approximately 600 feet of the Stadium and will be attractive to charter bus users. Other locations will be considered, if necessary.

## V. OPERATING COSTS AND REVENUE GENERATION

Implementation of the Plan for the expanded Stadium will increase the game day costs incurred by the University, Metro, and the City of Seattle. The University's costs will consist of four components:

- Parking
- Transit scrip
- Park-and-ride service
- Ride-matching service

The parking costs will increase by 10 to 20 percent to cover increases in game day expenses due to increases in personnel to handle parking and security.

The transit scrip program will require the University to reimburse Metro for the scrip used on game days for regular Metro and "Husky Special" service. There will also be administrative costs and printing costs associated with the scrip program. The park-and-ride service will be contracted by the University with Metro. The service will require approximately 35 coaches and drivers. There will be increases in the costs of providing "Husky Special" service as additional coaches will be needed to accommodate the increase in ridership. These costs will be offset in part by an increase in the fare box revenues.

Other expenses per game include ridematching service, leasing of parking spaces from Safeco, and other miscellaneous costs. Revenue generated from parking fees will be used to pay for program operation.

There will also be an increase in costs to the City of Seattle due to the increase in police officers and parking officers. The costs to the City will be entirely offset by the increase in revenue from the admissions tax due to additional football game tickets sold.

## VI. MONITORING PROGRAM

The monitoring program is designed to provide information that will allow the University to make adjustments to the Plan to achieve the desired goals. Information will be gathered during each football season to determine the number of vehicles and the ACO for vehicles parking on campus, the number of people using public transit, charter bus patrons, and the number of people arriving by boat. The data will be reviewed to determine whether the goals of the program are being met and whether adjustments are needed. The results of the monitoring program will be made available to the advisory group annually by March 1.

An advisory group consisting of representatives from the University, City of Seattle, Metro, WSDOT, and the Community will review the transportation program each year. The group will meet in the spring to review and assess the results of the monitoring program. In the event that the Plan needs adjustment to achieve the desired goals, the group will determine the appropriate action needed and responsible agencies

involved. Any changes to the adopted plan will be reviewed by the Department of Construction and Land Use and the Seattle Engineering Department, and approved by the City Council. Changes to the Operational Supplement will be modified through an administrative process satisfactory to the University, DCLU and SED.

# Parking Plan and Transportation Management Program Operational Supplement

UNIVERSITY OF WASHINGTON

# STADIUM EXPANSION PARKING PLAN AND TRANSPORTATION MANAGEMENT PROGRAM

## OPERATIONAL SUPPLEMENT

February 14, 1986

# TABLE OF CONTENTS

## LIST OF FIGURES

LIST OF FIGURES (Continued)

UNIVERSITY OF WASHINGTON STADIUM EXPANSION
PARKING PLAN AND TRANSPORTATION MANAGEMENT PROGRAM

OPERATIONAL SUPPLEMENT

## I. INTRODUCTION

The operational details regarding the implementation of the Stadium Expansion Parking Plan and Transportation Management Program are contained in this supplement. The operational procedures are too detailed to appear in the Plan as they will be reviewed annually and revised as necessary to facilitate improvements to the program.

Information gathered each football season will be reviewed by the advisory group and, if necessary, the elements of the plan contained in this supplement will be modified as agreed to by the University of Washington and the Department of Construction and Land Use.

Operating Details for carrying out the Plan were developed jointly by the University, Metro and City agencies.

## II. TRANSIT PROGRAM

### Transit Scrip Program

Each football game ticket purchaser will be provided with free transit scrip. The scrip will allow the rider a free transit ride to and from the game on regular Metro service, "Husky Special" routes, and the proposed Park-and-Ride service. The scrip will be dated and valid for day-of-game only. It will be mailed to ticket purchasers along with their football tickets. An information packet describing the scrip program and information regarding transit routes and Park-and-Ride service to the Stadium will be included in the mailing.

Whether or not to issue the transit scrip as one or two pieces will be determined after system tests are conducted in 1986. The issued scrip will be full fare for a round trip to the Stadium on regular Metro and "Husky Special" service. If issued as one piece, the transit driver will issue a specially marked transfer which allows boarding for the return trip. If issued as two pieces, one piece will be good for the trip to the Stadium and one for the return trip. Metro will count the number of pieces of scrip, and/or specially marked transfers and will bill the University at a rate to be negotiated.

The scrip will also be full fare for a round trip to the Stadium from a P&R lot. In this case the Metro driver will give a receipt to round trip riders when they board the bus at the P&R lot. Those who do not intend to return will not receive a receipt and will have to surrender enough scrip to cover just the one-way trip to the Stadium. The receipt will be

color coded and marked with the P&R lot designation and loading section to expedite loading after the game for the return trip to the P&R lot.

"Husky Special"/Regular Service

Metro will provide approximately 20 to 25 additional coaches on the four existing "Husky Special" routes shown in Figure S-1 to handle the rider increase in the pregame time period and 15 to 20 coaches for the post-game period. The demand will be monitored and if additional coaches are needed, Metro has agreed to provide them.

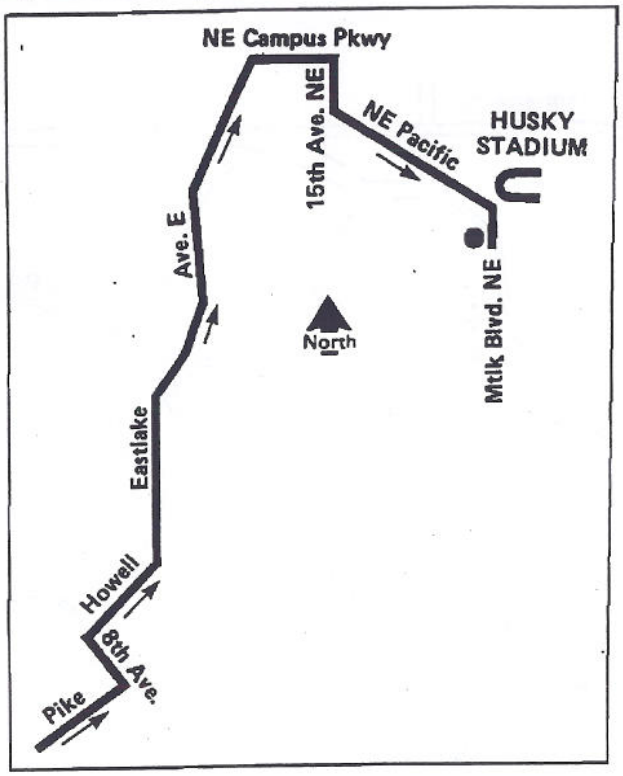
There are 24 buses on the existing Husky Special routes and approximately 20 of these buses currently layover in the vicinity of the Stadium while the others continue on their designated route. The "additional" coaches that layover during the game will be routed to a temporary holding area in the East Campus on Walla Walla and Clark Roads, after their last trip, where they will wait with the P&R buses until the game starts.

The "additional" Husky Special buses arriving from the west and laying over during the game will unload on NE Pacific Place and then proceed to the temporary holding area via Montlake Blvd., NE 45th St. and NE Union Bay Place. Those arriving from the south will unload on Montlake Blvd. in front of the Stadium and will proceed to the temporary holding area over the same route. The locations of these unloading areas and the temporary holding area are shown in Figures S-2 and S-3.

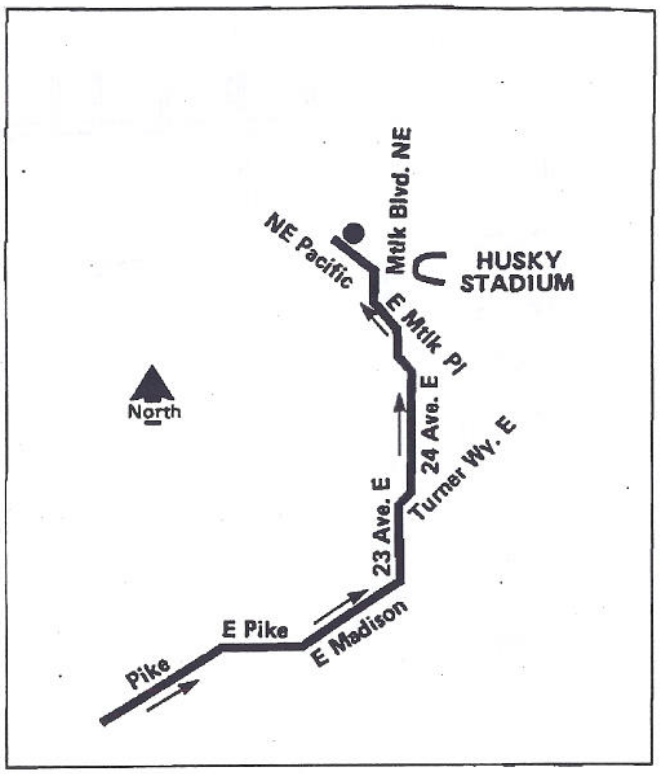
All the buses waiting in the temporary holding area will be moved to their layover area on Montlake Blvd. after the game starts. They will exit the campus at Walla Walla Road and will proceed south on Montlake Blvd. to their layover space in the southbound curb lane between NE Pacific Pl. and 25th Ave. NE.

Some of the Husky Special buses will load where current Husky Special buses now load on NE Pacific St. (in front of the Hospital) and on Montlake Blvd. (just north of the bridge) and these buses will be at the head of the queue. Other Husky Special buses will load where the P&R buses load on Montlake Blvd. in front of the Stadium and on NE Pacific Pl. These buses will be behind the P&R buses in the queue and will not be moved into loading position until after the P&R buses have loaded and departed. The P&R buses and Husky Special buses will be sorted to place them in proper order in the layover queue as they arrive in the temporary holding area. These queue locations and the route to the holding area on Montlake Blvd. are shown in Figure S-4.

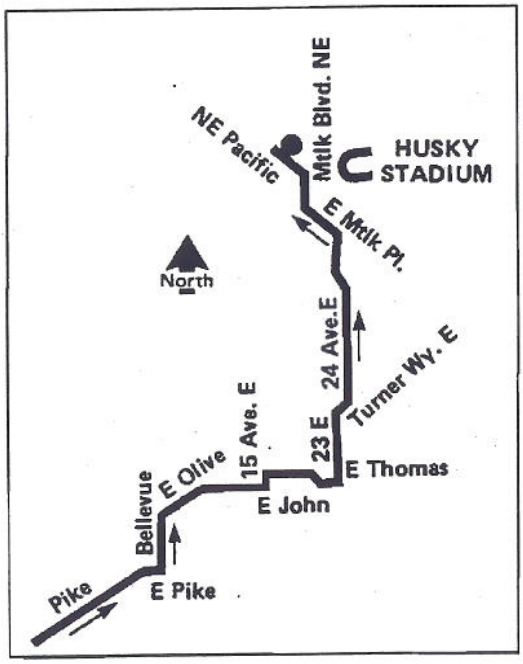
Husky Special buses will be moved into loading position approximately 30 minutes before the game ends, when Montlake Blvd. is closed to traffic. The Husky Special buses which will be loaded in the traditional areas will be moved into position first. The P&R buses will be moved into loading position next, immediately after the Husky Special buses at the head of the queue. The P&R buses will then load and depart and then the balance of the Husky Special buses will be moved into the vacated



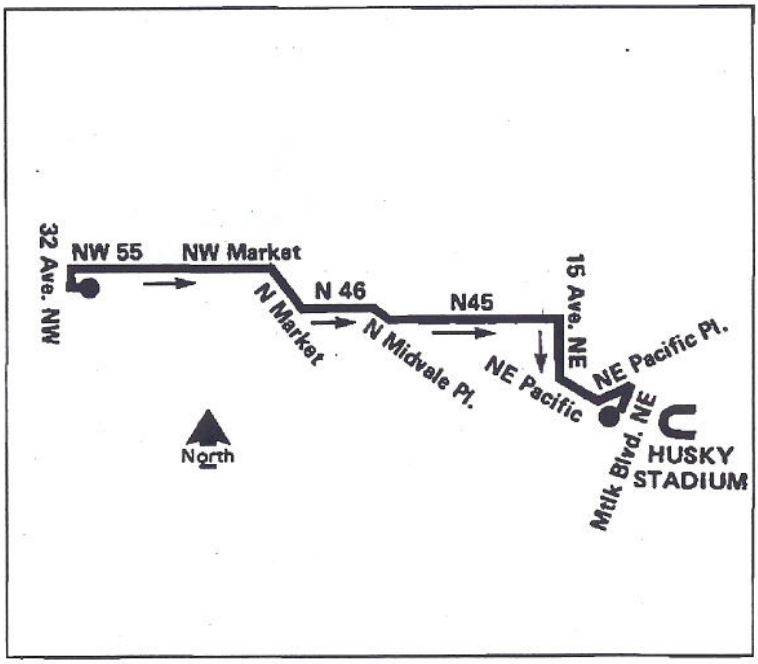

From Downtown via Eastlake




From Downtown Via 23rd Ave.




Route 43 From Downtown via Capitol Hill




Route 43 From Ballard via Market and 45th St.

Source: University of Washington
Transportation Office

FIGURE S-1
HUSKY SPECIAL ROUTES

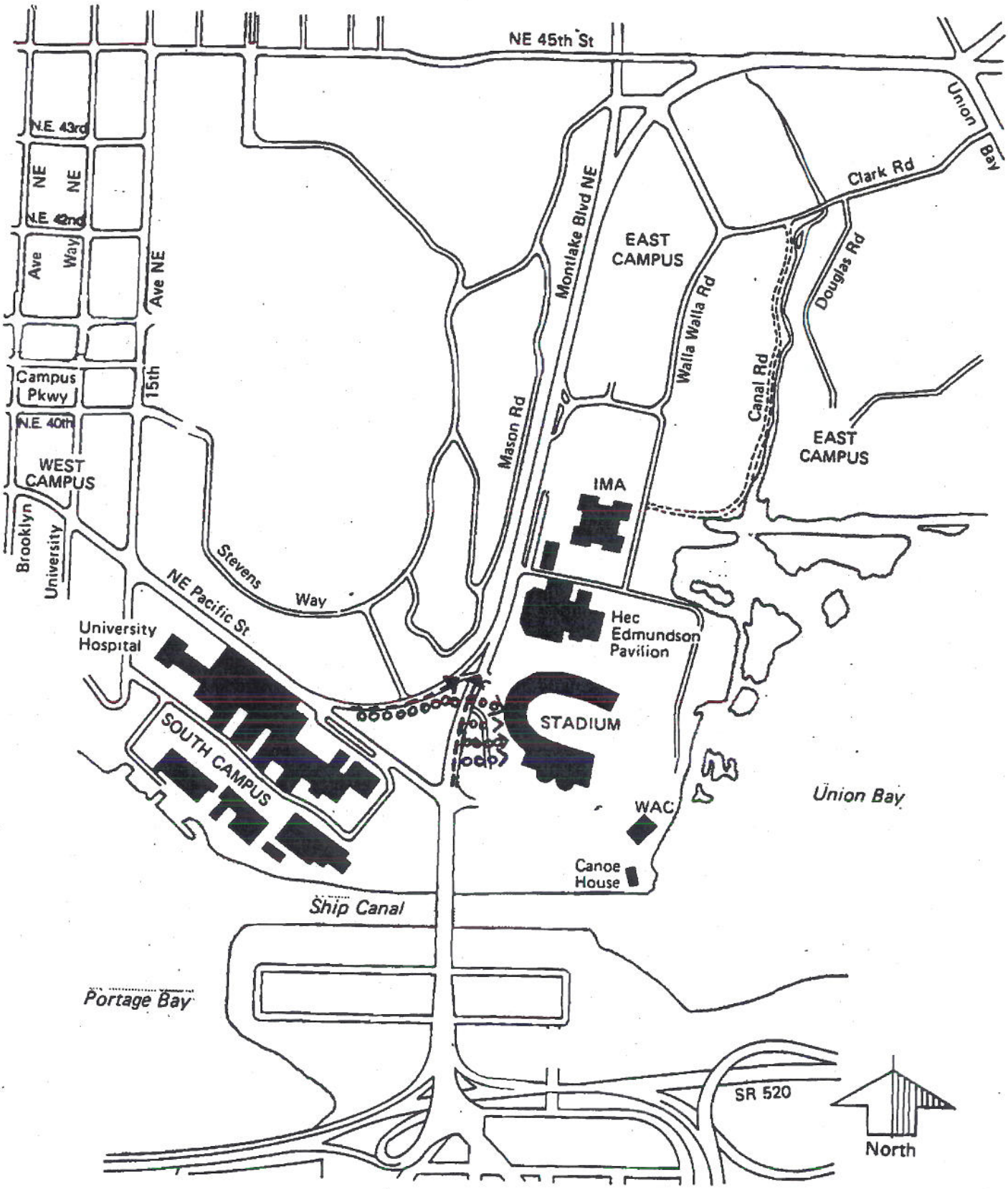



FIGURE S-2
HUSKY SPECIAL UNLOADING AREAS
& PEDESTRIAN ROUTES
TO STADIUM

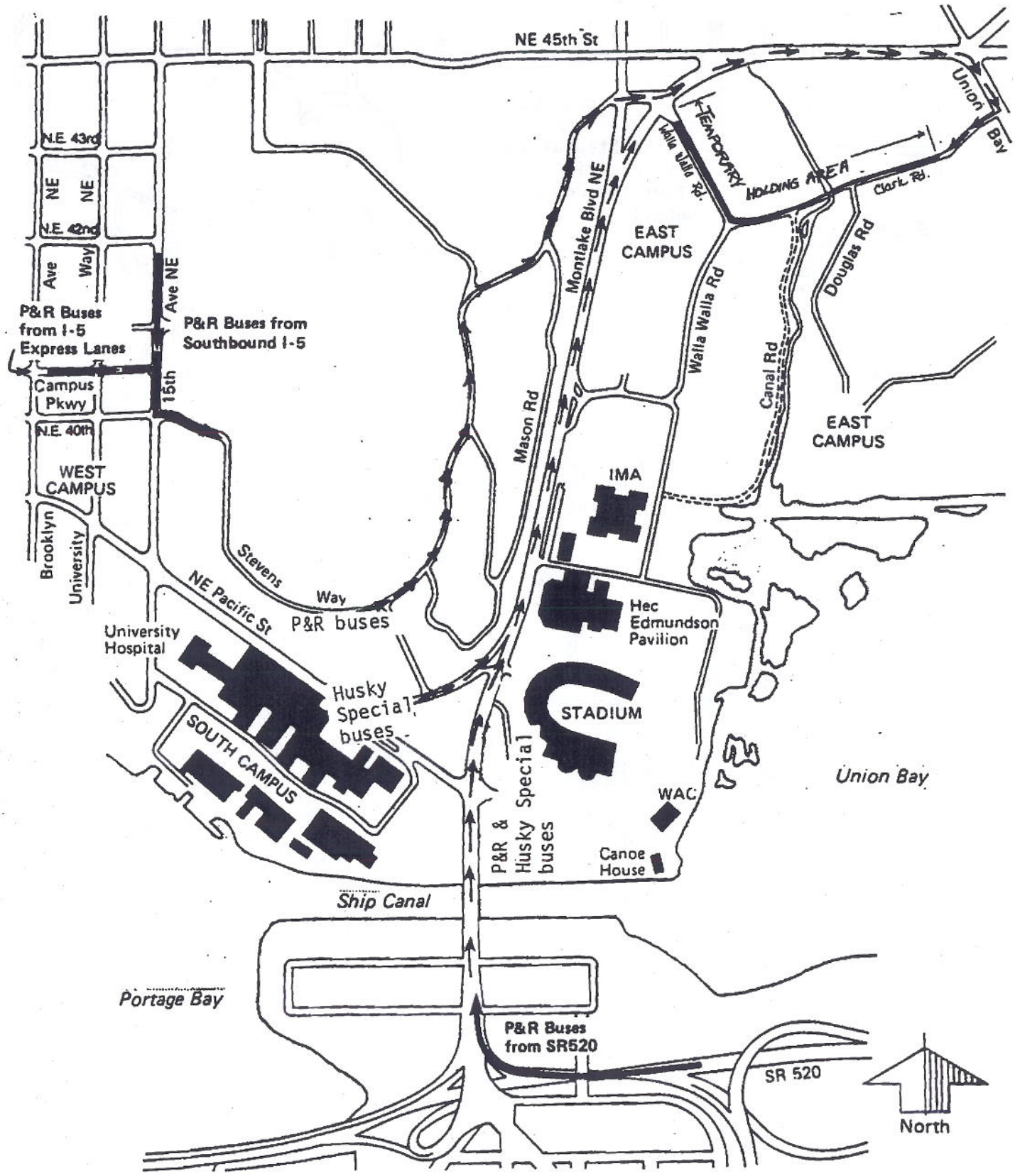



FIGURE S-3
ROUTES TO BE FOLLOWED BY PARK AND RIDE & HUSKY SPECIAL BUSES TO THE TEMPORARY HOLDING AREA

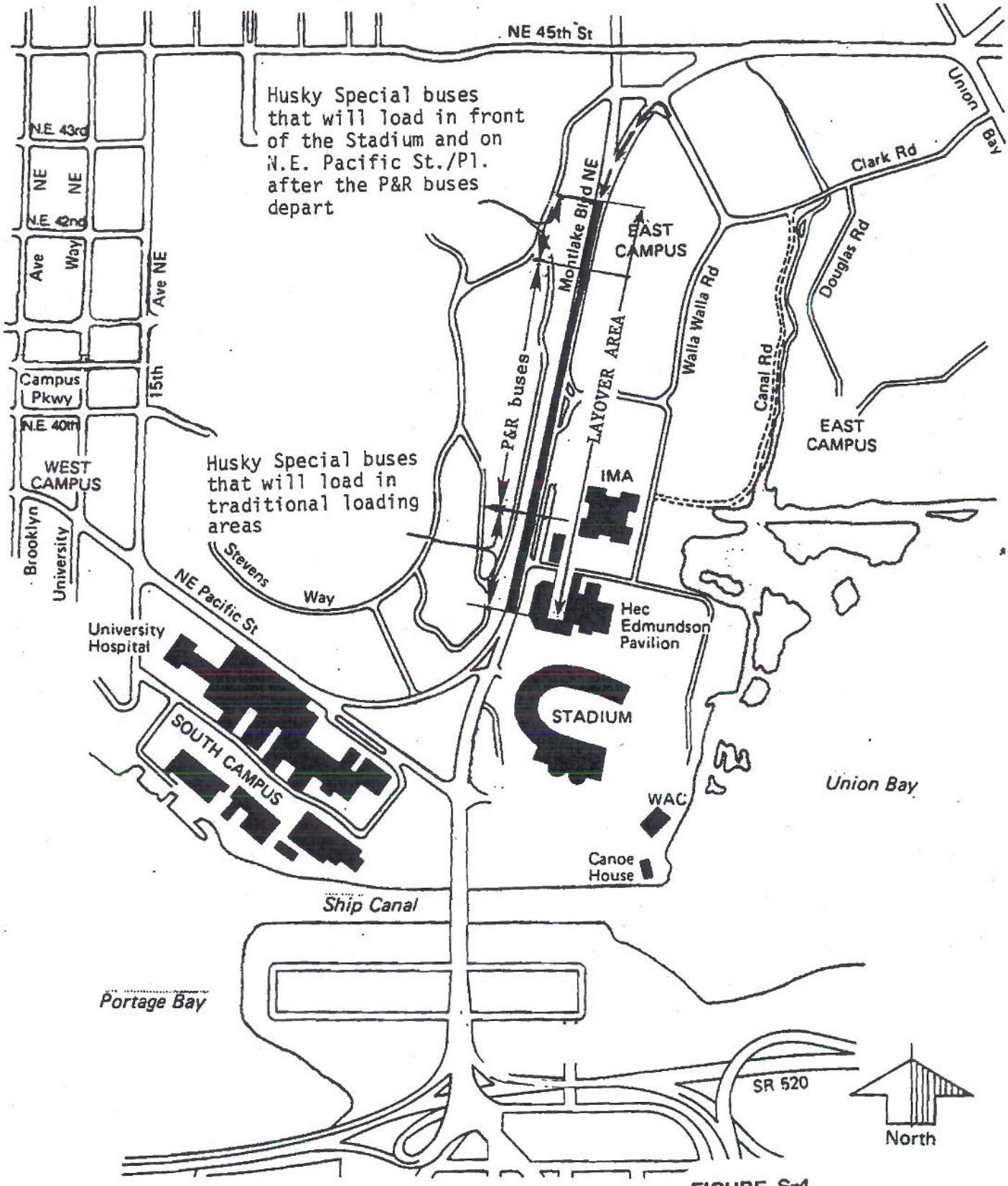



FIGURE S-4
PARK AND RIDE &
HUSKY SPECIAL BUS
LAYOVER AREAS &
ROUTING TO AREAS

loading areas. The locations of these loading areas are shown in Figure S-5.

Park-and-Ride Service

Pregame Service. Buses will operate from P&R lots conveniently located throughout the Seattle metropolitan area. Approximately 35 coaches will be needed for service to the Stadium for a sellout game and fewer for a nonsellout game.

Scheduled service will operate during the approximately 1-1/2 to 2 hour period before the game. There will be four to five trips to the Stadium during this period from each P&R lot. The first trip by each bus will be scheduled to arrive at the Stadium approximately 90 minutes before the game and the balance of the trips will be spread over this period with arrival times scheduled to meet user demands and use the coaches efficiently. Each bus will generally make only one trip especially on longer routes. Buses making the early trips from close-in P&R lots may return to their lot for a second trip. As information is gathered through the use of the P&R system, routes and schedules will be adjusted.

Service will be provided from seven P&R lots listed below and shown in Figure S-6:

Lynnwood
Kenmore
Northgate
S. Kirkland
S. Bellevue/Mercer Island
Federal Way

Each bus will serve one P&R lot except the bus serving the S. Bellevue P&R lot will also serves the Mercer Island P&R lot.

The P&R lots are located near area freeways. Routes between lots and the Stadium that provide the shortest travel times will be used. A primary and a secondary route will be selected from each P&R lot using the nearest freeway and/or convenient major arterials as the primary route.

The buses serving the Lynnwood and Northgate P&R lots will use I-5 to reach the University District. The buses serving the Kenmore P&R lot will use Bothell Way and 15th Ave. NE or Bothell Way, NE 145th St. and I-5 to reach the University District. The buses serving the S. Kirkland P&R lot will use SR520 and the buses serving the Federal Way P&R lot will use I-5 and the express lanes to reach this area. The buses serving the S. Bellevue and Mercer Island P&R lots will be routed to the area over I-90 and I-5 express lanes. Congestion patterns will be further analyzed in 1986 and each year thereafter to define the whole route with the shortest travel time.

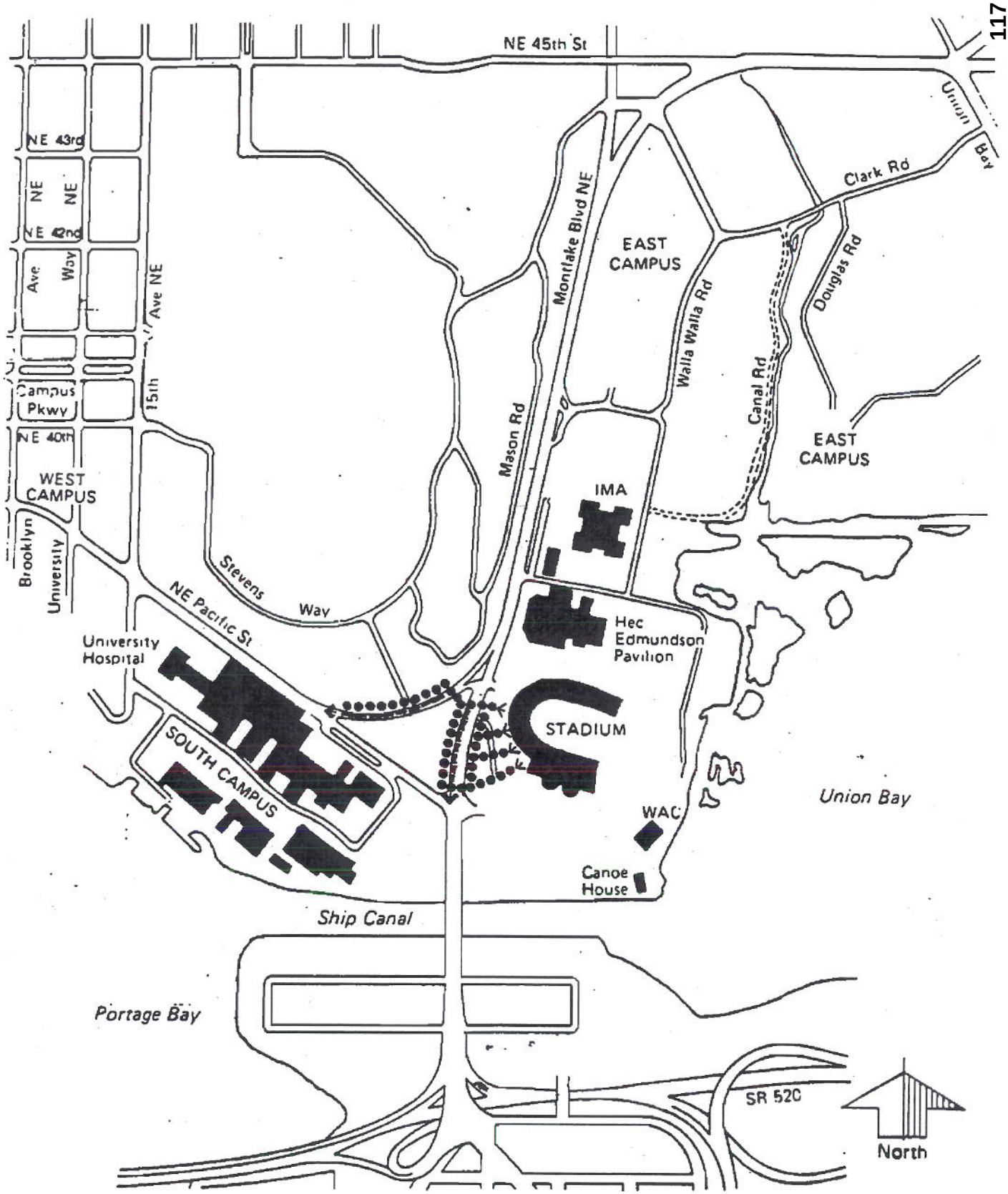



**FIGURE S-5**
**PARK AND RIDE & HUSKY SPECIAL LOADING AREAS & PEDESTRIAN ROUTES TO BUSES**

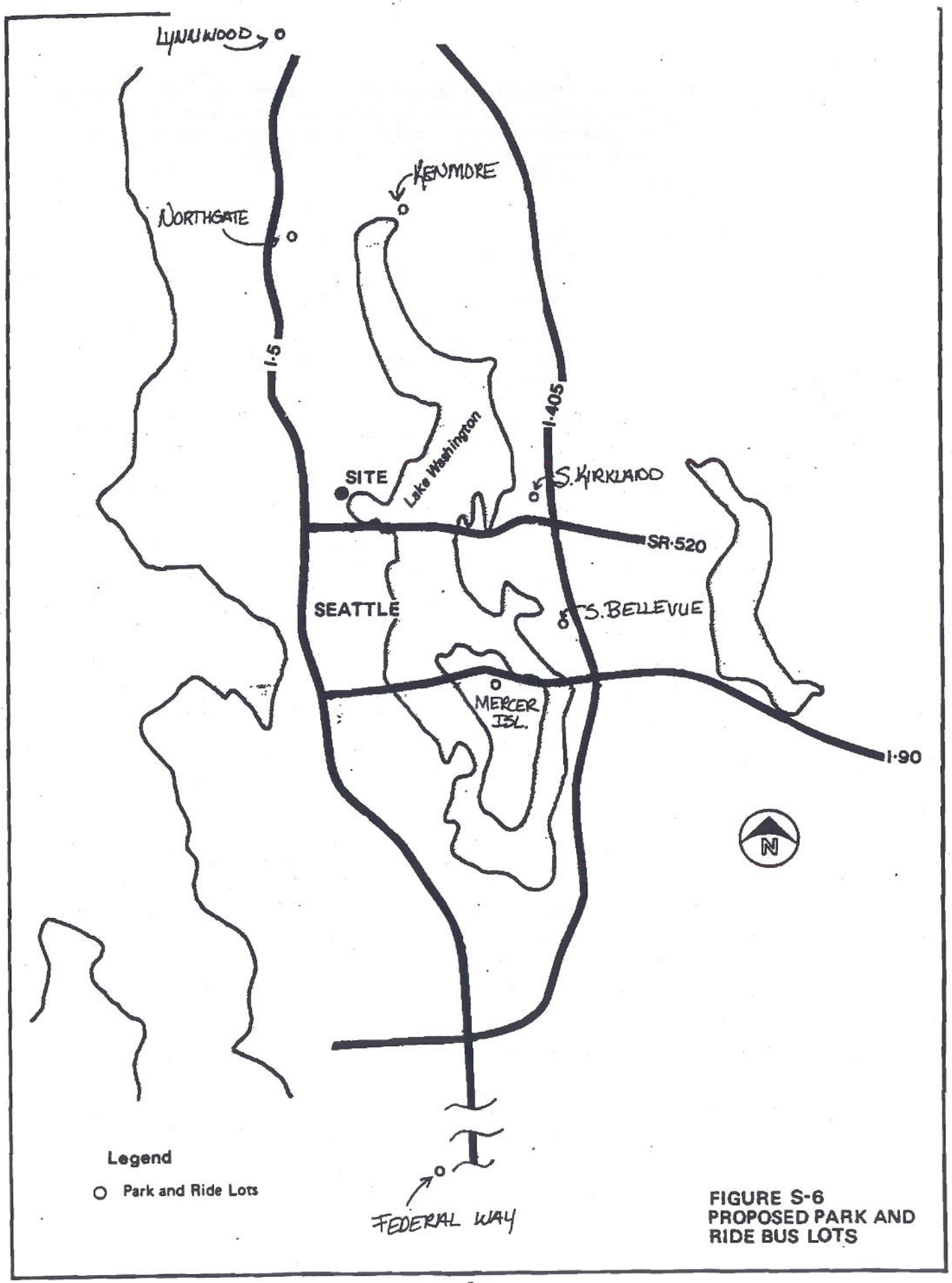



FIGURE S-6
PROPOSED PARK AND RIDE BUS LOTS

The quantity of buses needed to handle the loads and meet the schedule will be placed in service. It will be possible for some buses serving certain lots to make more than one trip. Congestion levels are high on SR520 in the vicinity of the Montlake interchange and it will be necessary to provide a different coach for each trip from the S. Kirkland P&R lot.

The P&R buses using the I-5 express lanes will exit at the NE 42nd St. off-ramp and travel to the 15th Ave. and 40th St. entrance to campus (gate No. 5) via NE 42nd St., Roosevelt Ave. and Campus Parkway. The P&R buses traveling south on the I-5 mainline will exit I-5 at NE 50th St. or NE 80th St., depending on congestion level, and travel to gate No. 5 via 15th Ave. NE. All these buses will follow Stevens Way through campus to the unloading area at Rainier Vista as shown in Figure S-7. Their doors will open towards the Stadium.

The P&R buses serving the S. Kirkland P&R lot will arrive via SR520. They will exit at the Montlake interchange and proceed north to the unload area directly in front of the Stadium as shown in Figure S-7. Their doors will open towards the Stadium.

All P&R buses will be routed to a temporary holding area in the East Campus on Walla Walla Road and Clark Road after their last trip where they will wait until the game starts. Those buses unloading on Stevens Way will proceed through campus on Stevens Way and exit at Gate No. 3 (Pend Orielle entrance). They will proceed to the temporary holding area via Montlake Blvd., NE 45th St. and NE Union Bay Place. Those buses unloading in front of the Stadium will continue north on Montlake Blvd. to the temporary holding area along the same route used by the P&R buses that unload on Stevens Way. These routes are shown in Figure S-3.

All the buses waiting in the temporary holding area will be moved to their layover area on Montlake Blvd. after the game starts. They will exit the campus at Walla Walla Road and proceed south on Montlake Blvd. to their layover space in the southbound curb lane between NE Pacific Pl. and 25th Ave. NE.

The free transit scrip provided by the University will be fare for a one-way trip to or from the Stadium or a round trip, depending on the rider's wishes. Riders will also be accepted on a one-way or round trip without scrip, but they will have to pay the equivalent value fare in exact change. The driver will give a marked and color coded receipt for payment of round trip scrip or the equivalent fare to help direct the rider to their bus for the return trip.

Loading Procedures. The buses in each of the three aisles will be loaded simultaneously from front-to-back in each section. The southbound aisle of buses will load from the sidewalk located along the north side of NE Pacific Place, the northbound aisle of buses will load from the sidewalk located along the west side of Montlake Blvd., and the eastbound aisle of buses will load from the full width traffic lane left between the two aisles of buses on Montlake Blvd. Ample space will be left between each

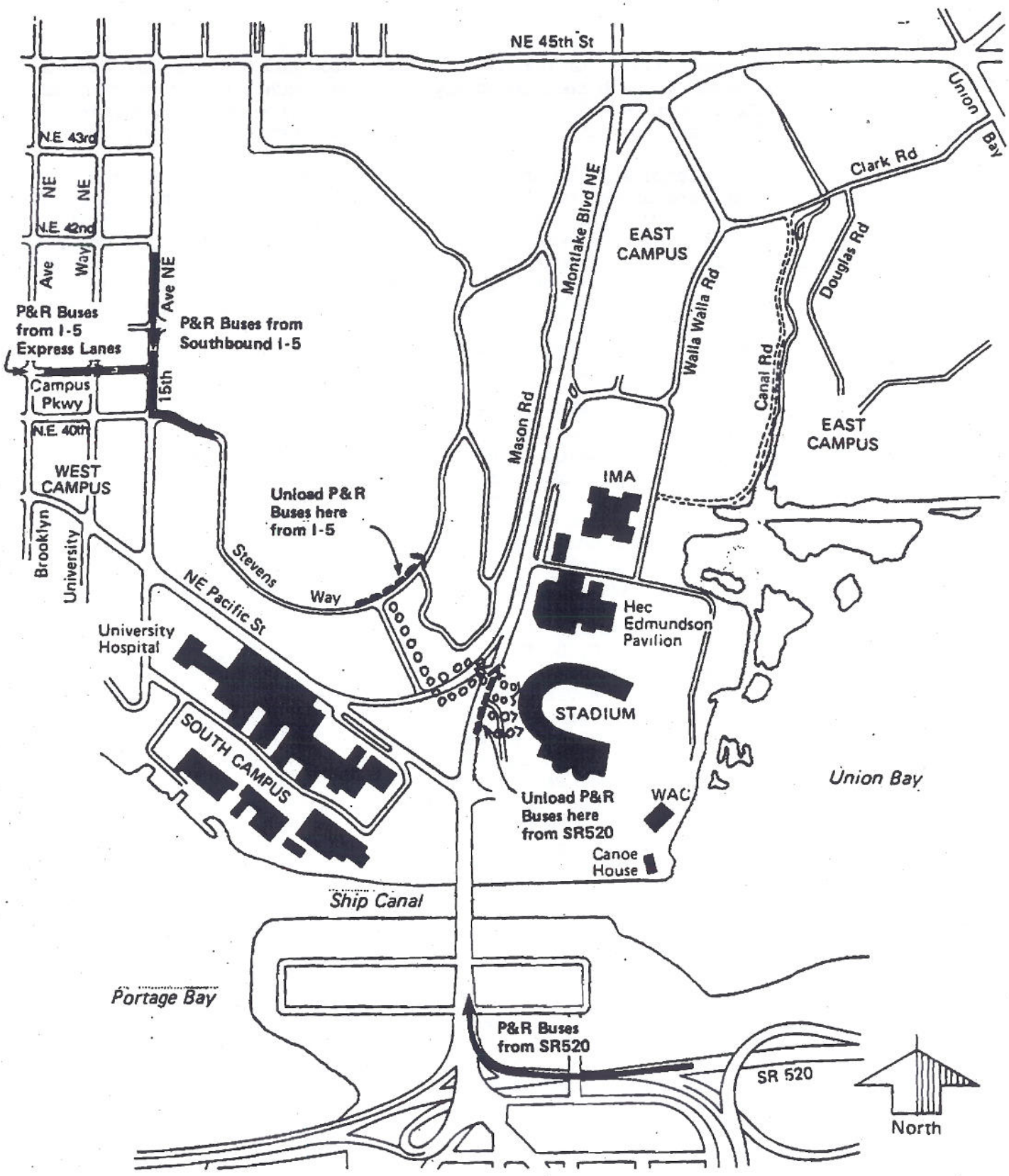



FIGURE S-7
PARK AND RIDE BUS
UNLOADING AREAS & PEDESTRI
ROUTES TO STADIUM

section in each aisle for normal pedestrian flow and to allow the riders bound to buses in each section to approach the coaches from the front or rear. The objective will be to load the buses in the 20 to 25 minute "window" between the time the game ends and attendees reach their cars.

A chain link-fence will be in place along Montlake Blvd. between the sidewalk and the street on the east side. This fence will extend from the intersection with NE Pacific Pl. to the intersection with NE Pacific St. and will direct all pedestrians, including those destined for the P&R buses, to these normal pedestrian crossing points where SPD officers can control traffic. This fence will be on rollers and will be anchored in place shortly before the game ends. A new, wide sidewalk along the east side of Montlake Blvd. will be provided as part of the Stadium site development to provide ample area for the heavy pedestrian traffic bound to the two Montlake Blvd. crossings.

Pedestrians will flow around both ends of this temporary fence to reach their P&R bus or their destinations on campus or in the University District. All three aisles of P&R buses can be accessed from the crossing point at NE Pacific Place. The two aisles of buses on Montlake Blvd. will be divided into two sections at that point and the aisle waiting for loading on NE Pacific Place will be directly across from this intersection. Many riders whose seats were located in the south stands will find it convenient to reach their coach from the crossing at NE Pacific St. These suggested pedestrian routes are shown in Figure S-5.

Bus Signing. Each section of buses will be signed with a letter of the alphabet, i.e., A, B, C, D, E, and F. Each aisle of buses will also be signed as north, south or east. For example, the buses serving P&R lots located north of the University District will be signed "North A Section" and "North B Section," etc., and each bus will be individually signed with the name of the P&R lot served. Signs will also be present at the front of each section which indicate the direction and section along with a list of the individual P&R lots served by individual buses in each aisle and section. These signs will be color coded to match the receipts provided to the riders when they board their bus at the P&R lot. For riders who will only use the P&R service for the return trip, information about the P&R service (including bus identification) will be provided in a mailer along with the football tickets or given out when tickets are purchased in person.

Postgame Service. The P&R buses to be used to transport attendees back to their cars at the P&R lots will lay over on Montlake Blvd. during the game (see Figure S-4). They will be located in a single aisle in the southbound outside (curb) lane between 25th Ave NE and NE Pacific Place and will be moved forward to the loading areas on Montlake Blvd. and NE Pacific Street approximately 30 minutes before the game ends (when Montlake Blvd. is closed to traffic). Game-day volumes of 900 vehicles per lane can be handled in the remaining southbound lane during the game (based on SED estimates). One or more through lanes will always be clear for use by emergency vehicles.

One aisle of buses will be loaded facing west on NE Pacific Place and two aisles will be moved into place facing south on Montlake Blvd. as shown in Figure S-8. Each aisle of buses will be divided into two sections with each section serving the same one or two P&R lots.

The aisle of buses located on NE Pacific Place will serve the P&R lots located in the south I-5 corridor. These buses will be routed out of the area via NE Pacific Street, 14th Ave. NE, Campus Parkway, 7th Avenue NE, and the NE 42nd Street entrance to the southbound express lanes.

The aisle of buses serving the P&R lots located in the north I-5 corridor will be located on Montlake Blvd. in the southbound curb (HOV) lane. These buses will be routed out of the area via Montlake Blvd. to westbound SR520 and then northbound on I-5.

The other aisle of buses on Montlake Blvd. will be located in the inside southbound lane and they will serve all the eastside P&R lots. These buses will be routed out of the area via Montlake Blvd. to eastbound SR520.

The buses serving the park-and-ride lots will be loaded immediately following the game and will be dispatched before congestion builds up (within 20-30 minutes).

Once loaded, all buses will depart en masse, prior to allowing other traffic through the loading area. Extra buses will be provided in each aisle to accommodate overloads and these buses will depart with the full buses, whether or not they have passengers, to allow all buses in the queue to depart together without obstruction.

"Sweeper" buses will be provided to take P&R lot users who are not able to leave immediately after the game back to their cars. One bus will serve all the P&R lots in each of the three service areas. These buses will lay over in the Metro bus layover zones on NE Pacific Place, facing east, until after the other P&R buses have left. These three buses can load in this location or they can be moved around the corner to face south on Montlake Blvd. in the HOV lane and load there until traffic congestion has receded to the normal level.

Fare. The transit fare for a round trip to and from the Stadium on P&R buses will be determined at a later date. The full round trip fare will be payable upon boarding at the P&R lot. A receipt (previously described) will be issued to each person. The receipt will be used as fare for the return trip to the P&R lot after the game. In lieu of the fare, patrons may use the transit scrip provided by the University (see previous section for a description of the transit scrip program). The fare for a one-way trip, either to or from the Stadium, will be approximately one-half the round trip fare. Patrons may also use the transit scrip for a one-way trip.

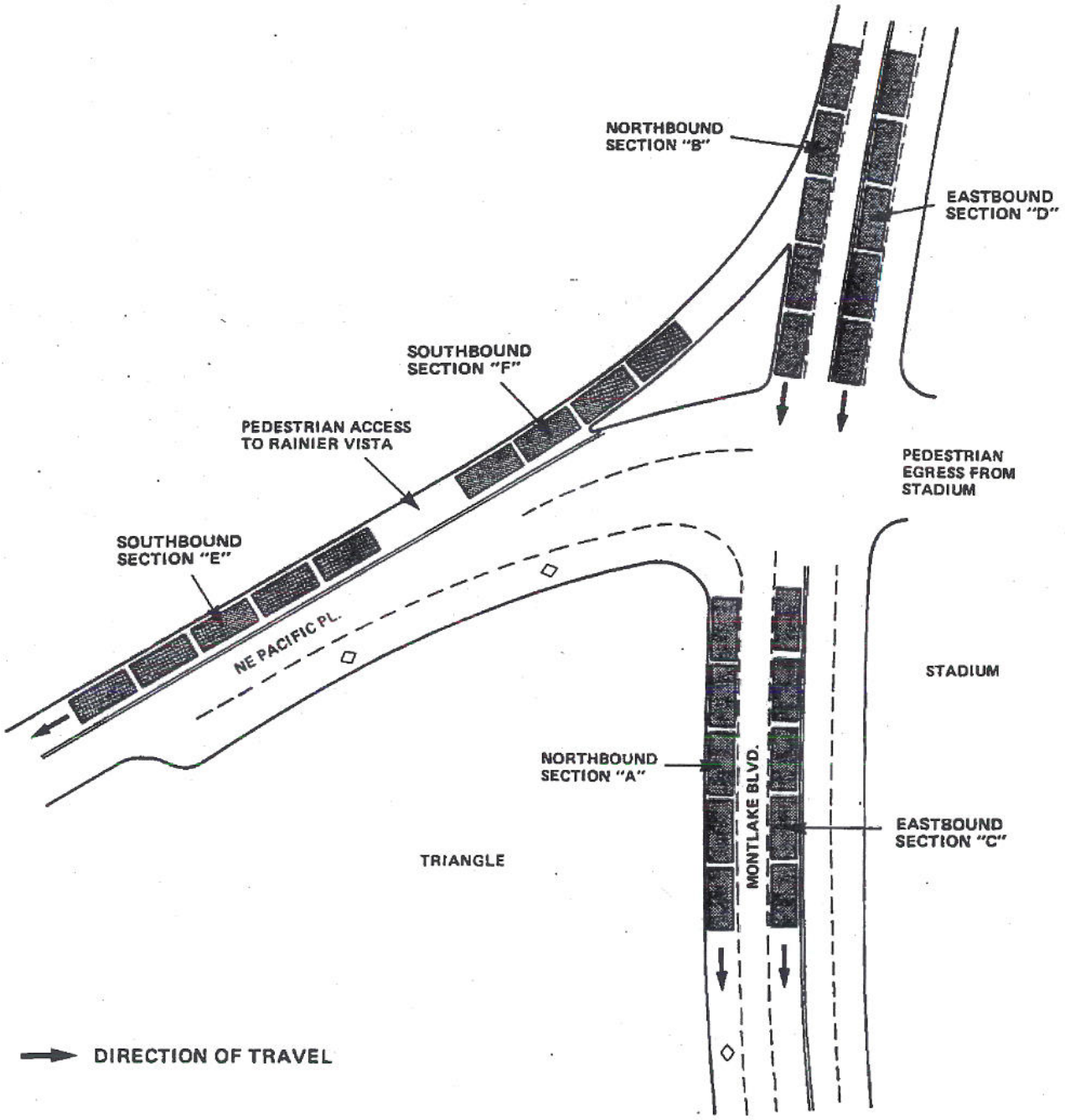



FIGURE S-8
SUGGESTED LOADING
CONFIGURATION

Overloads. Overloads will be prepared for in advance by having extra coaches at the P&R lots at the beginning of the routes to the Stadium. Experience will indicate approximately how many coaches are needed but initially it may be necessary to increase the number of coaches needed for the expected load to assure overloads are adequately handled.

Post game overloads will be accommodated by providing at least one extra coach for each area served. The overload coaches will queue on Montlake Blvd. They will be moved into position with the other coaches. In the event that they are not needed for designated routes, they will be used as additional "sweeper" buses, replacements for coaches that malfunction, or returned to the base.

Coach Malfunctions. Overload coaches will be used in the event that a coach malfunctions on any trip. The number of coaches needed in case of a malfunction will be predicted by Metro using their failure rate as a guide. If a coach stalls or otherwise malfunctions after it has been placed in its queue and ready for loading after the game, it will be pushed forward by the coach immediately behind to create enough space for coaches in the queue to maneuver around the stalled coach and leave the area after loading. This maneuver will take place only after all the buses are ready to depart and the passengers on the stalled coach have been transferred to another coach.

## III. TRAFFIC CONTROL

### Pregame Traffic Control

Very few changes are proposed to the existing pregame traffic control plan which is illustrated in Figures S-9 through S-12. The approximately 1,300 additional automobiles and approximately 100 buses expected for a sellout game will be distributed by trip origin and time of arrival similar to those that now attend games.

Signs. Existing sign locations throughout the University District are shown in Figure S-9. No changes are proposed to these plans.

Traffic Flow-Safeco Parking Areas. Pregame traffic flow will not change significantly except in the vicinity of the Safeco parking garages and surface lots to be leased for game-day parking. Detail regarding traffic flow to the Safeco garage and surface lots are shown in Figure S-10.

Promotional material will be prepared and distributed, which will suggest the preferred Safeco parking facility and traffic routes for each general direction of approach. For example, attendees from the north will be requested to park in the surface lot north of NE 45th St., with any overflow directed to the garage, via 12th Ave NE. Routing to the north surface lot will either be via Roosevelt Way or 12th Ave. NE, with entrance to the lot from the alley west of 11th Ave. NE. Vehicles approaching from the west on NE 47th Street (via Roosevelt) or from the south on 11th Ave. NE will be routed east of 11th Ave NE on NE 47th Street and then south to the garage on 12th Ave. NE. Vehicles

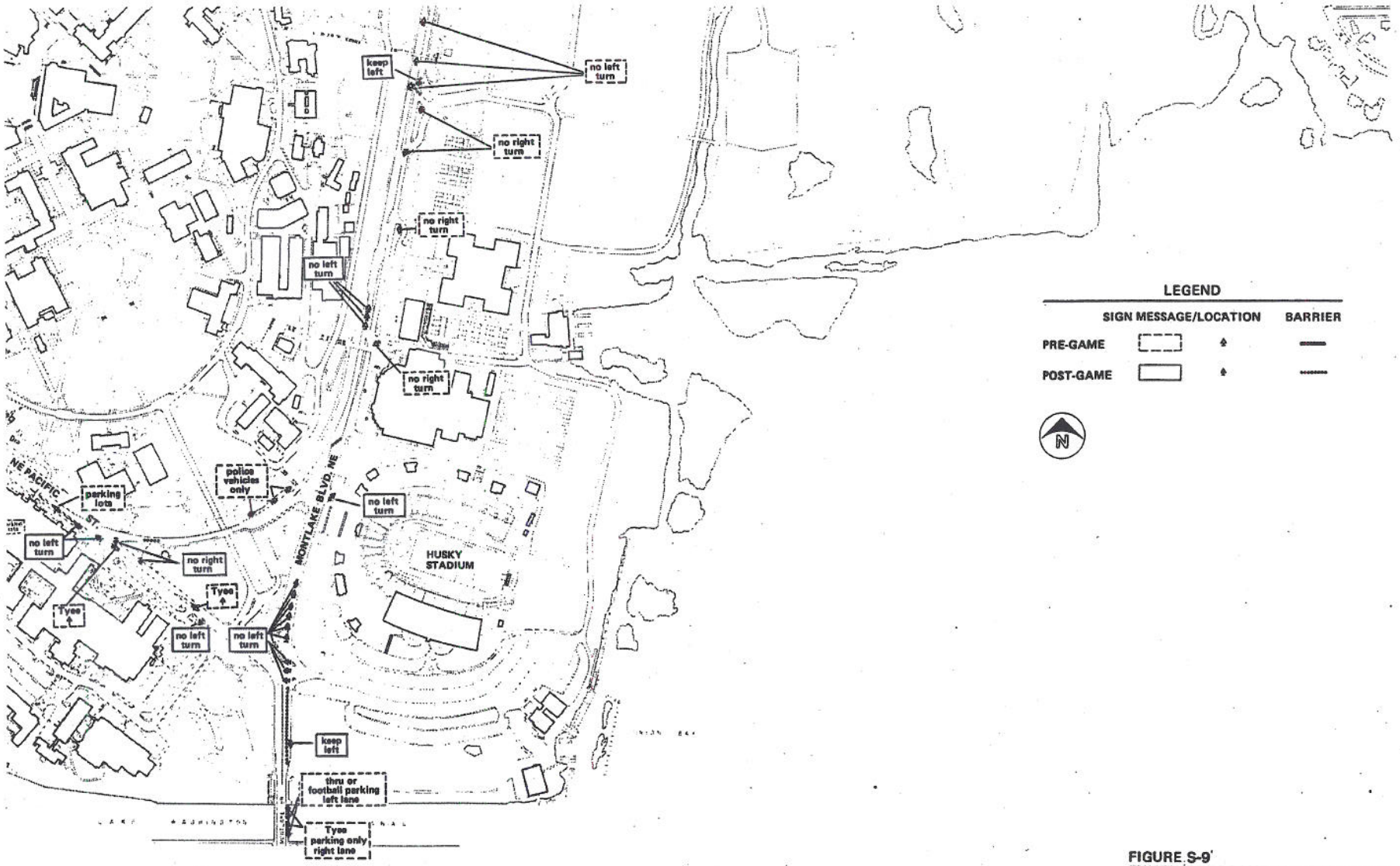



FIGURE S-9
EXISTING PREGAME AND POSTGAME SIGNING AND BARRIERS STADIUM VICINITY

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FIGURE S-9 ( Continued)
EXISTING PREGAME AND POSTGAME
SIGNING AND BARRIERS
AREA WEST OF STADIUM

18

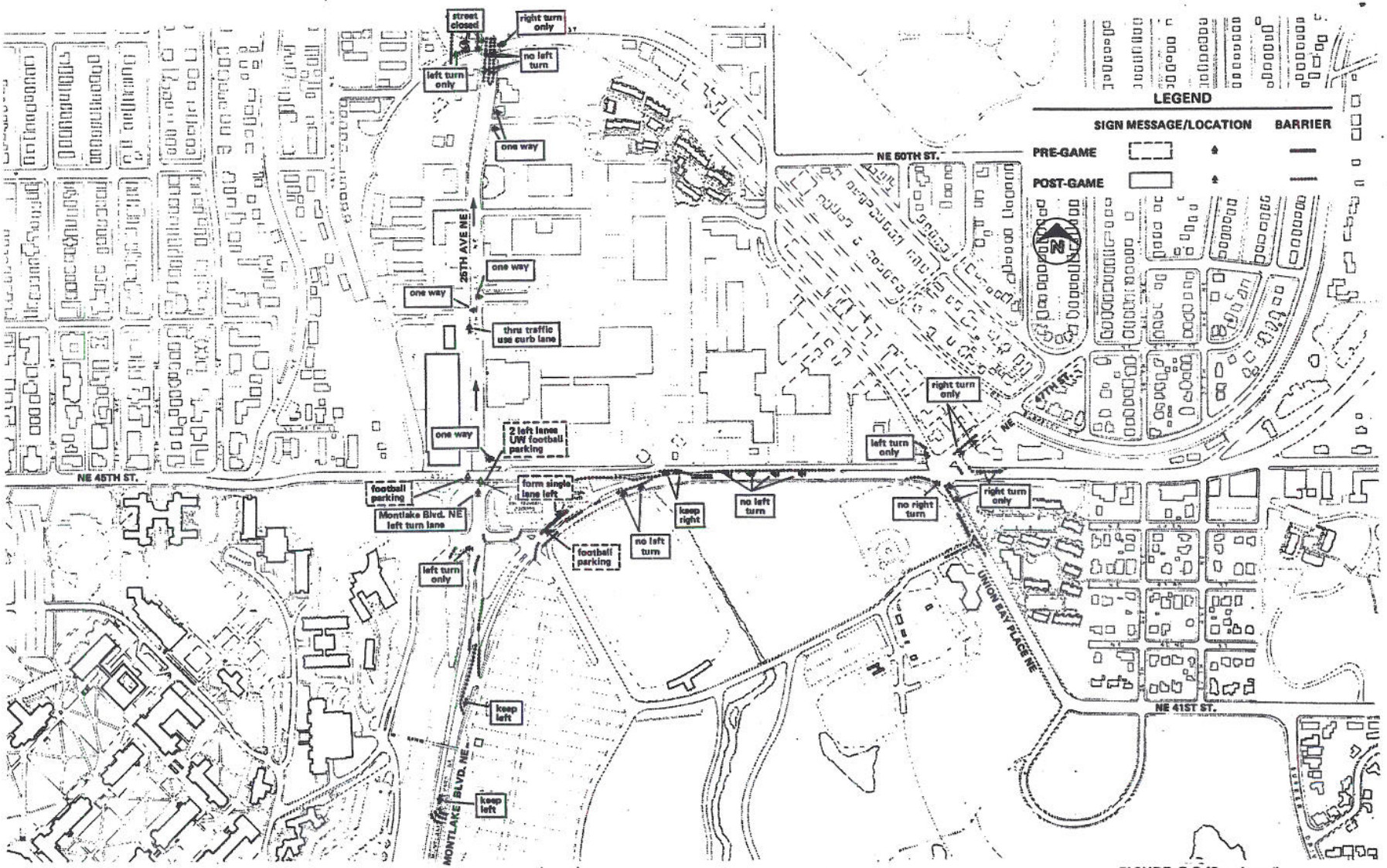
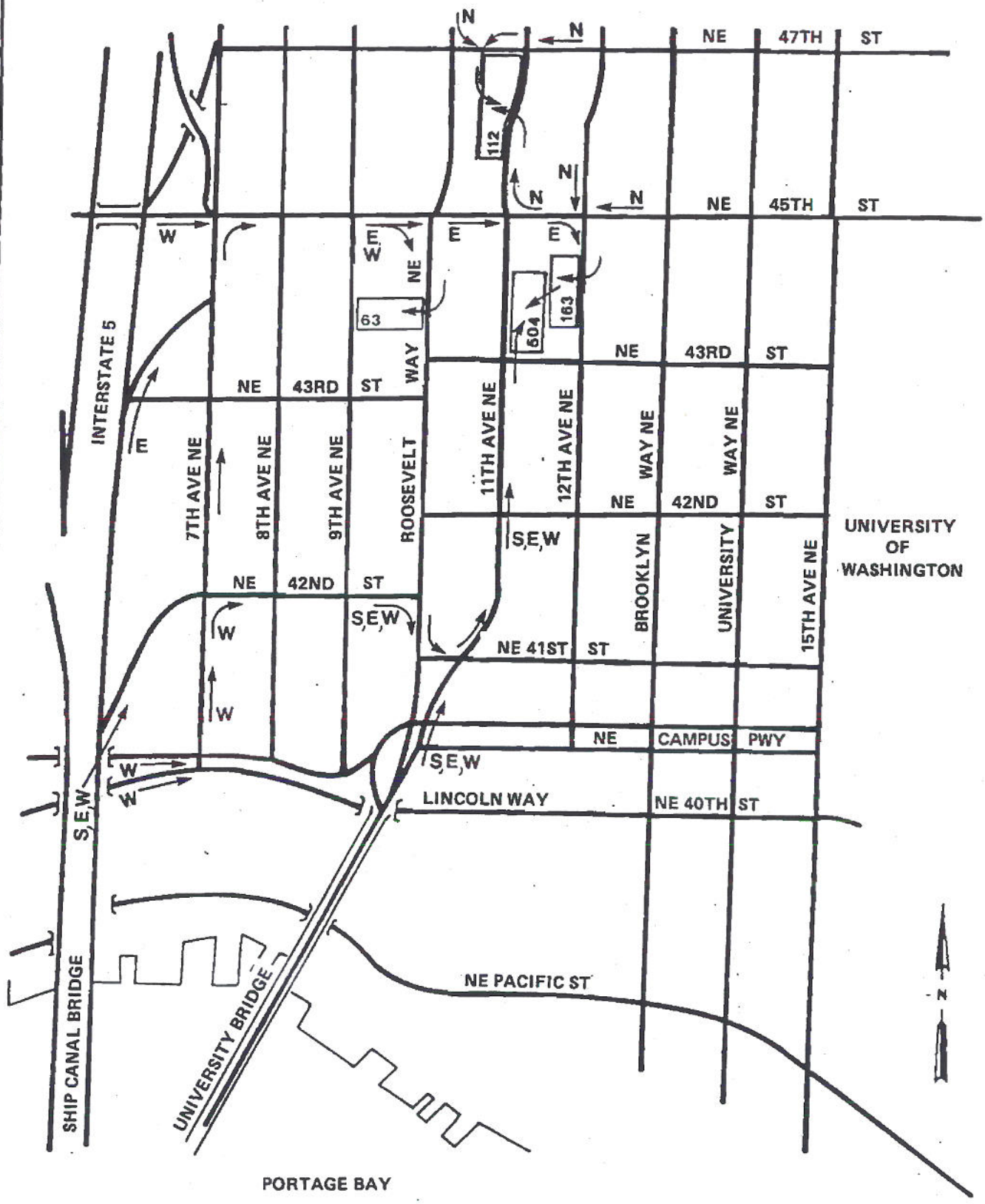



FIGURE S-9 (Continued)
EXISTING PREGAME AND POSTGAME
SIGNING AND BARRIERS
AREA NORTH OF STADIUM

17

FIGURE S-9 (continued)
EXISTING PREGAME AND POSTGAME SIGNING AND BARRIERS AREA NORTHWEST OF STADIUM
19




N, S, E, W : APPROACH DIRECTIONS

FIGURE S-10
ENTRY ROUTING PLAN
SAFECO PARKING

CH2M HILL

FIGURE S-II
CAMPUS PREGAME TRAFFIC
FLOW PATTERNS & STAFFING

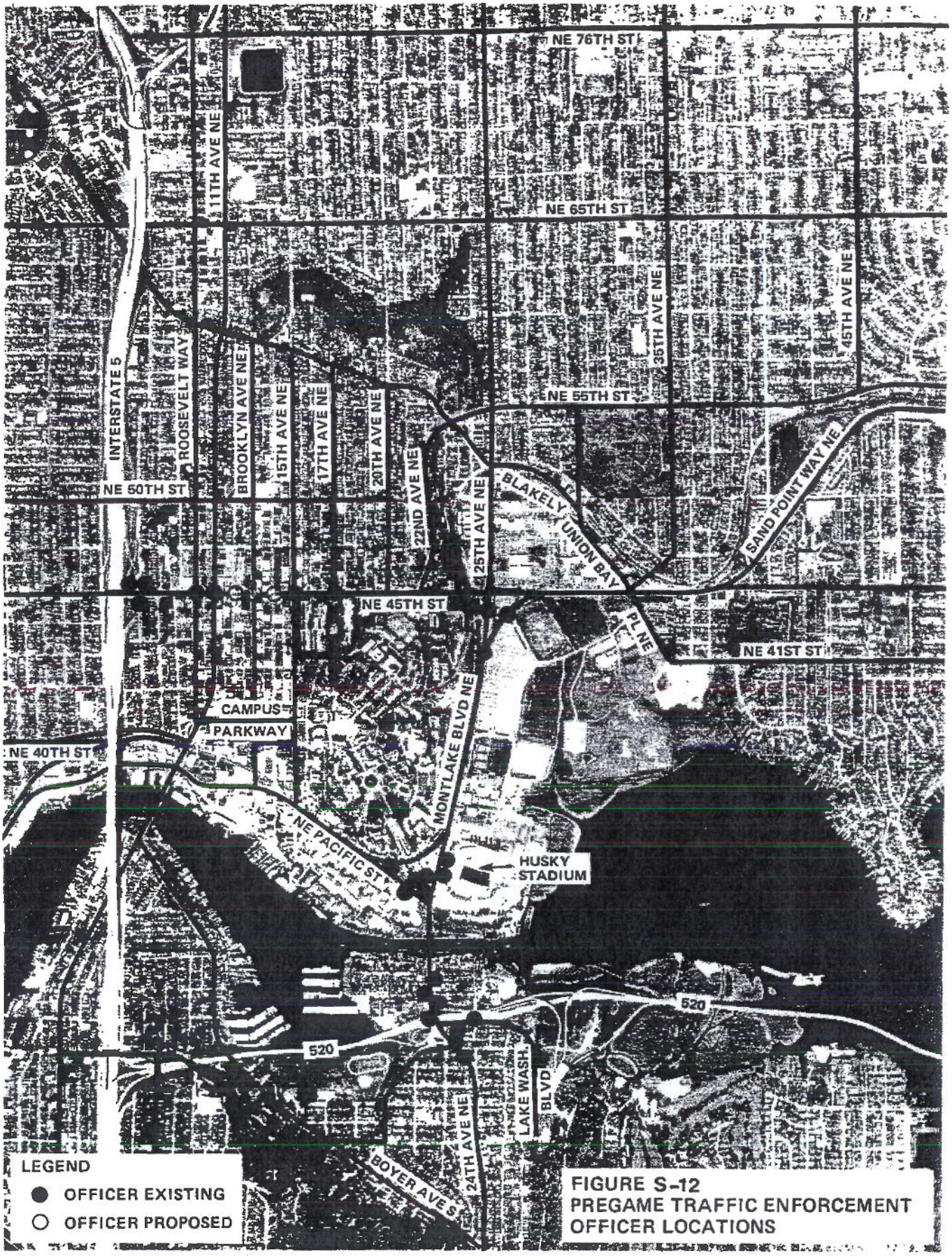



FIGURE S-12
PREGAME TRAFFIC ENFORCEMENT
OFFICER LOCATIONS

approaching from the east on NE 47th St. will be routed via Roosevelt, NE 43rd St, and 11th Ave. NE to the garage. Signs and/or parking attendants will direct potential users of the Safeco facilities to other parking areas in the event that one or more of the Safeco facilities are full.

Attendees from the east and west will be requested to use the surface lot on Roosevelt Way, south of NE 45th, with overflows directed to the garage via NE 43rd and northbound on 11th Avenue NE.

Attendees from the south will be requested to use the I-5 express lanes to NE 42nd St., and then to the Safeco garage on 11th Ave. NE.

Added Traffic Volumes. Pregame traffic volume data at several locations on NE 45th St. was provided by the Seattle Engineering Department for games in 1982 and 1983. These volumes indicate that the highest pregame volumes occur during the hour between noon and 1:00 p.m. (1:00 p.m. game start).

Those who park at the Safeco garage (and vicinity) will tend to arrive earlier than the majority who park closer, i.e., campus, etc. Their arrival time will peak earlier on the streets in the U-District and will lead, not reinforce, the existing peak hour. It is estimated 15 to 20% or 100 to 160 additional vehicles should be expected on the U-District streets in the existing peak hour for sellout games as a result of using the Safeco garage.

Traffic Flow - Campus. No changes will be made to the flow of automobile traffic on campus as a result of the Stadium expansion. Up to 45 additional charter buses will be accommodated in layover space on campus, as described elsewhere in the Plan. Existing traffic patterns are shown in Figure S-11.

Staffing Levels. Three additional Seattle Police Officers will be required as a result of the Stadium expansion. The locations of the 25 officers currently used and the three additional officers, shown in Figure S-12, are based on past experience. Officers may be shifted to other locations as conditions and traffic control problems vary.

Additional University of Washington parking staff will be needed to staff the two Safeco garages and two Safeco surface lots. No other staffing changes for pregame conditions are anticipated as a result of the Stadium expansion. Current and proposed pregame staffing quantities and locations are also shown in Figure S-11.

Postgame Traffic Control

Several revisions are proposed to the postgame traffic control plans in the vicinity of the Safeco parking garage (see Figure S-13) and surface lots in order to handle extra traffic generated by using these facilities. One-way traffic flow patterns, barricades, signs, and extra police officers will be required to help ensure that those who park in the Safeco parking areas do not enter the westbound traffic stream on NE 45th Street.

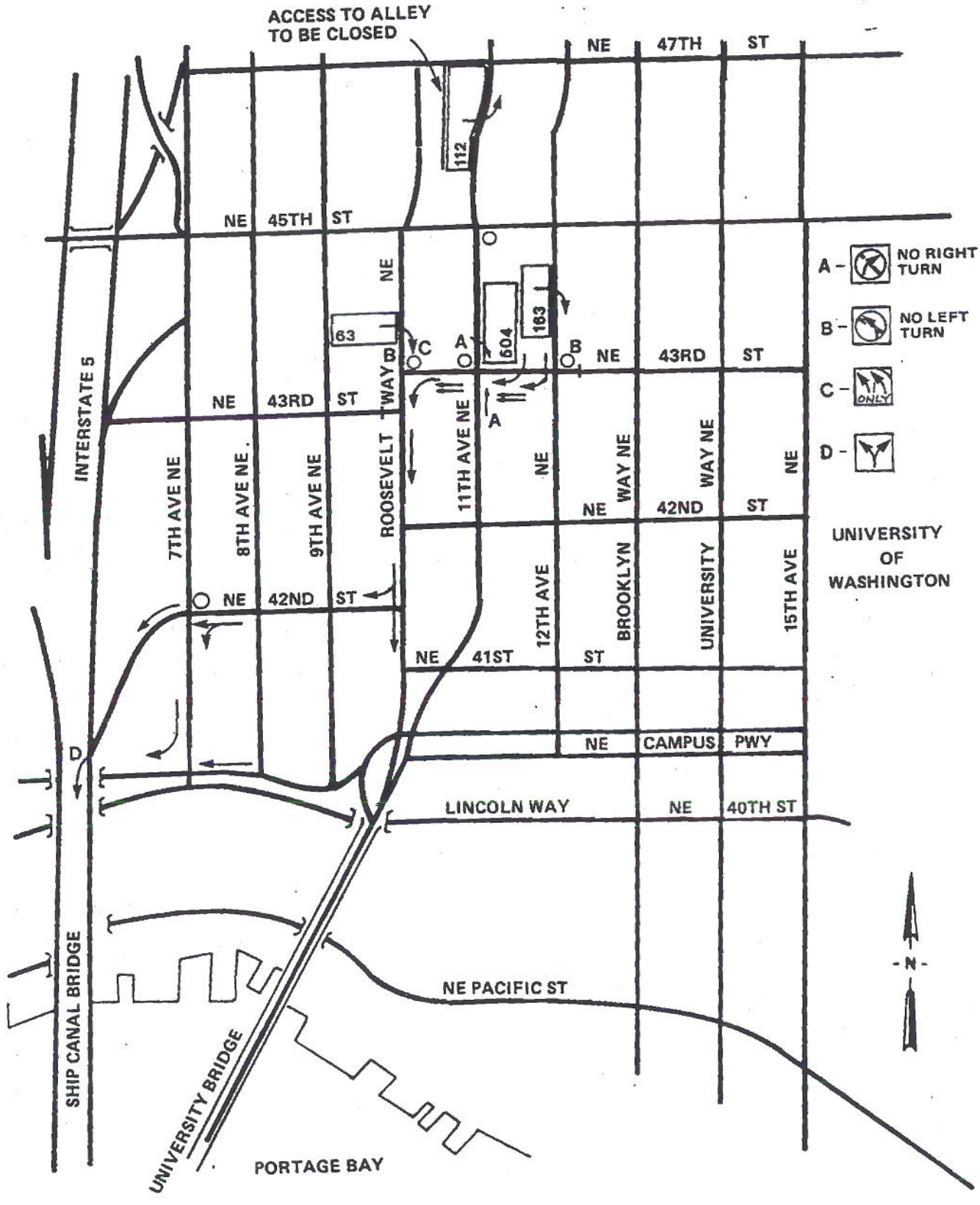



FIGURE S-13
EXIT ROUTING PLAN
SAFECO PARKING

Signs. New signs, barricades, and traffic cones will be added to direct traffic from the Safeco garages and surface lots out of the area with minimum impact on existing flow patterns. The signs and other traffic control devices proposed to direct cars parking in these areas away from NE 45th St. are described in detail in Figures S-14 through S-17. No other changes are proposed to the existing postgame sign locations shown in Figure S-5.

Traffic Flow - Safeco Parking Areas. Postgame traffic flow patterns will not change significantly except in the vicinity of the Safeco parking areas. Traffic patterns will be modified on NE 43rd Street between 12th Ave. NE and Roosevelt to expedite the flow of vehicles from the Safeco Garages and to help assure that these vehicles do not enter the westbound flow on NE 45th St.

Promotional material will be provided to game attendees which will specify exit routes by general direction of travel. Generally, the routes will direct traffic away from NE 45th St., as shown in Figure S-13. Attendees traveling to any of the south, east, and west destinations will be directed to the NE 42nd St. access to the I-5 express lanes.

Traffic leaving the surface lot on Roosevelt Way and the garage will be directed to use the express lanes by the traffic control plan, outlined below. Traffic leaving the surface lot north of NE 45th will be directed to use 11th Ave. NE, northbound, since most parkers in this lot will be destined to the north area. Overflow parkers from the north area will be allowed to leave the garage on 11th Ave. NE, but will be prohibited from turning onto NE 45th.

Exiting traffic from the garage will be directed south, either from the alley between 11th and 12th Avenues or directly to 12th Ave. NE 43rd St. will be temporarily closed to eastbound traffic between 12th Ave. and Roosevelt. Traffic from the alley will be directed to turn westbound on 43rd St. into the normal westbound lane. Traffic from 12th Ave. will also be required to turn westbound onto 43rd St.

Initially, traffic will be allowed to exit the garage to 11th Ave., but will not be allowed to turn onto 45th St. If this proves to be an unworkable solution, it will be prohibited in the future.

Traffic westbound on 43rd St. will not be allowed to turn right on 11th Ave., but will be directed westbound on NE 43rd to Roosevelt, where they will turn south in dual lanes. Traffic on Roosevelt will have the option to go to the express lanes, continue west along NE Pacific St., or continue south on Roosevelt to the University Bridge.

To protect neighborhoods and to discourage traffic from circulating back to the north across NE 45th St., several streets will be closed (or certain turns will be prohibited) during the exiting period from the Safeco facilities. These are: NE 43rd St. just east of 12th Ave. and NE 43rd St just west of Roosevelt. Access to the alley from the surface

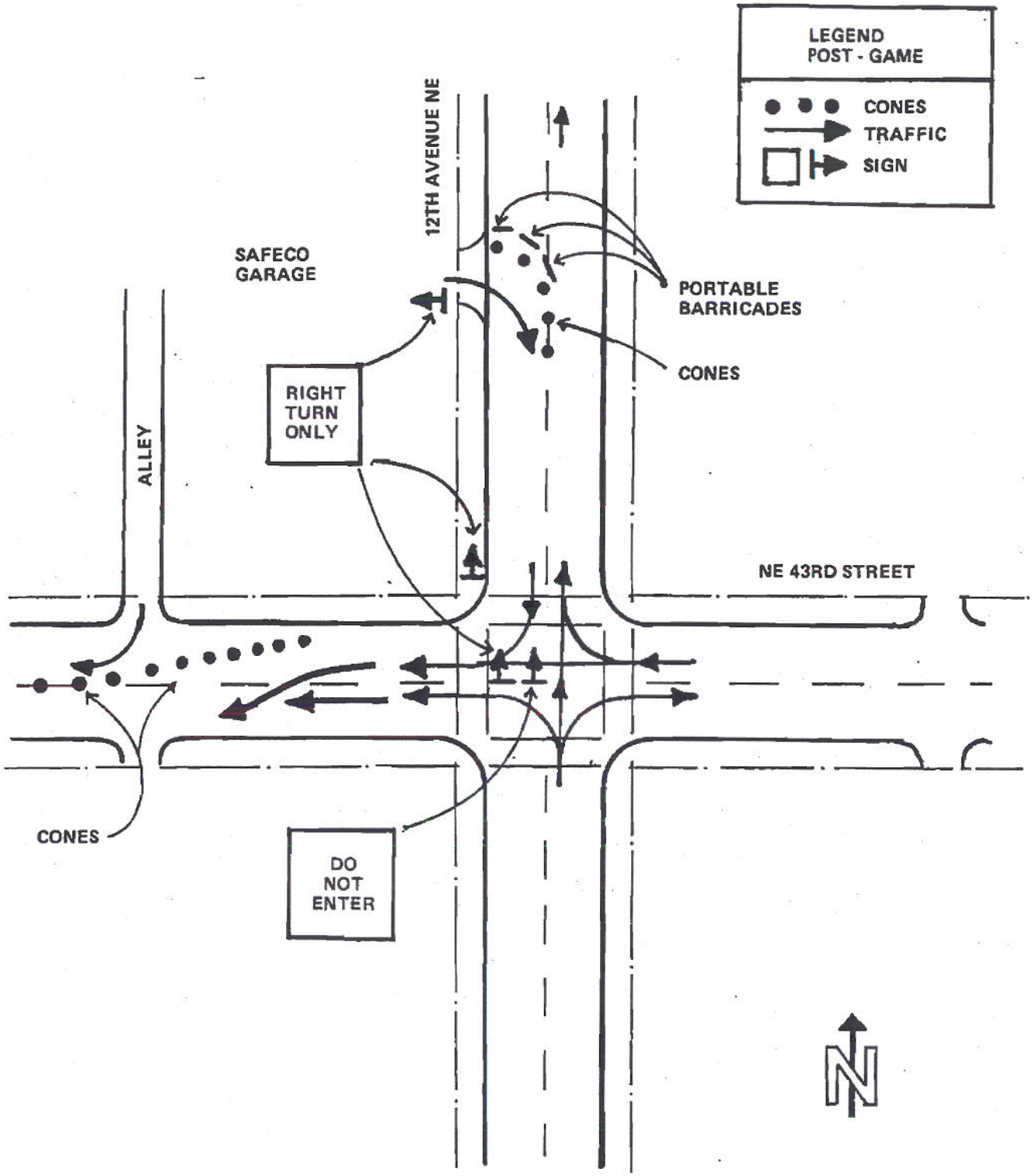



FIGURE S-14
POST-GAME SIGN, BARRICADE,
AND TRAFFIC CONE LOCATIONS,
NE 43RD ST. AT 12TH AVE. NE

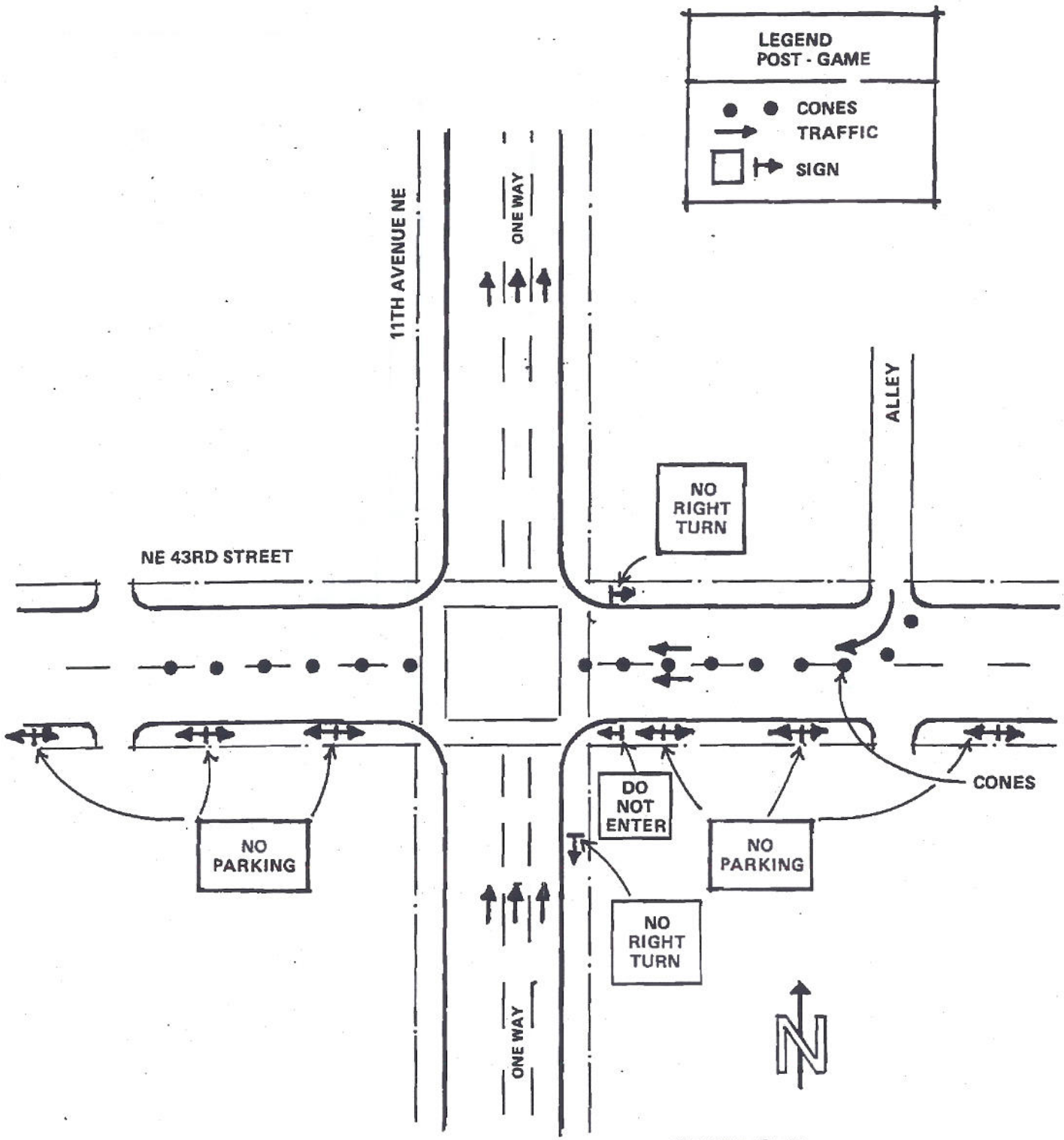



FIGURE S-15
POST-GAME SIGN AND TRAFFIC CONE LOCATIONS, NE 43RD ST. AT 11TH AVE. NE

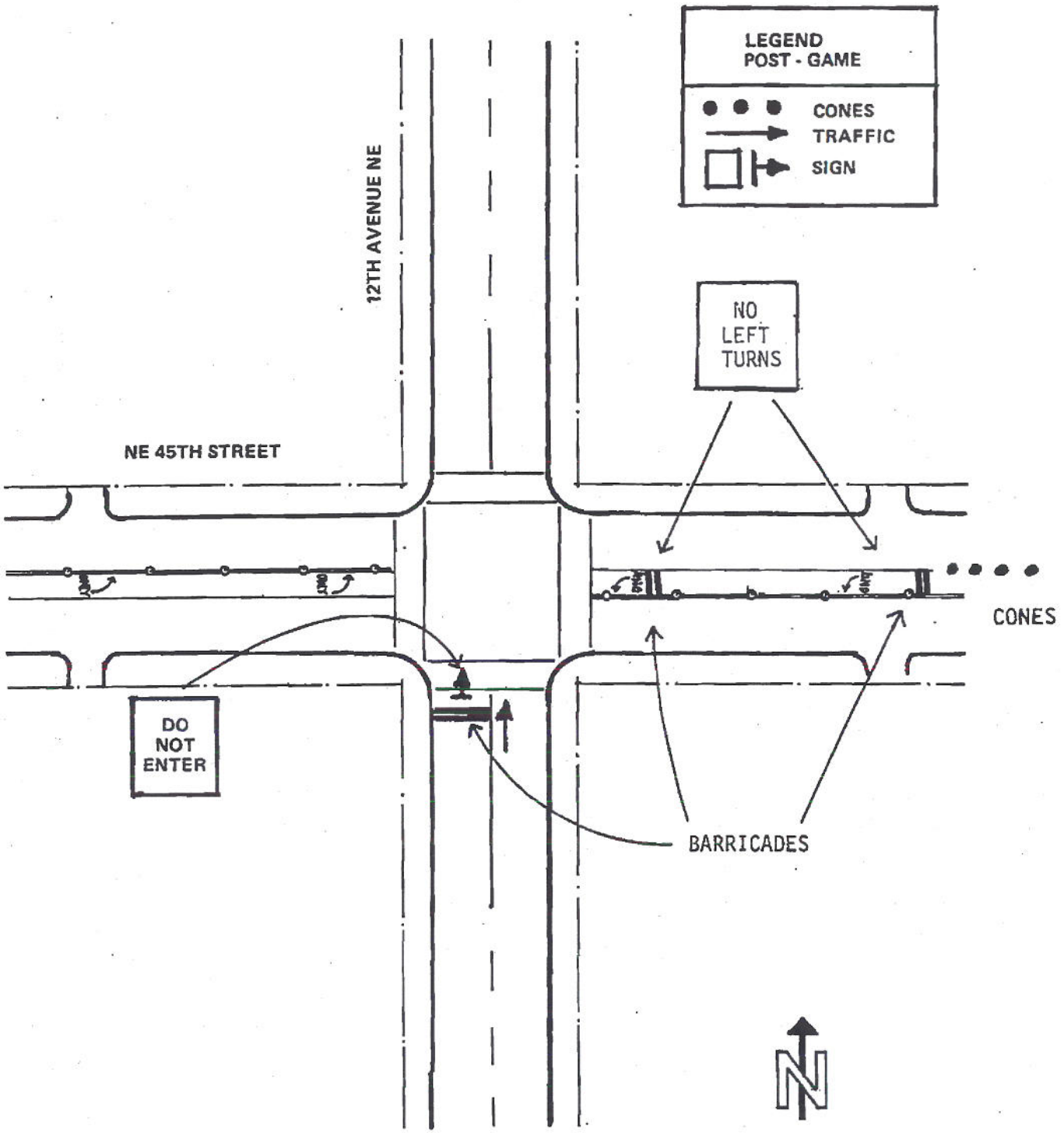



FIGURE S-16
POST-GAME SIGNS AND BARRICADE
LOCATIONS AT NE 45TH STREET
AND 12TH AVE. NE

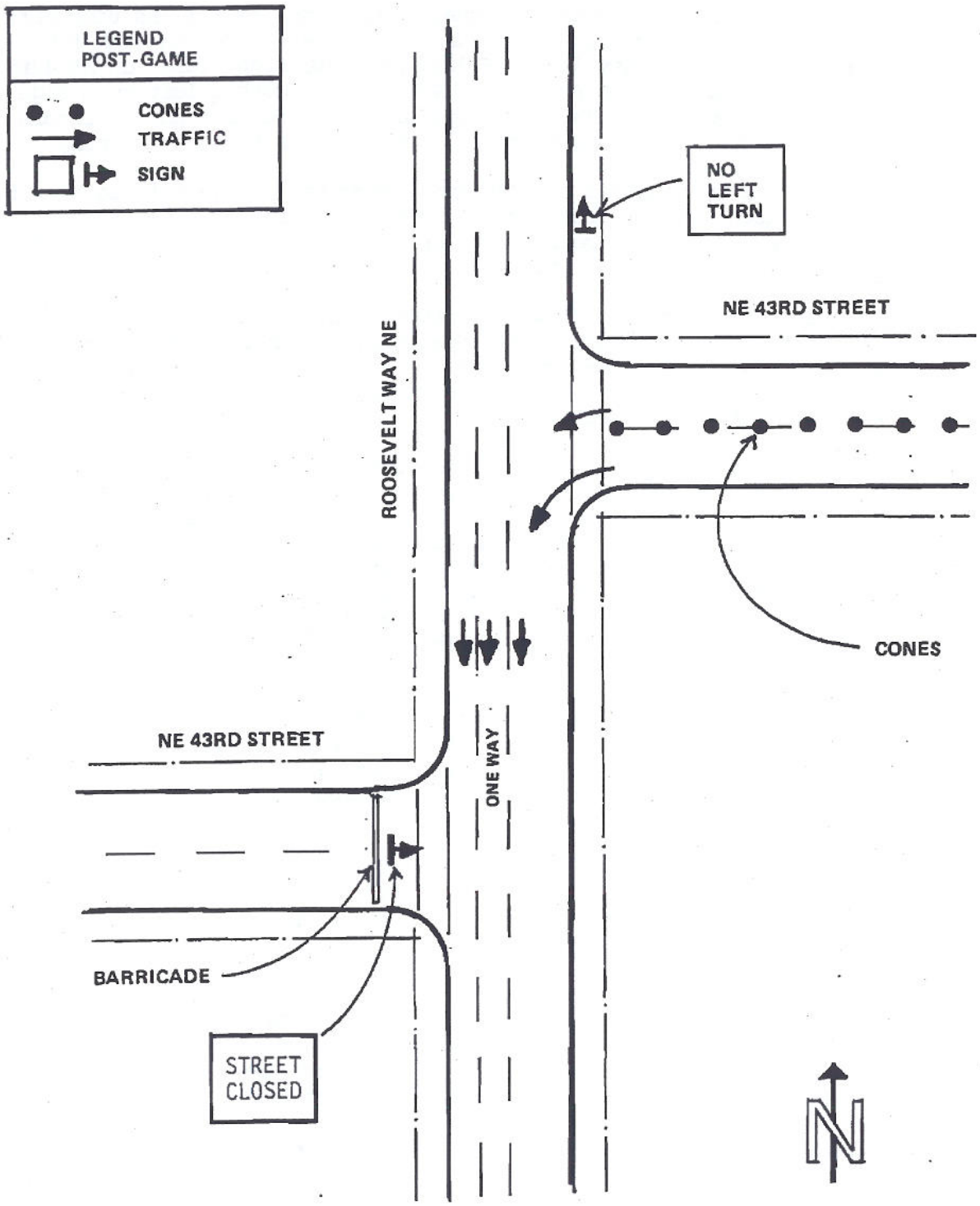



FIGURE S-17
POST-GAME TRAFFIC SIGN AND BARRICADE LOCATIONS AT NE 43RD ST. AND ROOSEVELT WAY

lot north of 45th will be closed to discourage traffic from exiting that lot and circulating back to NE 45th St.

Barricades will be required at these locations, as well as temporary signing. Temporary signing includes: "No Left Turn" on 12th Ave., at NE 43rd St. and on Roosevelt at NE 43rd St.; "No Right Turn" on NE 43rd at 11th Ave., and on 11th Ave. at NE 43rd St.; a double left turn sign on NE 43rd St. at Roosevelt Way; and possibly an optional right-left turn sign for traffic entering the express lanes from the NE 42nd St. ramp.

Coning will be required on 11th Ave., from the garage exit to NE 45th St., to keep traffic from turning left to NE 45th St. An additional police officer may be required to enforce the "No Turn" restrictions from 11th Ave. NE at NE 45th St.

To assure that traffic flows as anticipated, police officers will be required at several additional locations, as shown in Figure S-19. A total of five additional officers are anticipated, although actual experience may dictate either more or less officers, depending upon actual traffic flow patterns.

Traffic Flow - Campus. On-campus postgame traffic flow will be slightly modified to accommodate charter bus parking. Mason Road will be one-way southbound between Jefferson Road and Stevens Way during the game and will be closed to all traffic except charter buses from the time the game ends until the charter buses laying over there have loaded and left. The extra charter buses parking on Walla Walla Road will exit through lot E-12 as do the charter buses that currently park in E-12. Postgame campus traffic flow patterns are shown in Figure S-18.

Staffing Levels. Between 20 and 25 additional Seattle Police officers will be required to direct postgame traffic after the Stadium is expanded. The locations of the 81 officers currently used and the 20 - 25 additional officers are shown in Figure S-19. Officers may be shifted to other locations in this area as conditions and traffic control problems vary.

Additional University of Washington police will be needed to control on-campus postgame traffic. Current and proposed postgame staffing quantities and locations are shown in Figure S-18.

Pedestrian Flow

Pedestrians will be channeled across Montlake Blvd. at the normal crossing point at NE Pacific Street and NE Pacific Place, but more buses and people will be in the area. A wide pedestrian walkway will be provided along Montlake Blvd. in front of the Stadium with hedges to prevent pedestrians from crossing Montlake Blvd. except at the normal crossing points. In addition, fencing will be erected to help channel pedestrians to normal crossing points.

FIGURE S-18
CAMPUS POSTGAME TRAFFIC
FLOW PATTERNS & STAFFING

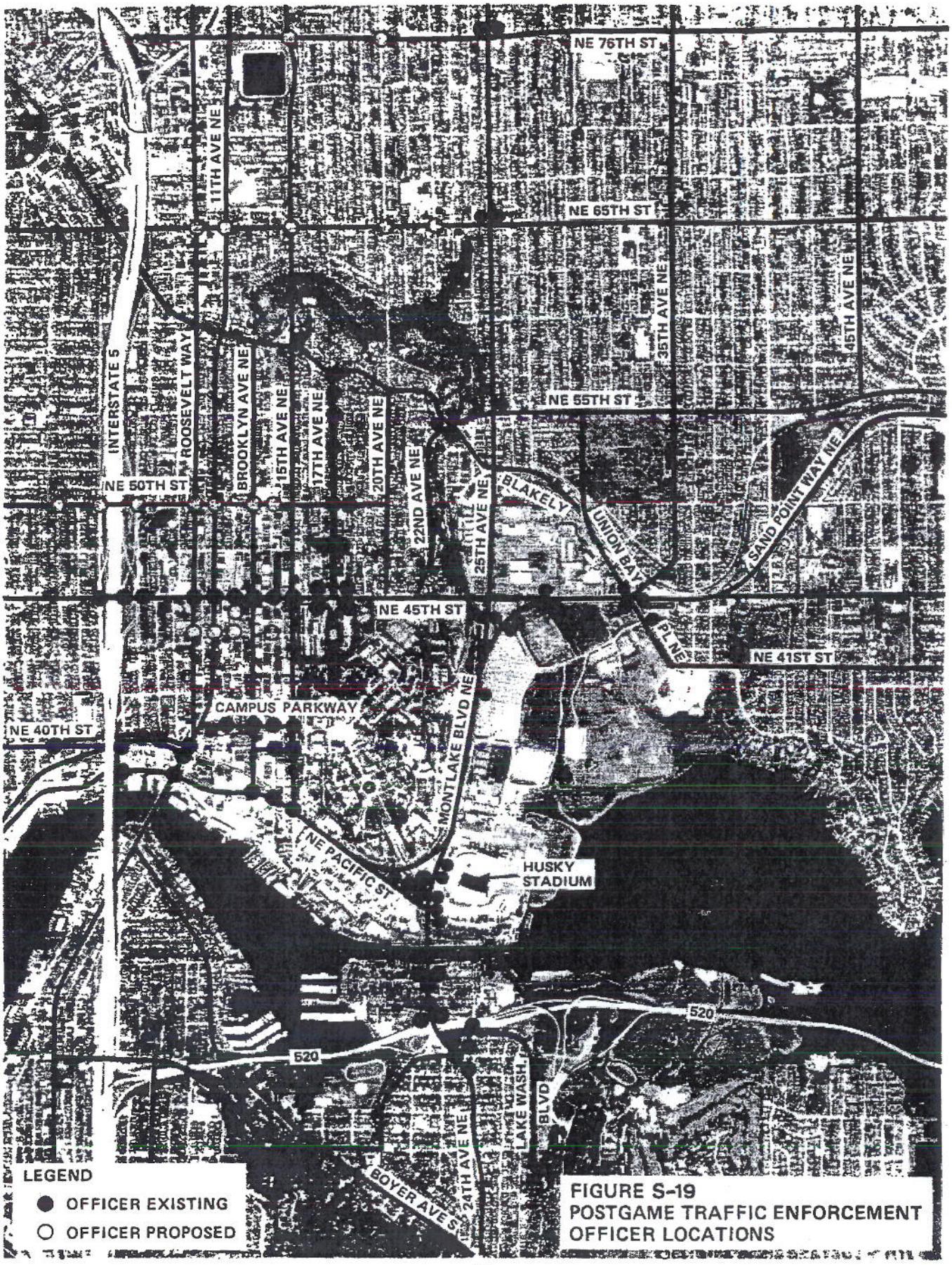



FIGURE S-19
POSTGAME TRAFFIC ENFORCEMENT
OFFICER LOCATIONS

The chain-link fence will be approximately 6 feet high and will be rolled into place and anchored along Montlake Blvd. between the sidewalk and the street just before the game ends. This fence will provide a continuous barrier to pedestrians between the intersections with NE Pacific Place and NE Pacific St. and will channel all pedestrians to these normal crossing points where SPD officers are present to help control traffic. Bus riders will also be channeled to these points where they will enter the aisle and section of P&R buses for the bus bound back to their particular P&R lot.

Temporary directional signs will be located at these two major crossings to direct P&R patrons to the aisle and section containing their bus. These signs will be color coded to match the receipts provided riders when they board their P&R bus for the trip to the Stadium. Ushers will also be provided by the University at the entry to each section of P&R buses to expedite the loading, assure buses are properly signed, and direct riders to buses with vacant space.

Automobile Routing

SR520. In order to improve access to SR520, the outside lanes on SR520 could be "coned" off for a limited time (30 minutes) to allow free flow from the Montlake on-ramps supplemented by appropriate traffic control signs. Through traffic on the mainline would be limited to one lane in each direction.

The University requested approval for coning from WSDOT. They have denied the request (at this time) based on lack of sufficient traffic volume data due to delays in the implementation of ramp metering on SR520. WSDOT will monitor traffic volumes during the 1986 Husky football season and if traffic patterns and thru traffic volumes indicate coning (on a trial basis) can occur without undue delay to thru traffic on SR520, approval will be given for the 1987 football season. The University will vigorously pursue the implementation of coning SR520.

Triangle Garage. Access from this Garage for football traffic will be to the main campus only; the access to Pacific Place will be closed to postgame traffic. This will channel more traffic to the west, away from Montlake Blvd. Observations by University staff indicate that postgame traffic flows more freely west of campus than in the east campus area.

## IV. PARKING PROGRAM

Stadium Area/East Campus Parking

Stack parking in the east campus will provide an additional 400 to 500 parking spaces close to the Stadium. The average car occupancy in these areas will increase from 2.7 in 1984 (3.6 in the Stadium area and 2.5 in east campus) to 2.9 in 1987 (3.6 in the Stadium area and 2.8 in east campus) because of the discount carpool parking program.

The University Master Plan calls for eventual elimination of lot E-5 as a parking area. In the long term, the lot will be phased out as other parking areas or garages are constructed, if this is necessary to stay within the limit of 12,300 on-campus parking spaces. The parking limit does not apply to football game days. Hence lot E-5 will continue to be used on game days until it is assimilated into the planned Urban Horticultural Center. It is anticipated that lot E-5 with a capacity of 427 spaces will be available for at least the next five years. At the time it becomes unavailable, new football parking areas or the means to increase use of nonauto modes will be provided.

No changes in parking reserved for the press, coaching staffs, game officials, ticket takers, and vendors are proposed as part of this Plan. At present, approximately 350 spaces are provided for these 1900 game management personnel in the immediate vicinity of the Stadium. Site development will result in modifications in the current parking arrangements; however, this would not result in a change in the general location or amount of parking for these individuals.

Main/South Campus Parking

An additional 150 to 200 spaces can be gained by stack parking in the north end of campus. The total number of spaces available to football game attendees in the main/south campus area will be 4,440. Because of the discount carpool parking program the average car occupancy in these areas will increase from 2.2 in 1984 (2.2 in main campus and 2.4 in south campus) to 2.6 in 1987 (2.6 in main campus and 2.8 in south campus).

The construction of the Montlake Triangle Garage provides an opportunity to designate new close-in parking for Tyee Club members and to provide convenient parking for handicapped game attendees. It is anticipated that 300 spaces (of the 470 total) will be available for Tyees (ACO 3.6 people per vehicle) and 170 spaces reserved for handicapped persons (ACO 2.0 people per vehicle). Space will continue to be available in lot S-1 for hospital patients, visitors, and staff.

West Campus Parking

The focus in the west campus area is to provide additional parking spaces by stack-parking existing lots. In 1984, there were 1,370 parking spaces in the west campus area. Lot W-35 was stack parked for the first time during the 1985 season. This has resulted in an increase of 120 parking spaces versus the 1984 parking supply in the west campus area. The discount carpool parking program will increase the average car occupancy from 2.0 in 1984 to 2.3 in 1987.

Safeco Parking

Approximately 850 spaces controlled by Safeco will be leased for use on football game days. The spaces are located near NE 45th on Roosevelt Way, on 11th Avenue NE, and on 12th Avenue NE. Brochures will be

distributed with tickets to describe the availability of Safeco parking, the fee, and entrance/exit routes that patrons should use.

At the present time, people walk up to 2 miles from home and/or parking areas to the Stadium. The Safeco parking facilities are 1 to 1-1/4 miles from the Stadium. The parking rate for the Safeco facility will be $2.00. This is the same fee charged by other facilities in the Safeco area that provide game-day parking and less than proposed on-campus rates. It is anticipated that these spaces will be available for the 1986 football season, pending further discussion between the University and Safeco. In order to accommodate the traffic entering and exiting the Safeco parking areas, the following traffic plan will be implemented. The plan is designed to direct traffic away from NE 45th St.

Neighborhood Parking

Ticketing and towing of illegally-parked vehicles will provide deterrents. Vehicles could be ticketed during the pregame period and towed during the game itself. Approximately 1/2 hour after the start of the game, tow trucks would be called in to remove illegally-parked vehicles. Tow trucks would thus avoid the pregame and postgame traffic congestion.

To respond to community concerns about parking violations on football game days and to make the Plan effective, the University has written to Mayor Royer requesting the following:

1. Expanding the "no parking day of football game" zones in the Montlake Community to encompass the proposed expanded RPZ area,

2. Expeditious review and implementation of the Montlake Community's request for an expanded RPZ area.

3. Increased enforcement through multi-ticketing, increased towing and, if appropriate, increased fines. A study of the operation impacts and budget implications will be necessary.

Charter Bus Parking

Walla Walla Road. Approximately 25 of the 40 additional charter buses will be parked parallel facing south on Walla Walla Road between the Shell House and the entrance to parking lot E-12 shown in Figure S-20. Walla Walla Road provides access to lot E-12 and is used by Tyees and charter buses to access their traditional parking in lot E-12. It is also an exit route for those parking in lot E-12 who wish to exit towards the northeast quadrant of the city and it is a vital link for emergency vehicles.

This road will be widened to approximately 33 feet (23-foot roadway, 2-foot gutter and 8-foot sidewalk) to provide space for: 1) sidewalk for unloading and loading bus passengers; 2) bus parking; and 3) access space for emergency vehicles, automobiles and other charter buses entering and

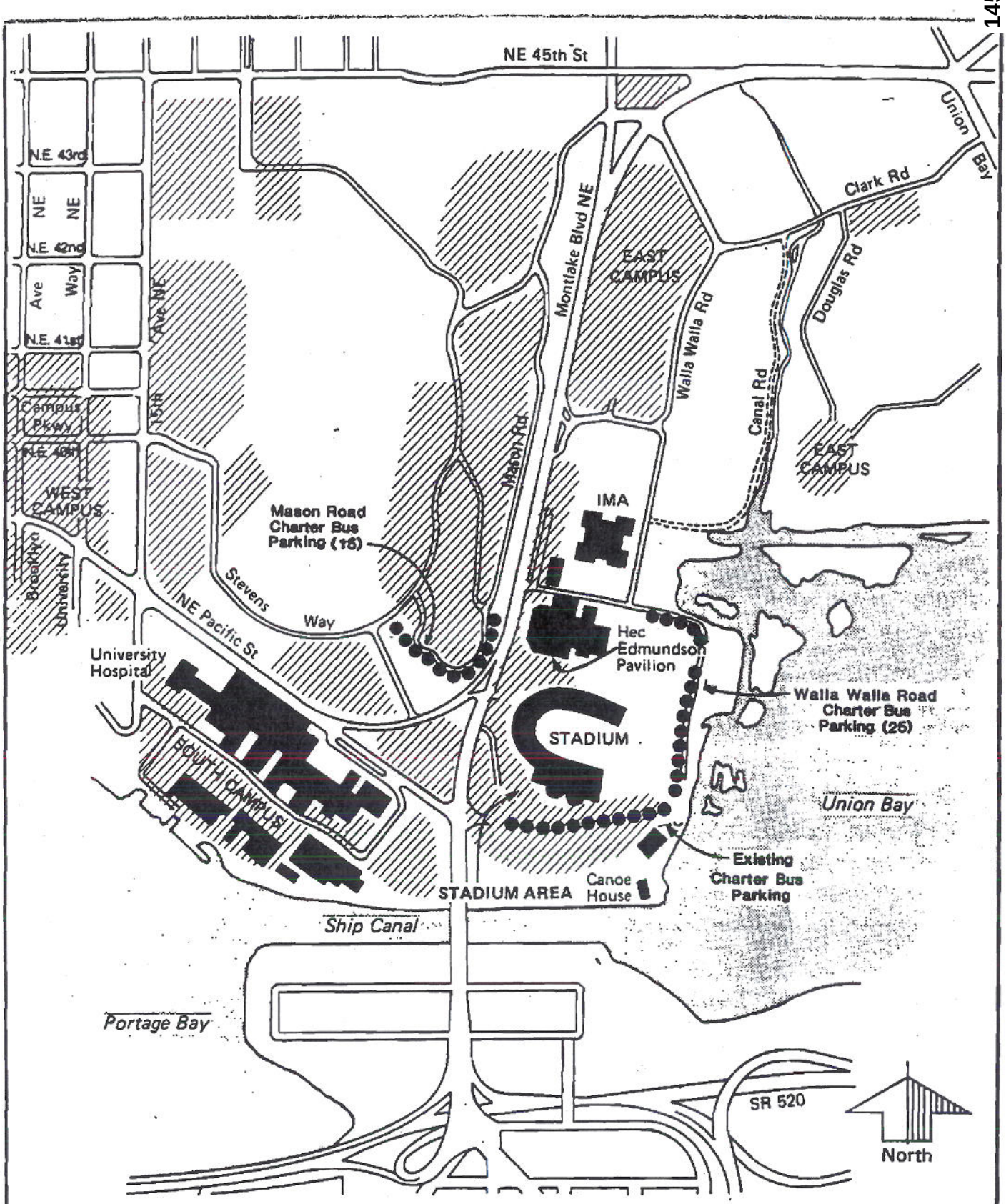



FIGURE S-20
CHARTER BUS
PARKING AREAS

exiting lot E-12. A 23 foot roadway is adequate for bus parking and vehicle access to parking areas; an 8 foot sidewalk is adequate for pedestrians utilizing the charter bus system.

Charter buses will access the layover space on Walla Walla Road from Montlake Blvd. and from NE 45th Street. They will use the freeway network and/or the most convenient arterials to reach these streets. Those buses entering from Montlake Boulevard can use Wahkiakum Lane and Walla Walla Road at the south end of lot E-1 and Walla Walla Road at the north end of lot E-1. Walla Walla Road can also be reached from NE 45th St. via Union Bay Place and Clark Road from the northeast quadrant of the campus.

The first bus will travel south on Walla Walla Road to the point where the road enters lot E-12. Succeeding buses will be parked one behind the other, bumper to bumper, as they arrive. All will be headed south with their door(s) opening directly onto the new sidewalk. Riders will walk to the Stadium on the walkways in lot E-12 or the north-south walkway behind Hec Edmundson Pavilion connecting Walla Walla Road with the south stands.

Charter buses will load after the game in the same manner as other charter buses located in lot E-12. Each bus will remain in place throughout the game and can be readily found by each rider after the game. Once loaded, each bus will depart with the bus "first in" being "first out." Each succeeding bus in line will have to wait for the bus in front to load and depart just as other charter buses do that are stack parked in lot E-12.

Several options exist for dispatching the buses after they are loaded. Even though they have to wait for the bus in front to load and depart while on Walla Walla Road, this batch of buses will not have to wait for the charter buses parked in lot E-12 to depart. A lane is normally left clear for traffic to egress lot E-12 at the intersection of NE Pacific St and Montlake Blvd. and this lane can be used by those charter buses located on Walla Walla Road as soon as they are loaded and as soon as traffic conditions permit.

Mason Road. The balance of the 40 additional charter buses, or approximately 15, will lay over on Mason Road between Jefferson Road and Stevens Way. The buses will be arranged one behind the other headed south, parked parallel to the curb, in the northbound lane. Their doors will open into the southbound lane and riders will enter and exit their bus from this lane.

Passengers will unload from their buses into the blockaded southbound lane of Mason Road and walk to the Stadium on campus pedestrian pathways over the Hec-Edmundson overpass or down the stairs adjacent to Rainier Vista and across NE Pacific Place and Montlake Blvd. All charter buses will remain in the position where they unloaded to assure that passengers can readily find their coaches after the game.

Charter buses will enter the campus at any convenient entrance and proceed to the Mason Road layover area using the most convenience route. Mason Road will be closed to general traffic between Jefferson Road and Stevens Way when the first charter bus arrives in order to provide a safe area for riders to unload. This section of roadway will reopen to general traffic as a one-way southbound street after all charter buses have been unloaded, but will be closed again to all vehicular traffic from 30 minutes before the game ends until after all the charter buses parked there have loaded and left.

Coaches will leave one behind the other as the coach in front loads and leaves. All buses will travel south on Mason Road to the intersection with Stevens Way where they can turn right or left and proceed off campus by the most convenient route.

Ride Matching

Riders and those wanting to drive will be manually matched by zip code areas until the demand exceeds the capability of this means of matching. When the demand warrants, computer matching service will be provided by Metro Commuter Services and the University, when new, flexible computer matching programs become operational (expected by 1987).

The cost to Metro for the use of Commuter Services will be minimal and primarily consist of staff time. University staff will input ride match applications directly into Metro's computer using microcomputers, modems, and printers already in place on campus that are used daily to provide carpool match lists for University commuters. Metro will use existing operational computers and programs. The Metro system is online 24 hours a day, 7 days a week and University carpool matching operations can be conducted during off-peak periods to reduce costs.

Ride match lists will be printed on campus and mailed by University staff. University staff can also provide location coordinates not available automatically in the Metro computer program.

It is expected that ride matching lists will be produced manually (without using Metro's computer) in 1987 and for several years thereafter because the number of applicants will be small. Applicants will probably not be automatically matched until more than 600 applications are received each year.

## V. OPERATING COSTS AND REVENUE GENERATIONS

Existing Costs and Revenue

The existing average per game cost to the University to provide on-campus parking is approximately $13,000. Day-of-game costs do not include parking lot maintenance and repairs, administrative expenses, parking enforcement costs, and capital expenses. The amortized costs for the

boat moorage facilities require $22,750 per year in generated revenue. The existing parking plan and fee schedule generates an average revenue of $25,000 per game. Any surplus parking revenue generated by football games is used to offset operating costs for other athletic and special events, including nonrevenue producing activities.

Proposed Costs and Revenue

University parking costs will increase by 10 to 20 percent to cover increases in personnel to handle parking and security. Total per game cost will be approximately $15,000 (in 1985 dollars).

The transit scrip program will require the University to reimburse Metro for the scrip used on game days. Costs will include printing and distribution of the scrip. Total per game costs will be approximately $6,000 (in 1985 dollars).

The park-and-ride service will be contracted by the University with Metro. The service will require approximately 35 coaches and drivers. Total per game cost will be approximately $21,000 (in 1985 dollars).

Other expenses per game are estimated to be roughly $10,500 (in 1985 dollars) and include reimbursement to WSDOT for "coning" SR520 and the I-5 express lanes in the southbound direction, ride matching services, yearly costs of boat moorage facilities, leasing of parking spaces from Safeco, and other miscellaneous costs.

The total operating cost to the University will be approximately $52,500 per game (in 1985 dollars).

There are also costs to provide the existing "Husky Special" transit service and to provide parking enforcement and traffic direction on City streets in the vicinity of Husky Stadium. The costs of the transit service provided by Metro are offset in part by the fare box revenue. The costs of providing the police officers necessary to enforce parking regulations and direct traffic are funded by the City of Seattle. The latter costs are offset by the revenue from the 5 percent admission tax on football game tickets, which exceeds the costs of providing the police services.

The revenue generated by the new parking rate schedule will depend on the mix of vehicles (one- and two-occupant, three-or-more occupant) parking on campus. The estimated mix is based on data from the 1982 season and an increase from an average of 2.4 persons per vehicle to 2.7 persons per vehicle in 1987. The per game parking revenue generated for the expanded Stadium would be $60,000 to $63,000 (in 1985 dollars). This revenue will be used to pay for total program operations.

## VI. IMPLEMENTATION PLAN

Elements of the Plan already in place or implemented for the 1985 football season:

1. Stack parking in West Campus lot W35, Main Campus lot N1 and East Campus lot E5.

2. Using I-5 express lanes in the southbound direction.

Elements of the Plan to be implemented by the University for the 1986 football season:

1. Test operate the P&R system from two P&R lots at no cost to the transit rider. The two lots are: Northgate and South Kirkland.

2. Lease the Safeco Garage and two parking areas to provide additional close in parking.

3. Promote use of the Safeco Garage and parking areas and implement revisions in postgame traffic control plans resulting from the use of these facilities.

4. Promote carpools, transit services, charter buses and boats through a new marketing program.

5. Provide an information mailer that matches parking areas to postgame traffic flow patterns and encourages people to park in areas compatible with their traffic flow destination.

6. Provide free ride-matching service.

Elements of the Plan to be implemented by the University for the 1987 football season:

1. Full implementation of the P&R system.

2. Full implementation of the added service on "Husky Special" routes, regular Metro routes and charter buses.

3. Provide free transit scrip to all football ticket purchasers.

4. Implement new parking rates that promote carpooling through reduced rates for three (or more) occupant vehicles and higher rates for one and two occupant vehicles.

Elements of the Plan to be implemented if other agency approval is forthcoming:

1986

1. Establishment of new RPZ's in requested neighborhoods.

2. Expansion of areas designated "no parking on day of game" to include all blocks within the proposed RPZ boundaries.

3. Stricter neighborhood enforcement on game days through increased patrolling, issuance of multiple citations and more aggressive towing of violators.

4. Coning off one lane on SR520 on a trial basis.

1987

Full implementation of lane coning on SR520 if 1986 coning did not cause undue delay to through traffic.

# UW Husky Stadium TMP

Photo Credit: University of Washington

# SDOT vision, mission, and core values

**Vision:** Seattle is a thriving equitable community powered by dependable transportation

**Mission:** to deliver a transportation system that provides safe and affordable access to places and opportunities

Committed to **6 core values**:

- Equity
- Safety
- Mobility
- Sustainability
- Livability
- Excellence

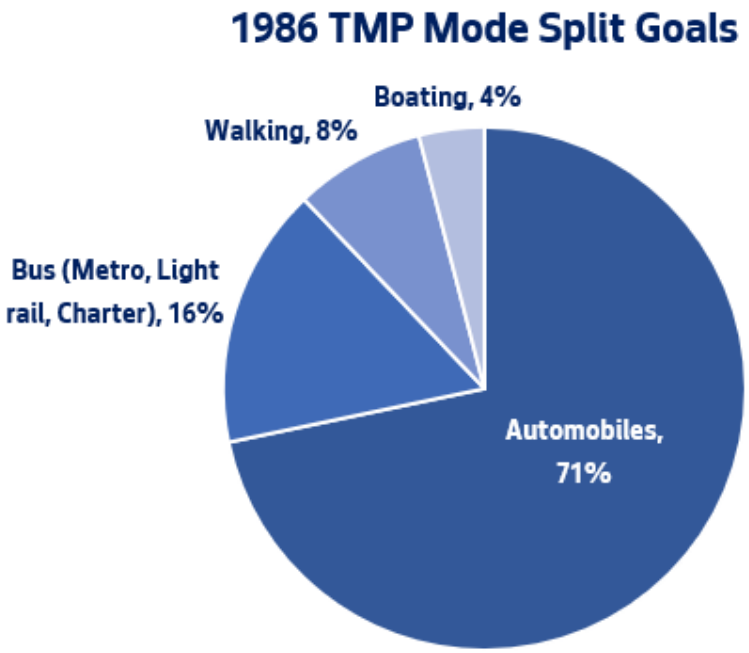
# Agenda

- **Purpose of Update to UW Husky Stadium TMP**
- **Background |** 1986 Husky Stadium TMP
- **Purpose & Objectives |** New Husky Stadium TMP
- **Strategies |** New Husky Stadium TMP
- **Next Steps**
- **Questions**

# Purpose of Update to Husky Stadium TMP

- Current Husky Stadium TMP adopted in 1986 when Stadium was expanded from 58,000 to 72,000 attendees (now 70,000)
- 1986 TMP lacks flexibility for game day operations and has cumbersome processes in place to modify the TMP to reflect conditions
- Strategies outlined in for traffic management are outdated given the transportation environment has changed and will change in the future

# Background
## *1986 Husky Stadium TMP*




- In 1986 Husky Stadium was expanded from 58,000 to 72,000 attendees (now 70,000)
- Through Council Resolution 27435, formal TMP established for Stadium events, focusing on:
  - Accommodating capacity crowds with lesser parking impact to nearby residential areas
  - Expediting postgame traffic traveling to SR 520 and I-5

**Mode split goals/strategies no longer meet desires to minimize automobile use to Stadium events**

# Background
## *Strategies in the 1986 TMP*

- **"Free" transit scrip** for every game attendee.
  - UW has operated with a waiver of this provision since 2012.
- **Detailed traffic flow and parking management** in University District and nearby neighborhoods, including maps with specific traffic management operations.
- Specific **game-day transit service**.
- Annual **monitoring of mode splits** and transportation management.
- **Two oversight committees**:
  - *Technical Advisory Group*: Staff-level group of UW and partner agencies
  - *Advisory Group:* Senior level staff from UW, partner agencies and a member of the City University Community Advisory Committee

# New Husky Stadium TMP
## *Purpose and objectives*

### Increased flexibility

- Use of special event only transit, in favor of other supplemental transit service options
- Responds to changes in transportation infrastructure (i.e. Link light rail) around Husky Stadium
- Responds to changes in technology and mode choices

### Forward-looking strategies

- To move stadium attendees into alternatives to cars
- Priority on transit, high-capacity vehicles, biking and walking
- Flexible structure for annual operating plans to address future changes
- Weekday event management
- Considers future investments in transportation system
- Provides the accountability tools to achieve outcomes and report to stakeholders

**UW Responsibility: Costs directly related to game day operations & strategies necessary to achieve the stated goals of the plan*

**Not intended to address transportation to and from other UW campus events/activities or venues*

# Background
## *Developing the new TMP*

New TMP incorporates extensive feedback from:

- SDOT
- King County Metro
- Sound Transit
- SPD
- **Neighborhood groups**, who were given a presentation & offered early feedback

Transit agencies such as SDOT encouraged more aspirational performance goals and developed the plan to incorporate and invest in the city infrastructure to support the goals.

**Neighborhood Groups:**

- Roosevelt
- Ravenna-Bryant
- Laurelhurst
- CUCAC (City/University Community Advisory Committee)*
  - *Eastlake Community Council*
  - *University District Partnership*
  - *Laurelhurst Community Club*
  - *Montlake Community Club*
  - *Portage Bay/Roanoke Park Community Council*
  - *Ravenna Springs Community Group*
  - *Ravenna Bryant Community Assoc.*
  - *Roosevelt Neighbors Alliance*
  - *Roosevelt Neighbors Assoc.*
  - *University District Community Council*
  - *University Park Community Club*
  - *Wallingford Community Council*

# New Husky Stadium TMP

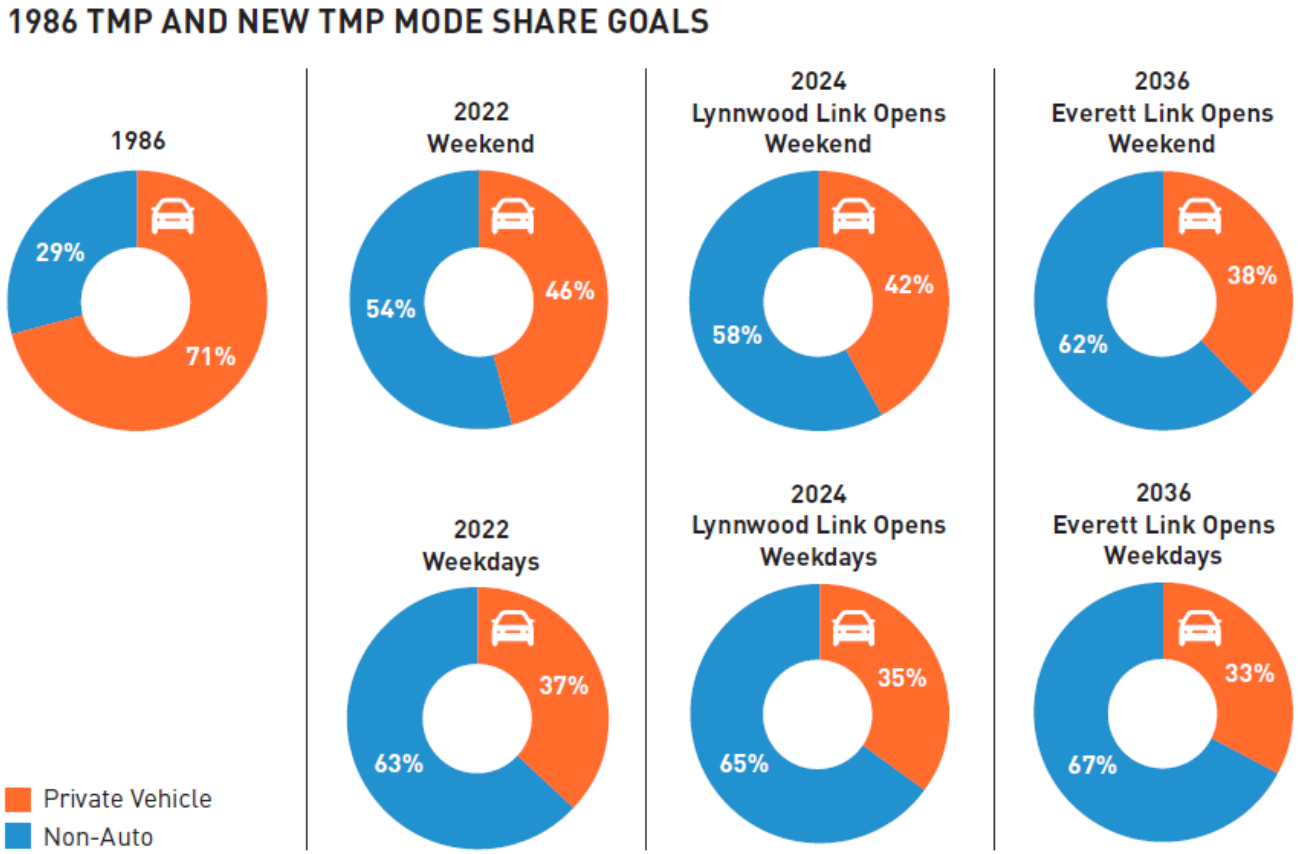
## *Eight programmatic components to support goals*

### COMPONENTS OF THE TMP

1. Transit
2. Pedestrian
3. Bicycle/ Micromobility Management
4. General Purpose Vehicles
5. Ridehail Transportation
6. Parking
7. Boats
8. Outreach & Education

# New Husky Stadium TMP

## *Goal 1: Reduce Auto Usage by Event Attendees*




*NOTE: East Link is also planned to open in 2023.*

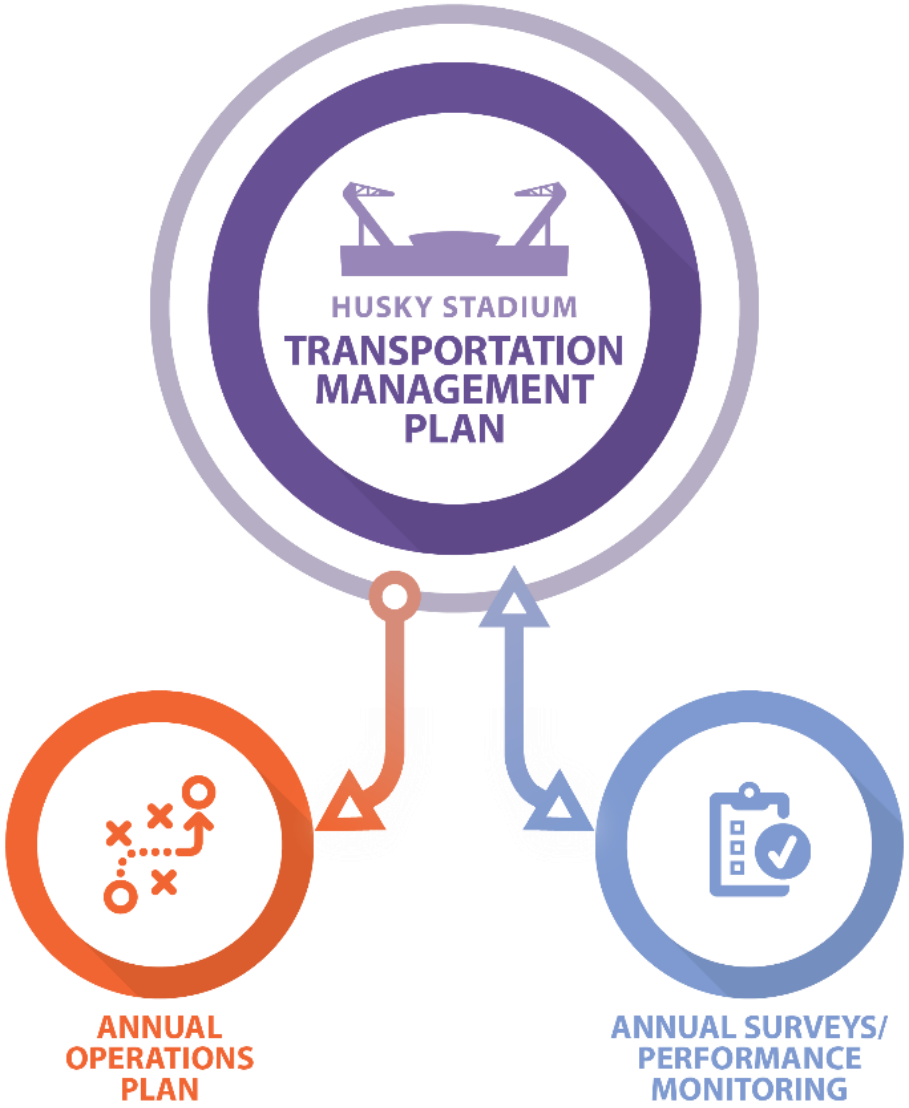
# New Husky Stadium TMP

## *Goal 2: Reduce Duration of Event-Related Mobility Disruptions*

- Considers operations performance for key corridors around the stadium to be monitored by SDOT
- **Network performance goal:** Return traffic conditions within subarea to non-event conditions within targeted timeframe (preliminary goal: 60-75 minutes)
- UW is investing in transportation infrastructure to optimize performance (i.e. travel time detection devices, CCTV cameras, and signal timing plan development and monitoring)
- Network performance goal requires an established baseline through data collection before goal is finalized

# Annual Operations Plan & Performance Monitoring

Annual survey/performance monitoring informs the annual operations plan, which is updated each year to support TMP.



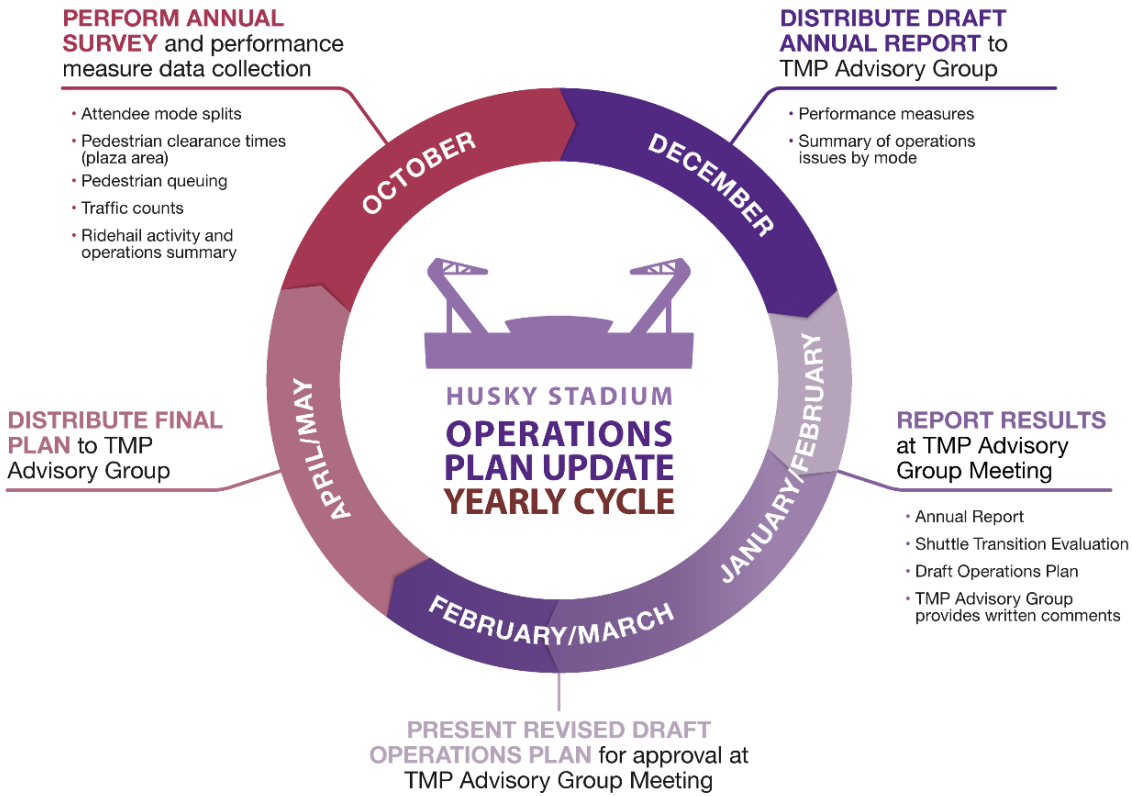
# Advisory Committee

**TMP Technical Advisory Group meets annually to:**

- Review the annual transportation survey report
- Determine if there is satisfactory progress towards TMP goals
- Decide if modifications to the annual operations plan are necessary

**Representatives**

- SDOT (chair)
- UW
- SDCI
- WSDOT
- King County Metro
- Sound Transit
- CUCAC



# 1986 vs. 2021 Comparison Matrix

| | 1986 Husky Stadium TMP | Proposed New Husky Stadium TMP |
|---|---|---|
| **Authority & Structure** | | |
| **Overview** | • Adopted resolution with detailed TMP and Operational Supplement (OS) | • High-level strategic framework TMP for events w/ 15,000+ attendees to guide an annual operations plan<br>• **Updated approach, goals and strategies, and objectives** |
| **Applicability and Thresholds** | • Non-UW Events w/ 24,000+ expected attendance requires Council approval<br>• No event/attendance/frequency thresholds | • TMP provisions required for events **w/ 15,000+ attendees**.<br>• Up to **8 non-football events/year without Council approval** |
| **How is the TMP Operationalized?** | | |
| **Overview** | • Operations plan developed each spring using survey results/feedback | • Annual Operations Plan incorporates data/feedback from attendees, **partners, and Technical Advisory Group**. |
| **Review Process, Monitoring, & Reporting** | • Two tiers of committees for annual review and reporting<br>• UW-issued annual report with football event data | • **Streamlined review and reporting cycles**<br>• **Annual monitoring report** to the Technical Advisory Group, among other performance monitoring data |

***Green bold text delineates significant changes from 1986 TMP.***

# 1986 vs. 2021 Comparison Matrix - *continued*

| | 1986 Husky Stadium TMP | Proposed New Husky Stadium TMP |
|---|---|---|
| **Program Components** | | |
| **Major Goals** | • Accommodate crowd of 72,000<br>• Rely less on parking in residential areas; provide incentives for other modes & parking on-campus | • Reduce **auto usage**<br>• Reduce **duration of event-related mobility disruptions** |
| **Strategies to Increase Transit Use, Reduce SOV Use, Promote Non-Auto Travel, & Parking** | • **Special Service:** "Husky Special Service" transit from regional Park-and-Ride lots. No mechanism for change beyond a City Council approval process. | • **Special service:** Steps to evaluate game day bus service annually and when new light rail stations open. Potential **changes considered in annual Operations Plan.** |
| | • **Transit:** Free transit scrip for each football game ticket purchaser (temporary waiver since 2012).<br>• **Rideshare:** Focused on carpooling and ridematching.<br>• **Parking:** On campus parking pricing management<br>• **Non-Auto Travel:** Promotional mailers, PSAs, special promotions for transit service. | • **Transit: No transit scrip;** maximizes light rail and optimizes bus transit for peak event hours.<br>• **Rideshare:** Includes shared use, **ridehail use**, and carpooling<br>• **Parking:** Further parking management enhancements, encourage use of more efficient travel options<br>• **Non-Auto Travel: Specific strategies for each mode** |

***Green bold text delineates significant changes from 1986 TMP.***

# Next Steps

**July 2021**

Resolution submitted to & approved by Council

**Fall 2021 – Spring 2022**

UW works with TMP Technical Advisory Group to finalize annual operations plan

**Fall 2022**

UW implements new TMP and operations plan

**Annually**

Annual survey/ performance monitoring informs annual operations plan, which is updated each year to support TMP.

# Questions

Calvin Chow
**Date: August 16, 2021**
**Version: 1**

**Amendment #1**

**to**

**RES 32016 – Husky Stadium Transportation Management Plan Update**

**Sponsor:** CM Pedersen

**Add two new recitals between the 9th and 10th Whereas clauses as follows:**

WHEREAS, UW has continued to engage the campus community, including surrounding neighbors and partner agencies, in developing in the updated TMP that incorporates more aggressive mobility goals and covers events, large and small, other than football; and

WHEREAS, the revised TMP establishes non-automobile mode split goals for weekend football games of 54 percent one-year after opening of Northgate Link service, 58 percent one-year after opening of Lynnwood Link service, and 62 percent one-year after opening of Everett Link service; and

WHEREAS, the City Council supports the Vision Zero goal of eliminating traffic fatalities and severe injuries and expects that UW's implementation of the TMP will prioritize additional investments to improve the safety of pedestrians and pedestrian pathways, including enhanced sidewalks north and south of Husky Stadium; and

WHEREAS, the Husky Stadium TMP Advisory Committee described in Resolution 27445 took action on January 21, 2020 recommending approval of the proposed revised TMP;

NOW, THEREFORE,

**Amend Section 2 as follows:**

Section 2. UW will convene and support a Stadium TMP Technical Advisory Group. The Technical Advisory Group will include representatives from the Seattle Department of Transportation (SDOT), Seattle Department of Construction and Inspections, Seattle Police Department, Washington State Department of Transportation, UW, Metro Transit, Sound Transit, and the City-University Community Advisory Committee (CUCAC). The Technical Advisory Group must meet a minimum of twice per year (typically between January and May) to review the Annual Report from the past year and to approve an Operations Plan for the upcoming year. As part of the annual review, the Technical Advisory Group will consider whether more aggressive non-automobile mode split goals than established in the TMP are warranted in the Operations Plan.

Calvin Chow
**Date: August 16, 2021**
**Version: 1**

**Amend Section 5 as follows:**

Section 5: Costs associated with the annual Operations Plan and transportation management activities related to stadium events will be UW's responsibility, including, but not limited to, traffic control personnel and supplemental service for transit, such as buses, shuttles, and charter services.

**Add a new Section 6 as follows:**

Section 6. By no later than June 30, 2036, the Technical Advisory Group will present to the Council a proposal for updating the TMP. The proposal will include a workplan for assessing changed conditions and establishing new performance goals, including environmental review if necessary; a public outreach and engagement strategy; and a proposed schedule for Council consideration of a TMP update.

**Effect:**
This amendment would make the following changes:

1) Add recitals documenting the TMP's non-automobile travel mode split goals and expressing the City Council's expectation that implementation will prioritize pedestrian safety improvements.
2) Amend Section 2 to direct the Technical Advisory Group to consider whether more aggressive non-automotive mode split goals than established in the TMP are warranted in the approval of the annual Operations Plan.
3) Amend Section 5 to list examples of costs associated with TMP activities, including traffic control personnel and supplemental service for transit.
4) Add a new Section 6 to require a proposal from the Technical Advisory Group to revisit the TMP. The proposal would be presented to City Council by no later than June 30, 2036

# Legislation Text

**File #:** Appt 02027, **Version:** 1

Reappointment of Warren Aakervik Jr. as member, Seattle Freight Advisory Board, for a term to May 31, 2022.

The Appointment Packet is provided as an attachment.

# City of Seattle Boards & Commissions Notice of Appointment

| | | |
|---|---|---|
| **Appointee Name:**<br>*Warren Aakervik, Jr.* | | |
| **Board/Commission Name:**<br>*Seattle Freight Advisory Board* | | **Position Title:**<br>*Member (Position 1)* |
| ☐ **Appointment** ***OR*** ☒ **Reappointment** | **City Council Confirmation required?**<br>☒ Yes<br>☐ No | |
| **Appointing Authority:**<br>☒ City Council<br>☐ Mayor<br>☐ Other: *Fill in appointing authority* | **Term of Position: ***<br>6/1/2020<br>**to**<br>5/31/2022<br>☐ *Serving remaining term of a vacant position* | |
| **Residential Neighborhood:**<br>*Magnolia* | **Zip Code:**<br>*98199* | **Contact Phone No.:**<br>[redacted] |
| **Background:**<br>*Warren has gained knowledge and experience with his involvement in the transportation industry over the past 60 years. He has been actively involved as a volunteer in many organizations in Seattle over his career and looks forward to helping shape the future transportation needs of the Seattle area.* | | |
| **Authorizing Signature (original signature):**<br>  <br>**Date Signed (appointed):**<br>**7/30/21** | **Appointing Signatory:**<br>*Alex Pedersen*<br>*Seattle City Councilmember* | |

**Term begin and end date is fixed and tied to the position and not the appointment date.*

# Resume

[redacted]

[redacted]

[redacted]

I have lived within the current Seattle City Limits my entire life.

2008 – present: SDOT Freight, Bike, & Pedestrian Committee
2008 - 2009: Alaskan Way Viaduct Stakeholders Committee
2007 – present: SDOT Freight Advisory Committee
2004 – 2005: President Ballard District Council
2000 - present: Manufacturing & Industrial Council Seattle Executive Board
2000 – 2007: Neighborhood Planning Implementation Advisory Committee
2000 - 2007: Seattle Fire Department Fire Code Advisory Board
1998 - 2007: Executive Board Ballard District Council
1998 - present: Executive Board Ballard Interbay Northend Mfg and Industrial Center
1996 – 1998: Seattle Fire Department Article 49 Advisory Board
1992 - 2010: Board of Directors Viking Community Bank
1991 - present: Treasurer and Board of Directors Seattle Marine Business Coalition
1989 - 1991 Board of Directors Pacific Fishermen Inc.
1988 - 2013: President and General Manager of Ballard Oil Company, Inc.
1988 - 2013: Member Oil Heat Institute / WOMA
1988 - 2013: Member Ballard Chamber of Commerce
1988 - present: Member North Seattle Industrial Association
1985 - 2016: Treasurer of Occidental Lodge F & AM
1980 - present: Job's Daughters Bethel Council
1967 - present: Board of Directors Ballard Masonic Temple
1955 – 2013: Employee of Ballard Oil Company, Inc.

# Seattle Freight Advisory Board

12 Members: Pursuant to Resolution 31243, 11 members subject to City Council confirmation, 2-year terms:

- 6 Mayor- appointed
- 5 City Council- appointed
- 1 Other Appointing Authority: Port of Seattle

## Roster:

| *D | **G | RD | Position No. | Position Title | Name | Term Begin Date | Term End Date | Term # | Appointed By |
|---|---|---|---|---|---|---|---|---|---|
| 6 | M | 7 | 1. | Member | Warren Aakervik, Jr. | 6/1/2020 | 5/31/2022 | 2 | City Council |
| | | | 2. | Member | Vacant | 6/1/2020 | 5/31/2022 | | City Council |
| 6 | F | | 3. | Member | Kristal Fiser | 1/1/2018 | 12/31/2019 | 2 | Mayor |
| 3 | F | 3 | 4. | Member | Jeanne Acutanza | 6/1/2018 | 5/31/2020 | 2 | Mayor |
| 6 | M | | 5. | Member | Johan Hellman | 6/1/2018 | 5/31/2020 | 2 | Mayor |
| 6 | M | | 6. | Member | Mike Elliot | 6/1/2018 | 5/31/2020 | 2 | Mayor |
| 6 | M | | 7. | Member | Vacant | 6/1/2021 | 5/31/2023 | | City Council |
| 6 | M | | 8. | Member | Pat Cohn | 6/1/2018 | 5/31/2019 | 2 | City Council |
| 6 | M | | 9. | Member | John Persak | 6/1/2019 | 5/31/2021 | 1 | Mayor |
| 6 | M | | 10. | Member | Frank Rose | 6/1/2018 | 5/31/2019 | 2 | City Council |
| | | | 11. | Member | Vacant | 6/1/2020 | 5/31/2022 | | Mayor |
| 6 | F | | 12. | Member | Geri Poor | N/A | N/A | N/A | Port of Seattle |

SELF-IDENTIFIED DIVERSITY CHART

| | (1) Male | (2) Female | (3) Transgender | (4) NB/ O/ U | (5) Asian | (6) Black/ African American | (7) Hispanic/ Latino | (8) American Indian/ Alaska Native | (9) Other | Caucasian/ Non-Hispanic | Pacific Islander | Middle Eastern | Multiracial |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mayor | 3 | 2 | | | | | 1 | | | 4 | | | |
| Council | 4 | | | | | | | | | 4 | | | |
| Other | | 1 | | | | | | | | 1 | | | |
| Total | 7 | 3 | | | | | 1 | | | 9 | | | |

Key:

***D** List the corresponding *Diversity Chart* number (1 through 9)
****G** List *gender*, **M**= Male, **F**= Female, **T**= Transgender, **NB=** Non-Binary, **O=** Other, **U**= Unknown
**RD** Residential Council District number 1 through 7 or N/A

*Diversity information is self-identified and is voluntary.*

Legislation Text

**File #:** Appt 02028, **Version:** 1

Reappointment of Yasir Alfarag as member, Seattle Bicycle Advisory Board, for a term to August 31, 2023.

The appointment Packet is provided as an attachment.

# City of Seattle Boards & Commissions Notice of Appointment

| | | |
|---|---|---|
| **Appointee Name:**<br>*Yasir Alfarag* | | |
| **Board/Commission Name:**<br>*Seattle Bicycle Advisory Board* | | **Position Title:**<br>*Member (Position 1)* |
| ☐ **Appointment** ***OR*** ☒ **Reappointment** | **City Council Confirmation required?**<br>☒ Yes<br>☐ No | |
| **Appointing Authority:**<br>☐ City Council<br>☒ Mayor<br>☐ Other: *Fill in appointing authority* | **Term of Position: ***<br>9/1/2021<br>**to**<br>8/31/2023<br>☐ *Serving remaining term of a vacant position* | |
| **Residential Neighborhood:**<br>*Capitol Hill* | **Zip Code:**<br>*98102* | **Contact Phone No.:**<br>[redacted] |

**Background:**

*Yasir Alfarag, an Iraqi refugee who studies Political Science at the University of Washington, has been passionately biking since he moved to Seattle in 2017. He first learned how to use a bike here in the city. He purchased a used bicycle—to commute for work—and later fell in love with how a bike makes him feel. Biking for Yasir means freedom, joy, flexibility. His bike pushed him to visit new places around the city and explore more neighborhoods. However, he noticed that not all neighborhoods have reliable and safe bike networks. He became interested in how biking can transform our city by making it greener, reducing traffic congestion, and increasing safety for all road users. Yasir wants to make Seattle a world-class city for biking, where a bike is viewed and treated as a valuable transportation method that is pushed by the city level. Yasir also wants to help Seattleites choose to be car-free to have reliable alternative transit networks that collectively reduce gas emissions in our city. Yasir believes that bikes can help define our city as an example to other cities across the country to embrace biking because bikes are the tools of the future.*

| | |
|---|---|
| **Authorizing Signature (original signature):**<br>Jenny A. Durkan<br>**Date Signed (appointed):**<br>**7/30/21** | **Appointing Signatory:**<br>*Jenny A. Durkan*<br>*Mayor of Seattle* |

**Term begin and end date is fixed and tied to the position and not the appointment date.*

# YASIR ALFARAG

[redacted]

## About

I am an undergrad Political Science Major and an Urban Planning Minor student at the University Of Washington. With my education, I am planning to work with local government. When I'm not studying, I am working, cycling, or reading.

## Education

University of Washington | June 2020 - present

- Political Science, Minor in Urban Planning

Seattle Central College | September 2019 - June 2020

Manchester Community College | September 2016- September 2017

## Achievements

Dean's list from Seattle Central College in three consecutive quarters

## Skills

Customer service
Approachable
quick learner
attention to detail
Negotiations
Writing
Arabic speaker
Self-motivated
Microsoft Office/Excel

## Work Experience

The U.S. House of Representatives | Intern | September 2020- Present

- Answer constituent phone calls.
- Sort and input mail.
- Draft constituent letters

Trader Joe's | Crew Member | July 2019- present

# YASIR ALFARAG

[redacted]

- Restocking shelves, engaging with customers, in charge of inventory for a section of the store, training new Crew Members.

Starbucks | Barista | Jan 2017- July 2019

- Train new baristas at Starbucks Reserve SODO.
- Featured on the company website for my experience and curiosity with coffee.
- Worked at the headquarters in their coffee cupping room.
- Invited to work at the first Starbucks Reserve location

Chipotle | Kitchen Manager | Jan 2016-Jan 2017

- Ordered inventory for the store, led crew members to prepare food, and ensure food safety.

## Volunteer Experience

Seattle Neighborhood Greenways

- Volunteered to draft legislation to introduce bike lanes and street safety to Seattle's City Government.
- Reach out to businesses and people who are affected by the upcoming street changes.

Seattle Subway

- Educate people to vote for pro-transit legislation in the community, reach out to organizations to have their support.

## References

Marcia Horton [redacted]

Philosophy Professor

Seattle Central College

# YASIR ALFARAG

[redacted]

Don Bettencourt
General Manager

Trader Joe's
[redacted]

# Seattle Bicycle Advisory Board

12 Members: Pursuant to Resolution 31572, all members subject to City Council confirmation, 2-year terms:

- 7 Mayor- appointed
- 5 City Council- appointed

## Roster:

| *D | **G | RD | Position No. | Position Title | Name | Term Begin Date | Term End Date | Term # | Appointed By |
|---|---|---|---|---|---|---|---|---|---|
| 8 | M | 3 | 1. | Member | Yasir Alfarag | 9/1/2021 | 8/31/2023 | 2 | Mayor |
| 2 | F | 5 | 2. | Member | Kashina Groves | 9/1/2020 | 8/31/2022 | 1 | City Council |
| | | | 3. | Member | Vacant | 9/1/2021 | 8/31/2023 | | Mayor |
| 1 | F | 4 | 4. | Member | Andrea Lai | 9/1/2021 | 8/31/2023 | 2 | City Council |
| | | | 5. | Member | Vacant | 9/1/2021 | 8/31/2023 | | Mayor |
| | | | 6. | Member | Vacant | 9/1/2021 | 8/31/2023 | | City Council |
| 6 | M | 2 | 7. | Member | Andrew Dannenberg | 9/1/2020 | 8/31/2022 | 2 | Mayor |
| 6 | F | 1 | 8. | Member | Meredith Hall | 9/1/2020 | 8/31/2022 | 1 | City Council |
| 6 | F | | 9. | Member | Sarah Udelhofen | 9/1/2020 | 8/31/2022 | 2 | Mayor |
| 6 | M | 2 | 10. | Member | Patrick Taylor | 9/1/2020 | 8/31/2022 | 1 | City Council |
| 9 | F | 3 | 11. | Member | Maimooma Rahim | 9/1/2020 | 8/31/2022 | 1 | Mayor |
| 3 | M | | 12. | Get Engaged Member | Jose Ulises Nino Rivera | 9/1/2020 | 8/31/2021 | 1 | Mayor |

## SELF-IDENTIFIED DIVERSITY CHART

| | (1) Male | (2) Female | (3) Transgender | (4) NB/ O/ U | (5) Asian | (6) Black/ African American | (7) Hispanic/ Latino | (8) American Indian/ Alaska Native | (9) Other | Caucasian/ Non-Hispanic | Pacific Islander | Middle Eastern | Multiracial |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mayor | 3 | 2 | | | | | 1 | | | 2 | | 1 | 1 |
| Council | 1 | 3 | | | 1 | 1 | | | | 2 | | | |
| Other | | | | | | | | | | | | | |
| Total | 4 | 5 | | | 1 | 1 | 1 | | | 4 | | 1 | 1 |

Key:

***D** List the corresponding *Diversity Chart* number (1 through 9)
****G** List *gender*, **M**= Male, **F**= Female, **T**= Transgender, **NB=** Non-Binary, **O=** Other, **U**= Unknown
**RD** Residential Council District number 1 through 7 or N/A

*Diversity information is self-identified and is voluntary.*

# Legislation Text

**File #:** Appt 02029, **Version:** 1

Reappointment of Andrea Lai as member, Seattle Bicycle Advisory Board, for a term to August 31, 2023.

The Appointment Packet is provided as an attachment.

# City of Seattle Boards & Commissions Notice of Appointment

| | | |
|---|---|---|
| **Appointee Name:**<br>*Andrea Lai* | | |
| **Board/Commission Name:**<br>*Seattle Bicycle Advisory Board* | | **Position Title:**<br>*Member (Position 4)* |
| ☐ **Appointment** ***OR*** ☒ **Reappointment** | **City Council Confirmation required?**<br>☒ Yes<br>☐ No | |
| **Appointing Authority:**<br>☒ City Council<br>☐ Mayor<br>☐ Other: *Fill in appointing authority* | **Term of Position: ***<br>9/1/2021<br>**to**<br>8/31/2023<br>☐ *Serving remaining term of a vacant position* | |
| **Residential Neighborhood:**<br>*Wallingford* | **Zip Code:**<br>*98103* | **Contact Phone No.:**<br>[redacted] |

**Background:**

*Andrea has been a bike commuter in Seattle since she moved here in 2015 and prefers biking as her mode of transportation to travel between neighborhoods. She has been heartened to see the growth of the bike network in the time since, and she also is keen to continue to hold SDOT accountable to the bicycle master plan and its commitment to bridging the connectivity gaps that remain, as well as ensuring that the infrastructure that is built is user-friendly (e.g., legible and convenient) and accessible to all ages and abilities.*

| | |
|---|---|
| **Authorizing Signature (original signature):**<br>  <br>**Date Signed (appointed):**<br>**7/30/21** | **Appointing Signatory:**<br>*Alex Pedersen*<br>*Seattle City Councilmember* |

**Term begin and end date is fixed and tied to the position and not the appointment date.*

# Andrea Lai

## WORK EXPERIENCE

2020–present **King County Solid Waste Division,** *Project/Program Manager* Seattle, WA

Run regular budget and tonnage reports for the Recycling and Environmental Services Section; support recycling programs for unincorporated King County residents; support implementation of the County's zero waste plan.

2015–2020 **Cascadia Consulting Group,** *Associate* Seattle, WA

Use best available data to set baselines, develop metrics, evaluate programs, recommend and implement new strategies, and obtain stakeholder support for waste reduction and recycling.

- Synthesize data to develop insights and provide actionable recommendations that support program goals, including strategic planning efforts, for clients that include King County Solid Waste Division, Seattle Public Utilities, and WA Department of Ecology.
- Develop communications material to summarize and present technical findings to clients.
- Support overall project quality through editorial review, QA/QC review of Excel workbooks, and graphic design for companywide deliverables.

2015 **Motivate Inc.**, *Pronto Cycle Share Brand Ambassador* Seattle, WA

2011–2015 **LanzaTech Inc.**, *Process Engineer* Chicago, IL; Auckland, New Zealand

Held cross-functional roles in data management, operations, and design to support commercialization of a novel waste-to-chemicals fermentation process.

- Commissioned bioreactors in Shanghai, China and Soperton, GA. Managed day-to-day operations, monitored site data, managed field instrumentation for data collection, and trained local field teams of up to 4 staff on operations.
- Implemented a standardized process for company data capture across lab, pilot, and pre-commercial scale operations in Excel and SQL databases to make it easier for staff to review and analyze data from prior runs.
- Facilitated cross-team collaboration between science and engineering team leaders to identify and prioritize R&D resources.

## EDUCATION

2007–2011 **Franklin W. Olin College of Engineering** Needham, MA
*Bachelor of Science in Biological Engineering*

## VOLUNTEERING/COMMUNITY ENGAGEMENT

2015-2017 **Awesome Foundation Seattle,** *Trustee*

2019 **Wing Luke Museum,** *Volunteer Gallery Guide*

## SKILLS

**Software:** Excel, SQL, Salesforce CRM, Adobe InDesign, Python
**General:** Technical writing, data management, project management. Fluent in Mandarin.

# Seattle Bicycle Advisory Board

12 Members: Pursuant to Resolution 31572, all members subject to City Council confirmation, 2-year terms:

- 7 Mayor- appointed
- 5 City Council- appointed

## Roster:

| *D | **G | RD | Position No. | Position Title | Name | Term Begin Date | Term End Date | Term # | Appointed By |
|---|---|---|---|---|---|---|---|---|---|
| 8 | M | 3 | 1. | Member | Yasir Alfarag | 9/1/2021 | 8/31/2023 | 2 | Mayor |
| 2 | F | 5 | 2. | Member | Kashina Groves | 9/1/2020 | 8/31/2022 | 1 | City Council |
| | | | 3. | Member | Vacant | 9/1/2021 | 8/31/2023 | | Mayor |
| 1 | F | 4 | 4. | Member | Andrea Lai | 9/1/2021 | 8/31/2023 | 2 | City Council |
| | | | 5. | Member | Vacant | 9/1/2021 | 8/31/2023 | | Mayor |
| | | | 6. | Member | Vacant | 9/1/2021 | 8/31/2023 | | City Council |
| 6 | M | 2 | 7. | Member | Andrew Dannenberg | 9/1/2020 | 8/31/2022 | 2 | Mayor |
| 6 | F | 1 | 8. | Member | Meredith Hall | 9/1/2020 | 8/31/2022 | 1 | City Council |
| 6 | F | | 9. | Member | Sarah Udelhofen | 9/1/2020 | 8/31/2022 | 2 | Mayor |
| 6 | M | 2 | 10. | Member | Patrick Taylor | 9/1/2020 | 8/31/2022 | 1 | City Council |
| 9 | F | 3 | 11. | Member | Maimooma Rahim | 9/1/2020 | 8/31/2022 | 1 | Mayor |
| 3 | M | | 12. | Get Engaged Member | Jose Ulises Nino Rivera | 9/1/2020 | 8/31/2021 | 1 | Mayor |

## SELF-IDENTIFIED DIVERSITY CHART

| | (1) Male | (2) Female | (3) Transgender | (4) NB/ O/ U | (5) Asian | (6) Black/ African American | (7) Hispanic/ Latino | (8) American Indian/ Alaska Native | (9) Other | Caucasian/ Non-Hispanic | Pacific Islander | Middle Eastern | Multiracial |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mayor | 3 | 2 | | | | | 1 | | | 2 | | 1 | 1 |
| Council | 1 | 3 | | | 1 | 1 | | | | 2 | | | |
| Other | | | | | | | | | | | | | |
| Total | 4 | 5 | | | 1 | 1 | 1 | | | 4 | | 1 | 1 |

Key:

***D** List the corresponding *Diversity Chart* number (1 through 9)
****G** List *gender*, **M**= Male, **F**= Female, **T**= Transgender, **NB=** Non-Binary, **O=** Other, **U**= Unknown
**RD** Residential Council District number 1 through 7 or N/A

*Diversity information is self-identified and is voluntary.*

# Legislation Text

**File #:** Appt 02030, **Version:** 1

Reappointment of Erin Tighe as member, Seattle Transit Advisory Board, for a term to August 2, 2023.

The Appointment Packet is provided as an attachment.

# City of Seattle Boards & Commissions Notice of Appointment

| | | |
|---|---|---|
| **Appointee Name:**<br>*Erin Tighe* | | |
| **Board/Commission Name:**<br>*Seattle Transit Advisory Board* | | **Position Title:**<br>*Member (Position 9)* |
| ☐ **Appointment** ***OR*** ☒ **Reappointment** | **City Council Confirmation required?**<br>☒ Yes<br>☐ No | |
| **Appointing Authority:**<br>☐ City Council<br>☒ Mayor<br>☐ Other: *Fill in appointing authority* | **Term of Position: ***<br>8/3/2021<br>**to**<br>8/2/2023<br>☐ *Serving remaining term of a vacant position* | |
| **Residential Neighborhood:**<br>*Queen Anne* | **Zip Code:**<br>*98103* | **Contact Phone No.:**<br>[redacted] |
| **Background:**<br>*Erin is a transportation and land use enthusiast currently working in specialty residential property development and management. Professionally, she focuses on operations and accounting in senior housing. Since moving to Seattle, she has engaged on community transportation issues in her neighborhood. Currently, she works to make her downtown neighborhood friendly to those who walk, roll, and use transit.* | | |
| **Authorizing Signature (original signature):**<br>Jenny A. Durkan<br>**Date Signed (appointed):**<br>**7/30/21** | **Appointing Signatory:**<br>*Jenny A. Durkan*<br>*Mayor of Seattle* | |

**Term begin and end date is fixed and tied to the position and not the appointment date.*

## ERIN TIGHE

### Profile

Real estate professional with experience in property management, feasibility, land entitlement, and commercial borrowing in the Senior Housing specialty sector.

### Experience

**Development & Accounting Coordinator, Living Care Lifestyles — 2015-Present**

Developed models for prospective senior housing development projects to analyze market, land use patterns, and feasibility. Managed construction accounting of 100+ unit development projects, including interfacing with lender for construction funding draws. Managed commercial 100+ commercial card system, including rollout, training, and ongoing maintenance.

**Administrative Staff, OfficeTeam — 2013-2015**

### Education

**University of Puget Sound, Tacoma, WA — BA in American Politics and Government, Minor in Economics 2013**

### Community Engagement

**Seattle Transit Advisory Board, 2015-Present**

Oversaw spending of voter-approved funding in Seattle Transportation Benefit District, including annual reporting to Seattle City Council on adherence to ballot commitments. Advised City of Seattle and local transportation partners on policy, planning, and capital decisions.

**Uptown Alliance Transportation Committee, 2018-Present**

Made recommendations to City departments on transportation projects involving the Uptown and other North Downtown neighborhoods. Advocated for capital projects to improve the transportation experience, especially for vulnerable users in the Mercer Corridor.

# Seattle Transit Advisory Board

12 Members: Pursuant to Resolution 31572, all members subject to City Council confirmation, 2-year terms:

- 7 Mayor- appointed
- 5 City Council- appointed

## Roster:

| *D | **G | RD | Position No. | Position Title | Name | Term Begin Date | Term End Date | Term # | Appointed By |
|---|---|---|---|---|---|---|---|---|---|
| 6 | M | 3 | 1. | Member | Bryce Kolton | 8/3/20 | 8/2/22 | 2 | City Council |
| | | 4 | 2. | Member | Emily Walton Percival | 8/3/20 | 8/2/22 | 1 | City Council |
| 5 | M | 4 | 3. | Member | Andrew Martin | 8/3/20 | 8/2/22 | 2 | City Council |
| 6 | F | 6 | 4. | Member | Michelle Zeidman | 8/3/21 | 8/2/23 | 3 | City Council |
| | | | 5. | Member | Vacant | 8/3/21 | 8/2/23 | | City Council |
| 1 | F | 3 | 6. | Member | Keiko Budech | 8/3/20 | 8/2/22 | 2 | Mayor |
| 6 | F | 3 | 7. | Member | Barbara Wright | 8/3/20 | 8/2/22 | 2 | Mayor |
| | | 1 | 8. | Member | Art Kuniyuki | 8/3/20 | 8/2/22 | 1 | Mayor |
| | F | 7 | 9. | Member | Erin Tighe | 8/3/21 | 8/2/23 | 4 | Mayor |
| | | | 10. | Member | Vacant | 8/3/21 | 8/2/23 | | Mayor |
| | | | 11. | Member | Vacant | 8/3/21 | 8/2/23 | | Mayor |
| 6 | M | 3 | 12. | Get Engaged Member | Andrew Parker | 9/1/20 | 8/31/21 | 1 | Mayor |

## SELF-IDENTIFIED DIVERSITY CHART

| | (1) Male | (2) Female | (3) Transgender | (4) NB/ O/ U | (5) Asian | (6) Black/ African American | (7) Hispanic/ Latino | (8) American Indian/ Alaska Native | (9) Other | Caucasian/ Non-Hispanic | Pacific Islander | Middle Eastern | Multiracial |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mayor | 1 | 3 | | | 1 | | | | | 2 | | | |
| Council | 2 | 1 | | | | | | | 1 | 2 | | | |
| Other | | | | | | | | | | | | | |
| Total | 3 | 4 | | | 1 | | | | 1 | 4 | | | |

Key:

***D** List the corresponding *Diversity Chart* number (1 through 9)
****G** List *gender*, **M**= Male, **F**= Female, **T**= Transgender, **NB=** Non-Binary, **O=** Other, **U**= Unknown
**RD** Residential Council District number 1 through 7 or N/A

*Diversity information is self-identified and is voluntary.*

# Legislation Text

**File #:** Appt 02031, **Version:** 1

Reappointment of Michelle Zeidman as member, Seattle Transit Advisory Board, for a term to August 2, 2023.

The Appointment Packet is provided as an attachment.

# City of Seattle Boards & Commissions Notice of Appointment

| | | |
|---|---|---|
| **Appointee Name:**<br>*Michelle Zeidman* | | |
| **Board/Commission Name:**<br>*Seattle Transit Advisory Board* | | **Position Title:**<br>*Member (Position 4)* |
| ☐ **Appointment** ***OR*** ☒ **Reappointment** | **City Council Confirmation required?**<br>☒ Yes<br>☐ No | |
| **Appointing Authority:**<br>☒ City Council<br>☐ Mayor<br>☐ Other: *Fill in appointing authority* | **Term of Position: ***<br>8/3/2021<br>**to**<br>8/2/2023<br>☐ *Serving remaining term of a vacant position* | |
| **Residential Neighborhood:**<br>*Green Lake* | **Zip Code:**<br>*98115* | **Contact Phone No.:**<br>[redacted] |

**Background:**

*Michelle is a transit commuter who is passionate about making it easier for all people to get around the Puget Sound without a car. Michelle has spent more than a decade studying and working on public transportation and urban planning policy. This work has involved increasing access to light rail, expanding bus transit service, analyzing public ferry service, and advocating for public transportation funding for transit-dependent populations. She has a Master of Public Administration and a Master of Urban Planning from the University of Washington. In her spare time, Michelle is an artist and avid traveler.*

| | |
|---|---|
| **Authorizing Signature (original signature):**<br>  <br>**Date Signed (appointed):**<br>**7/30/21** | **Appointing Signatory:**<br>*Alex Pedersen*<br>*Seattle City Councilmember* |

**Term begin and end date is fixed and tied to the position and not the appointment date.*

# MICHELLE ZEIDMAN

**PROFILE: Experienced transportation planning professional with data analysis, communication, and graphic design expertise. Collaborative team leader with years of facilitation and community engagement experience. Strong project management, performance evaluation, and grants management skills. Knowledgeable about transit systems in Washington and beyond.**

## EDUCATION

**Master of Public Administration,** UW Evans School of Public Affairs — March 2009
**Master of Urban Planning,** UW College of Architecture & Urban Planning — March 2009
**Bachelor of Arts, Environmental Studies,** University of Washington — March 2003

## PROFESSIONAL EXPERIENCE

**Planning Analyst:** Washington State Ferries, Seattle, WA — 11/19 to Present

Analyze ridership, on-time performance, and other data to inform service planning and operational decisions. Create and manage Tableau dashboards for performance monitoring and reporting to internal and external stakeholders. Collaborate with IT and Operations to ensure data is accurate and complete.

**Program Officer / Special Projects Manager:** The Brainerd Foundation, Seattle, WA — 05/15 to 11/19

Managed the foundation's Emerging Leaders Initiative, and Opportunity and Grassroots grant programs. Conducted research and analyzed resulting data. Reviewed grant proposals. Wrote and presented grant recommendations to the board of trustees. Researched and wrote grantee case studies.

**Transit Programs Operations Specialist:** University of Washington, Seattle, WA — 01/13 to 01/14

Managed U-PASS program for students and employees at main Seattle campus. Analyzed ORCA and survey data using Excel and SPSS. Negotiated transit fare contracts with seven transit agencies. Collaborated with multimodal Commute Options team to maximize car-free access to the University.

**Mobility Manager:** Hopelink, Bellevue, WA — 11/09 to 12/12

Directed staff, managed $300,000 annual operating budget and nearly $1 million in capital projects, and facilitated the King County Mobility Coalition to improve mobility options for seniors, people with disabilities, low-income individuals, refugees, and veterans. Led Coalition in establishing action plan and effectively engaged diverse members to implement collaborative projects. Created public-private partnerships to expand operations. Successfully applied for and managed multiple federal grants.

**Research & Evaluation Analyst:** Office of Policy & Management, City of Seattle, WA — 08/09 to 10/09

Researched and analyzed best practices for public-private partnerships for the Central Waterfront. Collaboratively drafted resolution for City Council. Recommended strategies for successful public space design processes, management, and programming.

**Research & Program Associate:** The Brainerd Foundation, Seattle, WA — 03/06* to 10/09

Conducted strategic research and analysis to inform grantmaking. Researched and analyzed grantee outcomes to identify best practices for six conservation voter leagues. Conducted ecosystem assessment.

* Took time off to work for the U.S. Government Accountability Office, Puget Sound Regional Council, and as a Seattle Mayor's Office Fellow.

**Transit Planning Consultant:** Sound Transit, Seattle, WA — 03/09 to 08/09

Drafted first-ever *Preliminary Bicycle Parking Plan* for Sounder commuter rail's south line and Link light rail, including compiling, writing and editing policy, program, and project components to create a coherent document and make future planning efforts more efficient. Recommended content for future enhanced bicycle plan. Researched and analyzed policies for *Transit-Oriented Development Strategic Plan*.

**Mayor's Office Fellow:** Office of Policy & Management, City of Seattle, WA 06/08 to 09/08
Developed parking strategies for businesses near the light rail stations in Southeast Seattle. Researched best practices and case studies. Interviewed business owners. Incorporated feedback from an inter-departmental advisory team. Presented recommendations to the Mayor. Began implementation.

**Growth Management Intern:** Puget Sound Regional Council, Seattle, WA 12/07 to 06/08
Documented public comments and agency responses for the Supplemental EIS to *VISION 2040*. Reviewed and evaluated municipal comprehensive plans to verify compliance with the Growth Management Act and *Regional Transportation Plan.*

**Analyst Intern:** U.S. Government Accountability Office, Seattle, WA 05/07 to 08/07
Contributed to a congressionally requested report on the cost-effectiveness of federal prison privatization: researched variables for a cost-effectiveness analysis, reviewed laws and regulations, interviewed agency officials, and presented findings and recommendations to senior staff. Collected data and analyzed internal policies regarding the agency's reduction, reuse, and recycling of waste, resulting in policy changes.

**Legislative Session Aide:** Washington State Senator Craig Pridemore, Olympia, WA 01/06 to 03/06
Analyzed fiscal and policy implications of growth management bills and drafted concise analyses. Worked with constituents, including creating systems to track and efficiently respond to them.

## LEADERSHIP & VOLUNTEER EXPERIENCE

**Transit Advisory Board Member:** City of Seattle, WA 2019
Appointed to advise the Mayor, City Council, and departments on transit issues, and provide public oversight of Seattle Transportation Benefit District revenues. Serve on STBD renewal subcommittee.

**Advisory Group Member:** *Washington State Public Transportation Plan* 2014
Selected to advise WSDOT staff and provide input on the state's multimodal public transportation plan.

**Board Member:** Northwest Paragliding Club 2013
Monitored the club's budget, assisted with fundraisers, and ensured club's and members' compliance with State Department of Natural Resources' land use license agreements and insurance regulations.

**Grant Evaluator:** WSDOT 2013-2015 Consolidated Grant Program 2013
Independently scored and evaluated proposals for State and Federal transportation funding to improve transportation service and accessibility across Washington State, resulting in the distribution of $38M.

**Federal Opportunities Workgroup Member:** WA Agency Council on Coordinated Transportation 2011
Identified strategies to overcome barriers to collaboration between public transit and human service transportation agencies to improve services for people with special transportation needs.

**Legislative Committee Member:** Community Transportation Association Northwest 2009 to 2013
Lead creation of annual guide to proposed budget cuts affecting transportation and vulnerable populations. Drafted correspondence to legislators educating them about implications of proposed cuts.

**Legislative Committee Member:** American Planning Association, Washington Chapter 2006 to 2010
Participated in weekly conference calls to discuss proposed bills, legislative deadlines, and chapter positions. Collaboratively drafted process for proposing state legislation, adopted by Board of Directors.

**Planning Commissioner:** City of Seattle, WA 2008 to 2009
Advised the Mayor, City Council, and departments. Served on the Land Use and Transportation Subcommittee. Contributed to the *Seattle Transit Communities* report, published November 2010.

# Seattle Transit Advisory Board

12 Members: Pursuant to Resolution 31572, all members subject to City Council confirmation, 2-year terms:

- 7 Mayor- appointed
- 5 City Council- appointed

## Roster:

| *D | **G | RD | Position No. | Position Title | Name | Term Begin Date | Term End Date | Term # | Appointed By |
|---|---|---|---|---|---|---|---|---|---|
| 6 | M | 3 | 1. | Member | Bryce Kolton | 8/3/20 | 8/2/22 | 2 | City Council |
| | | 4 | 2. | Member | Emily Walton Percival | 8/3/20 | 8/2/22 | 1 | City Council |
| 5 | M | 4 | 3. | Member | Andrew Martin | 8/3/20 | 8/2/22 | 2 | City Council |
| 6 | F | 6 | 4. | Member | Michelle Zeidman | 8/3/21 | 8/2/23 | 3 | City Council |
| | | | 5. | Member | Vacant | 8/3/21 | 8/2/23 | | City Council |
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| | F | 7 | 9. | Member | Erin Tighe | 8/3/21 | 8/2/23 | 4 | Mayor |
| | | | 10. | Member | Vacant | 8/3/21 | 8/2/23 | | Mayor |
| | | | 11. | Member | Vacant | 8/3/21 | 8/2/23 | | Mayor |
| 6 | M | 3 | 12. | Get Engaged Member | Andrew Parker | 9/1/20 | 8/31/21 | 1 | Mayor |

## SELF-IDENTIFIED DIVERSITY CHART

| | (1) Male | (2) Female | (3) Transgender | (4) NB/ O/ U | (5) Asian | (6) Black/ African American | (7) Hispanic/ Latino | (8) American Indian/ Alaska Native | (9) Other | Caucasian/ Non-Hispanic | Pacific Islander | Middle Eastern | Multiracial |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mayor | 1 | 3 | | | 1 | | | | | 2 | | | |
| Council | 2 | 1 | | | | | | | 1 | 2 | | | |
| Other | | | | | | | | | | | | | |
| Total | 3 | 4 | | | 1 | | | | 1 | 4 | | | |

Key:

***D** List the corresponding *Diversity Chart* number (1 through 9)
****G** List *gender*, **M**= Male, **F**= Female, **T**= Transgender, **NB=** Non-Binary, **O=** Other, **U**= Unknown
**RD** Residential Council District number 1 through 7 or N/A

*Diversity information is self-identified and is voluntary.*

**File #:** CB 120138, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program; authorizing the Director of the Department of Transportation to acquire, accept, and record both temporary and permanent property rights from abutting property owners located along West Marginal Way Southwest between 17th Avenue Southwest and Delridge Way Southwest, necessary or convenient for the Terminal 5 Quiet Zone Improvements project through negotiation or condemnation; placing the acquired real property rights under the jurisdiction of the Seattle Department of Transportation and designating for transportation, utility, and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.

WHEREAS, The Port of Seattle (the "Port"), in coordination with The Northwest Seaport Alliance (the "NSA"), will be constructing the Terminal 5 Cargo Wharf, Berth Deepening, and Improvements Project on the West shoreline of the West Waterway in Southwest Elliot Bay, the address for the site is 2701 26th Avenue Southwest, Seattle, Washington, 98106, and is approximately 1.5 miles from the city of Seattle urban center ("Terminal 5"), to rehabilitate the existing marine cargo facilities at Terminal 5 of the Port of Seattle to serve larger cargo vessels (the "Terminal 5 Project"); and

WHEREAS, Terminal 5 has long been considered a premier container cargo facility on the West Coast because of its naturally deep berth, wide footprint (185 acres), and the availability of an on-dock rail yard that allows containers to be directly loaded from the ship onto rail lines; and

WHEREAS, in recent years, the introduction of new ultra-large container vessels has triggered dramatic changes in the container shipping industry with vessels of more than 10,000 20-foot-equivalent units ("TEUs") capacity currently calling at North American West Coast ports (the "Ports"), and 18,000-TEUs vessels are expected to be more prevalent in the near future requiring larger, heavier cranes with a

larger reach, which in turn requires strengthening the dock and upgrading utilities; and

WHEREAS, Terminal 5 could only handle ships with a maximum capacity of 6,000 TEUs when container operations were suspended in July 2014 to allow for the strategic planning and investments necessary to prepare the terminal to handle two 18,000-TEUs ships simultaneously; and

WHEREAS, competition for the trans-Pacific market among the Ports has become particularly fierce over the last few years as shipping lines have consolidated operations into larger vessels with fewer port calls; and

WHEREAS, the Terminal 5 Project renovates Terminal 5 to serve larger vessels and consists of: cargo wharf rehabilitation necessary to support larger and heavier cranes, deepening of the vessel berth, water and stormwater utility retrofits, electrical utility capacity increases, reconfiguration of the marine cargo marshalling area, reorganization of the intermodal rail facilities, cargo area lighting modifications, pavement repair and maintenance, stormwater drainage improvements, alteration of maintenance and repair buildings, and a redesign of entrance/exit gates and heavy vehicle access points to serve increased capacity; and

WHEREAS, in addition to these infrastructure improvements, the Terminal 5 Project also provides for environmental investments to enhance water and air quality for the community, including updating stormwater treatment systems and installing “shore power” infrastructure that allows a vessel to plug into electricity while at berth, substantially reducing air emissions, technology improvements to manage truck flow around the terminal, and a railroad quiet zone to reduce noise impacts for the surrounding community; and

WHEREAS, in October of 2016, the Terminal 5 Project’s Final Environmental Impact Statement, prepared by the Port acting as the lead agency for environmental review under the State Environmental Policy Act (SEPA), was published and identifies train horn noise required for public and private crossings and presence of human activity as an annoyance noise; and

WHEREAS, on April 3, 2017, The City of Seattle (the "City") published the Master Use Permit, Application Number 3019071, Analyses and Decision of the Director of the Seattle Department of Construction and Inspections, with conditions, for the Terminal 5 Project (the "MUP"); and

WHEREAS, one of the conditions of the MUP required that the Port enter into a Memorandum of Understanding (the "MOU") with the Seattle Department of Transportation ("SDOT"), on behalf of the City, to describe how the Port and the City will work together to secure approval of a U.S. Federal Railroad Administration (the "FRA") designated quiet zone between the West end of the train bridge across the West Waterway of the Duwamish and the Terminal 5 gate (the "Quiet Zone"); and

WHEREAS, the MOU, executed by the parties, dated August 29, 2017, codifies the quiet zone noise mitigation strategy conditioned in the MUP and as contemplated in SDOT's Seattle City Council Statement of Legislative Intent (SLI) 95-2-A-1: West Seattle Bridge Corridor Improvements Update on White Paper and Investment List Report as a part of the City's 2016 budget process, and memorialized in Clerk Files 319666, 320210, 320307, and 320423; and

WHEREAS, the Seattle Department of Transportation's (SDOT's) Terminal 5 Quiet Zone Improvements project, under the Freight Spot Improvement Program (the "Quiet Zone Project"), is part of the Terminal 5 Project impacting West Marginal Way Southwest from 17th Avenue Southwest to Delridge Way Southwest, and will mitigate train noise generated by terminal operations along this West Marginal Way Southwest street corridor; and

WHEREAS, the Quiet Zone Project has been planned and is being executed in accordance with the provisions of the MUP, and as contemplated by the Seattle City Council, and requires that the City obtain certain temporary and permanent property rights necessary to mitigate train noise and also provides for acquiring the FRA quiet zone designation; and

WHEREAS, completion of the Quiet Zone Project will meet an important condition of the Terminal 5 Project, which will modernize Terminal 5 and expand its cargo-handling capabilities allowing it to remain

competitive in the shipping industry, which is critical for trans-Pacific trade, growing our economy, and creating more jobs; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Public convenience and necessity require that the real property interests generally shown in Attachments 1 and 2, attached to this ordinance and incorporated by reference, and such other property as may be necessary or convenient for the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program (the "Quiet Zone Project"), located in the city of Seattle, county of King, State of Washington, together with all rights, privileges, and other property interests pertaining thereto, be acquired for transportation, utility, and general municipal purposes through negations and use of eminent domain (condemnation) if necessary, in connection with the Quiet Zone Project.

Section 2. The Director of the Department of Transportation or designee ("Director"), on behalf of The City of Seattle (the "City"), is authorized to: determine the portions and interests of the properties shown on Attachments 1 and 2 that are necessary or convenient for the Quiet Zone Project, and any other properties that may be necessary or convenient for the Quiet Zone Project; negotiate and enter into agreements to acquire the properties upon payment of just compensation thereto; and accept the deeds, permanent and temporary easements, and/or permits for the properties by attaching to the deeds, easements, and/or permits the Director's written acceptance thereof, and recording the same. The funds for the acquisition of the property and/or property rights shall be from the City's Transportation Fund, or such other funds lawfully available, and reimbursed by the Port of Seattle (the "Port") under the terms of the Memorandum of Understanding between the City and the Port, as amended, that describes how the Port and the City will work together to secure approval of a U.S. Federal Railroad Administration designated quiet zone between the West end of the train bridge across the West Waterway of the Duwamish and the Port's Terminal 5 gate.

Section 3. The City Attorney is authorized to commence and prosecute proceedings in the manner provided by law to condemn, take, damage, and appropriate the properties in fee simple or such other interests

that are necessary or convenient for the Quiet Zone Project, after just compensation has been made or paid into court for the owners thereof, in the manner provided by law; and to stipulate for the purpose of minimizing damages.

Section 4. The Director is authorized to settle condemnation litigation or enter administrative settlements (a settlement in lieu of initiating condemnation litigation) for the acquisition of the real property interests necessary for the Quiet Zone Project. Such settlements shall be made for amounts deemed to be a reasonable estimation of fair market value and shall not exceed established budgets.

Section 5. The deeds, permanent and temporary easements, and/or permits referenced above shall be placed under the jurisdiction of the Seattle Department of Transportation and designated for transportation, utility, and general municipal purposes.

Section 6. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Attachment 1 - Map of Construction Corridor
Attachment 2 - Contact List for Properties Affected (Preliminary)

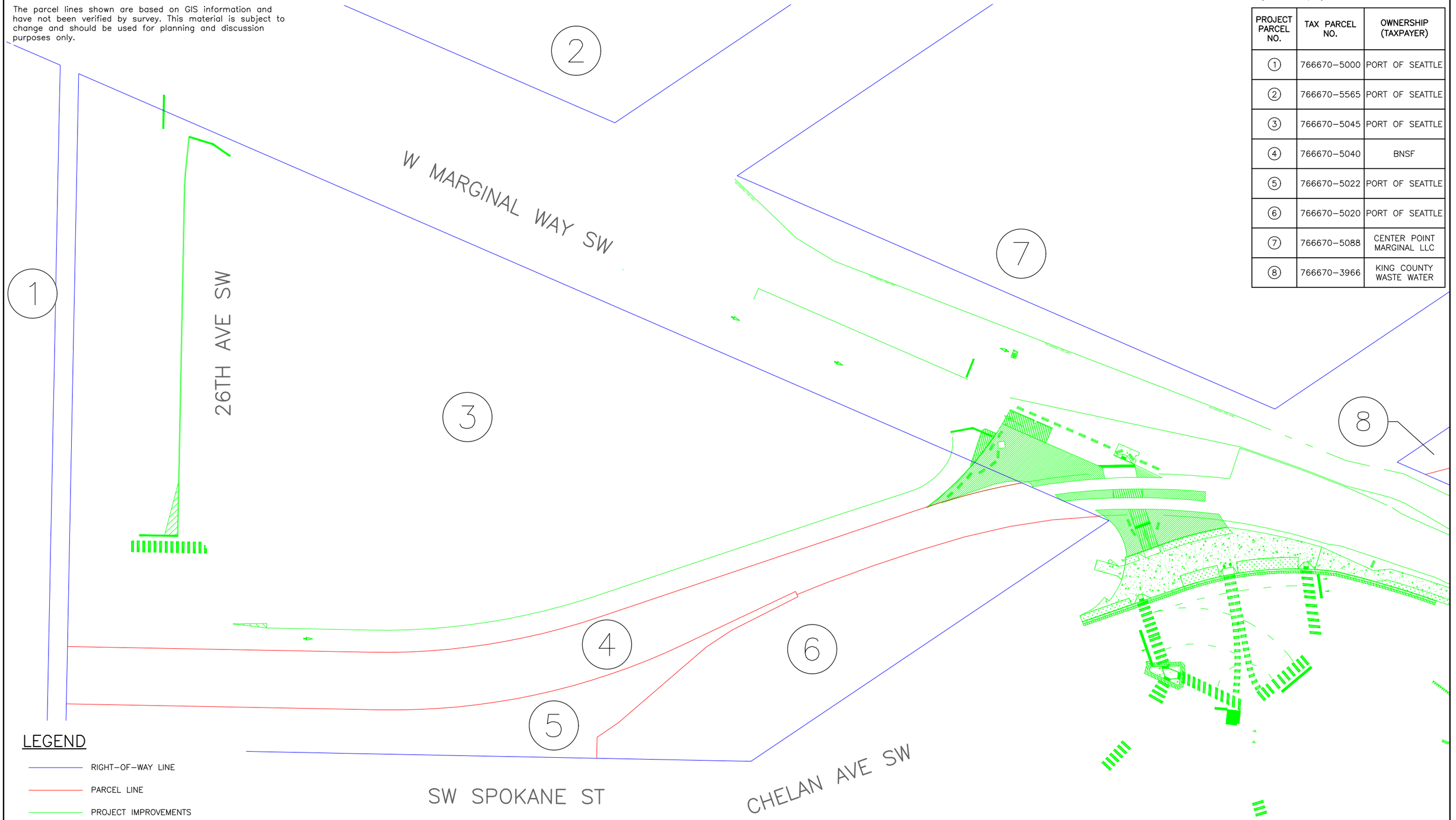
Att 1 - Map of Construction Corridor
V1

DISCLAIMER

The parcel lines shown are based on GIS information and have not been verified by survey. This material is subject to change and should be used for planning and discussion purposes only.

NOTE: Parcel information for properties not adjacent to project limits are not shown.

| PROJECT PARCEL NO. | TAX PARCEL NO. | OWNERSHIP (TAXPAYER) |
|---|---|---|
| 1 | 766670-5000 | PORT OF SEATTLE |
| 2 | 766670-5565 | PORT OF SEATTLE |
| 3 | 766670-5045 | PORT OF SEATTLE |
| 4 | 766670-5040 | BNSF |
| 5 | 766670-5022 | PORT OF SEATTLE |
| 6 | 766670-5020 | PORT OF SEATTLE |
| 7 | 766670-5088 | CENTER POINT MARGINAL LLC |
| 8 | 766670-3966 | KING COUNTY WASTE WATER |




LEGEND

- RIGHT-OF-WAY LINE
- PARCEL LINE
- PROJECT IMPROVEMENTS

N

RIGHT OF WAY EXHIBIT

TERMINAL 5 QUIET ZONE IMPROVEMENTS

JUNE 2021

SHEET 1 OF 200

DISCLAIMER

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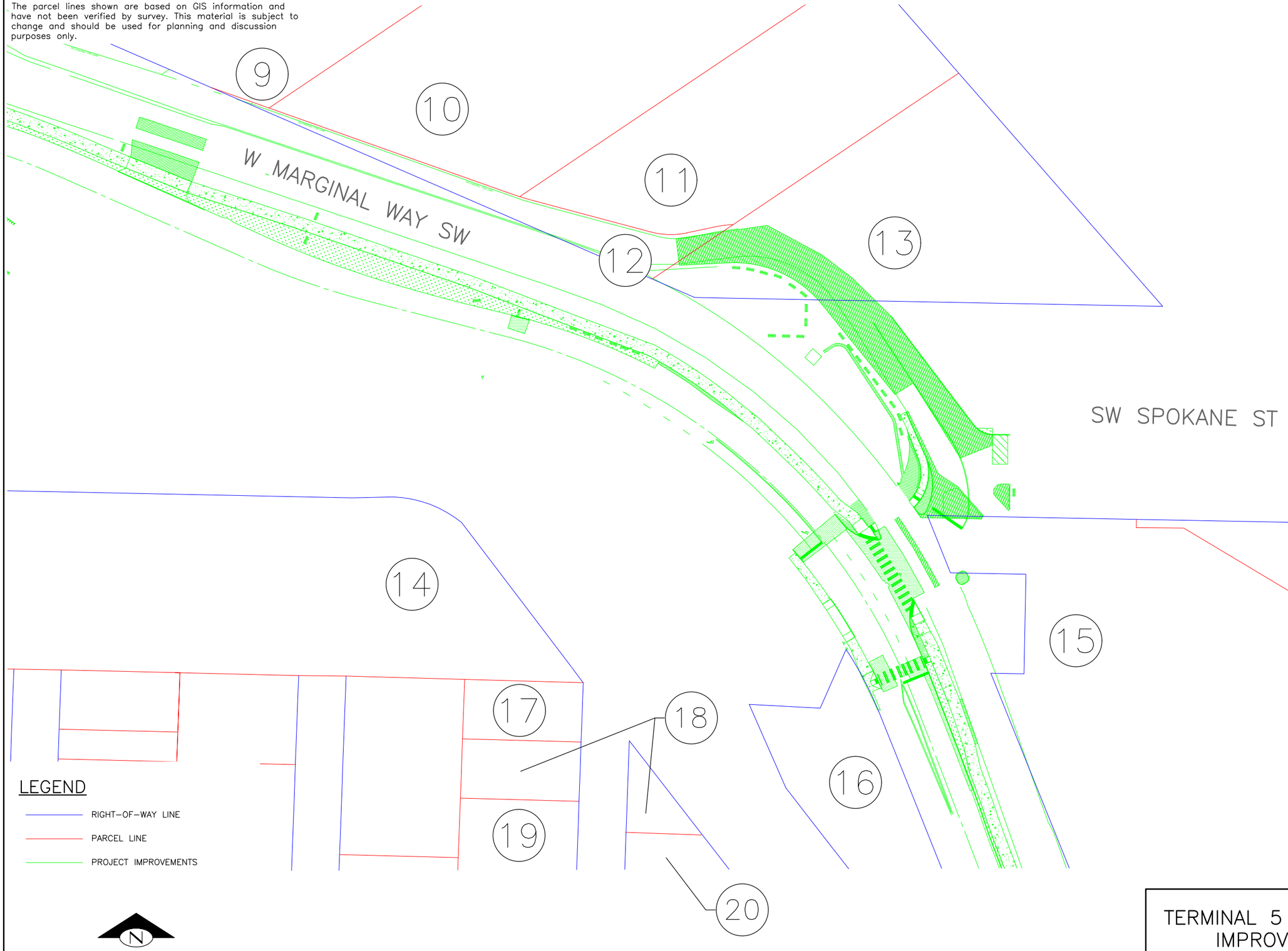



NOTE: Parcel information for properties not adjacent to project limits are not shown.

| PROJECT PARCEL NO. | TAX PARCEL NO. | OWNERSHIP (TAXPAYER) |
|---|---|---|
| ⑨ | 766670-3967 | CENTERPOINT 3546 MARGINAL |
| ⑩ | 766670-3985 | CENTERPOINT 3546 MARGINAL |
| ⑪ | 766670-3990 | CENTERPOINT 3546 MARGINAL |
| ⑫ | 766670-3980 | PORT OF SEATTLE |
| ⑬ | 766670-4000 | PORT OF SEATTLE |
| ⑭ | 132403-9001 | CITY OF SEATTLE DPR |
| ⑮ | 766670-3290 | RIVERSIDE MILL LLC |
| ⑯ | 766670-3920 | 3601 W MARGINAL WAY SW LIMI |
| ⑰ | 934990-0295 | CITY OF SEATTLE DPR |
| ⑱ | 934990-0315 | CITY OF SEATTLE DPR |
| ⑲ | 934990-0270 | CITY OF SEATTLE DPR |
| ⑳ | 934990-0331 | TTP, LLC |

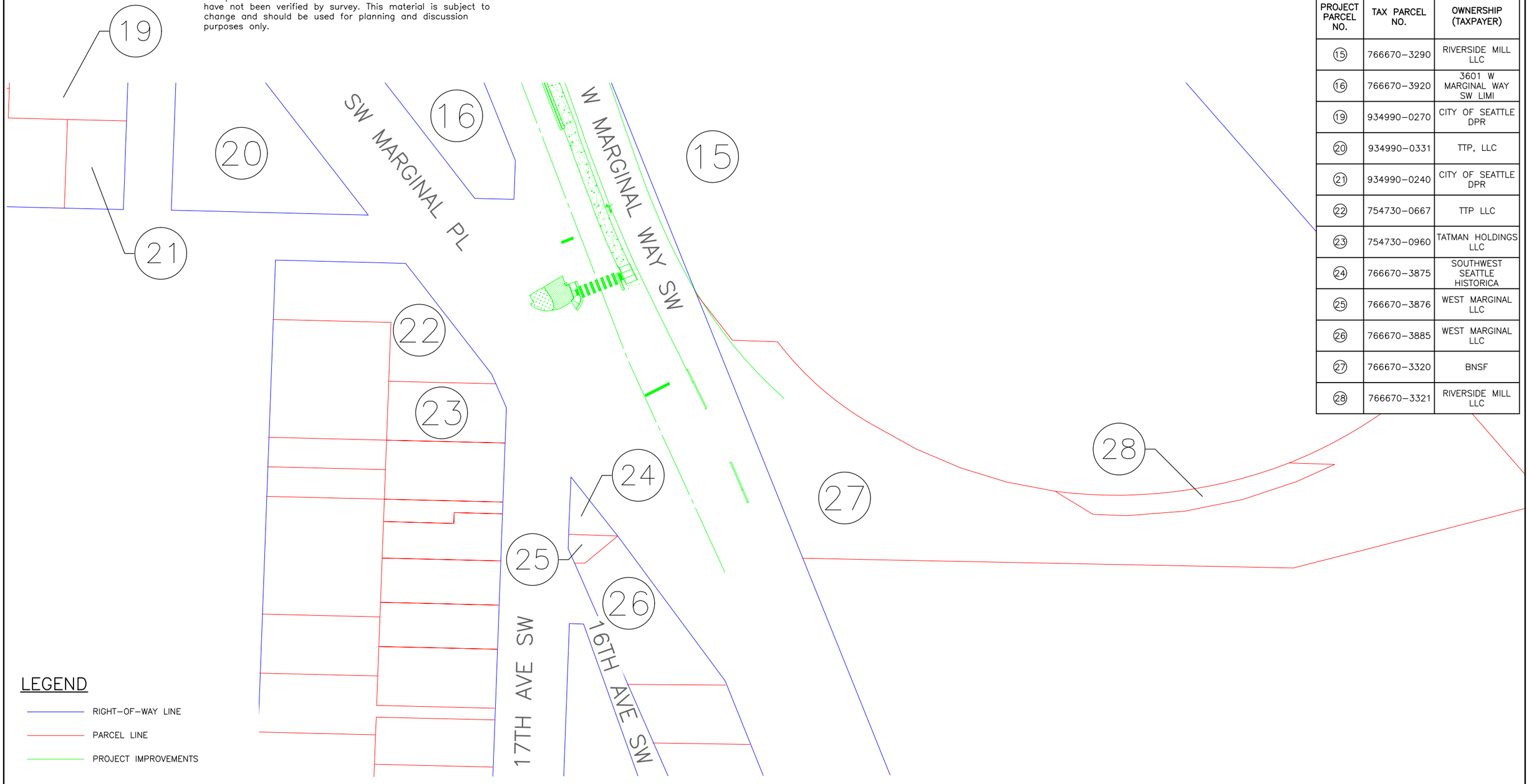
RIGHT OF WAY EXHIBIT

TERMINAL 5 QUIET ZONE IMPROVEMENTS

JUNE 2021

DISCLAIMER

The parcel lines shown are based on GIS information and have not been verified by survey. This material is subject to change and should be used for planning and discussion purposes only.




NOTE: Parcel information for properties not adjacent to project limits are not shown.

| PROJECT PARCEL NO. | TAX PARCEL NO. | OWNERSHIP (TAXPAYER) |
|---|---|---|
| 15 | 766670-3290 | RIVERSIDE MILL LLC |
| 16 | 766670-3920 | 3601 W MARGINAL WAY SW LIMI |
| 19 | 934990-0270 | CITY OF SEATTLE DPR |
| 20 | 934990-0331 | TTP, LLC |
| 21 | 934990-0240 | CITY OF SEATTLE DPR |
| 22 | 754730-0667 | TTP LLC |
| 23 | 754730-0960 | TATMAN HOLDINGS LLC |
| 24 | 766670-3875 | SOUTHWEST SEATTLE HISTORICA |
| 25 | 766670-3876 | WEST MARGINAL LLC |
| 26 | 766670-3885 | WEST MARGINAL LLC |
| 27 | 766670-3320 | BNSF |
| 28 | 766670-3321 | RIVERSIDE MILL LLC |

LEGEND

- RIGHT-OF-WAY LINE
- PARCEL LINE
- PROJECT IMPROVEMENTS

N

RIGHT OF WAY EXHIBIT

TERMINAL 5 QUIET ZONE IMPROVEMENTS

JUNE 2021

## TERMINAL 5 QUIET ZONE IMPROVEMENTS PROJECT ACQUISITIONS

## CONTACT LIST FOR PROPERTIES AFFECTED (Preliminary)

| Project Parcel No. | Tax ID. No. | Property Address (Seattle, WA) | Property Owner | Tax Payer's Address of Record (Name included only if different than Property owner.) |
|---|---|---|---|---|
| 1 | 766670-5000 | 2500 SW Spokane St. | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 2 | 766670-5565 | 2701 26th Ave. SW | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 3 | 766670-5045 | 3443 West Marginal Way SW | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 4 | 766670-5040 | 3585 West Marginal Way SW | BNSF Railway Company | P. O. Box 961089, Fort Worth, TX 76161 |
| 5 | 766670-5022 | 2340 SW Spokane St. | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 6 | 766670-5020 | 2300 SW Spokane St. | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 7 | 766670-5088 | 3480 West Marginal Way SW | CenterPoint Marginal, LLC | 1808 Swift Dr., Oak Brook, IL. 60523 |
| 8 | 766670-3966 | Not assigned | King County Properties | 201 S Jackson St, #505, Seattle, WA 98104 |
| 9 | 766670-3967 | 3518 West Marginal Way SW | CenterPoint 3546 Marginal Way, LLC | 1808 Swift Dr., Oak Brook, IL. 60523 |
| 10 | 766670-3985 | 3546 West Marginal Way SW | CenterPoint 3546 Marginal Way, LLC | 1808 Swift Dr., Oak Brook, IL. 60523 |
| 11 | 766670-3990 | Not assigned | CenterPoint 3546 Marginal Way, LLC | 1808 Swift Dr., Oak Brook, IL. 60523 |
| 12 | 766670-3980 | Not assigned | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 13 | 766670-4000 | 1636 SW Spokane St. | Port of Seattle | P. O. Box 1209, Seattle, WA 98111 |
| 14 | 132403-9001 | Not assigned | The City of Seattle, Department of Parks and Recreation | Property Management, 300 Elliot Ave W, Ste 100, Seattle, WA 98119 |
| 15 | 766670-3290 | 3800 West Marginal Way SW | Riverside Mill, LLC | 3800 West Marginal Way SW, Seattle, WA 98106 |
| 16 | 766670-3920 | 3601 West Marginal Way SW | 3601 W. Marginal Way S. W. Limited Partnership | 270 S Hanford St., #100, Seattle, WA 98134 |
| 17 | 934990-0295 | Not assigned | The City of Seattle, Department of Parks and Recreation | Property Management, 300 Elliot Ave W, Ste 100, Seattle, WA 98119 |
| 18 | 934990-0315 | 3600 West Marginal Way SW | The City of Seattle, Department of Parks and Recreation | Property Management, 300 Elliot Ave W, Ste 100, Seattle, WA 98119 |
| 19 | 934990-0270 | Not assigned | The City of Seattle, Department of Parks and Recreation | Property Management, 300 Elliot Ave W, Ste 100, Seattle, WA 98119 |
| 20 | 934990-0331 | Not assigned | TTP, LLC | 4209 21st Ave. W, Ste 401, Seattle, WA 98199 |
| 21 | 934990-0240 | Not assigned | The City of Seattle, Department of Parks and Recreation | Property Management, 300 Elliot Ave W, Ste 100, Seattle, WA 98119 |
| 22 | 754730-0667 | 3801 West Marginal Way SW | TTP, LLC | 526 Yale Ave. N, #A, Seattle, WA 98109 |
| 23 | 754730-0960 | Not assigned | Tatman Holdings, LLC | 3940 SW Southern St., Seattle, WA 98136 |

## TERMINAL 5 QUIET ZONE IMPROVEMENTS PROJECT ACQUISITIONS

## CONTACT LIST FOR PROPERTIES AFFECTED (Preliminary)

| Project Parcel No. | Tax ID. No. | Property Address (Seattle, WA) | Property Owner | Tax Payer's Address of Record (Name included only if different than Property owner.) |
|---|---|---|---|---|
| 24 | 766670-3875 | 3810 17th Ave. SW | Southwest Seattle Historical Society | 3003 61st Ave SW, Seattle, WA 98116 |
| 25 | 766670-3876 | Not assigned | West Marginal, LLC | 3835 W Marginal Way SW, Seattle, WA 98106 |
| 26 | 766670-3885 | 3825 West Marginal Way SW | West Marginal, LLC | 3835 W Marginal Way SW, Seattle, WA 98106 |
| 27 | 766670-3320 | 3800 West Marginal Way SW | BNSF Railway Company | P. O. Box 961089, Fort Worth, TX 76161 |
| 28 | 766670-3321 | 3835 West Marginal Way SW | Riverside Mill, LLC | 3800 West Marginal Way SW, Seattle, WA 98106 |

NOTE: All of the parcels on this Contact List may be affected by the Terminal 5 Quit Zone Improvements project. Some will involve the City's acquisition of a property interest from the property owner, ranging from temporary construction easments to the permanent taking of property. The known permanent acquisition row is shaded.

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Department of Transportation | Gretchen M. Haydel/206 233-5140 | Christie Parker 206 684-5211 |

** 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 Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program; authorizing the Director of the Department of Transportation to acquire, accept, and record both temporary and permanent property rights from abutting property owners located along West Marginal Way Southwest between 17th Avenue Southwest and Delridge Way Southwest, necessary or convenient for the Terminal 5 Quiet Zone Improvements project through negotiation or condemnation; placing the acquired real property rights under the jurisdiction of the Seattle Department of Transportation and designating for transportation, utility, and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

This legislation authorizes the Director of the Department of Transportation to acquire property rights necessary for the Terminal 5 Quiet Zone Improvements project under the Freight Spot Improvement Program (the "Quiet Zone Project") through negotiation or condemnation; designates the property for transportation, utility, and general municipal purposes; places it under the jurisdiction of the Seattle Department of Transportation ("SDOT"); and ratifies and confirms prior actions taken in connection with this ordinance prior to ordinance passage.

Terminal 5 of the Port of Seattle ("Terminal 5") has long been considered a premier container cargo facility on the West Coast because of its naturally deep berth, wide footprint (185 acres), and the availability of an on-dock rail yard that allows containers to be directly loaded from the ship onto rail lines. Terminal 5 is one of four deep draft container cargo facilities in Elliot Bay. However, container vessels have been increasing in size over the last five years, triggering dramatic changes in the container shipping industry. The ultra-large vessels are requiring larger, heavier cranes, which in turn requires strengthening the dock and upgrading utilities.

Terminal 5 container operations were suspended in July 2014 to allow for the strategic investments necessary to handle future anticipated capacity. At that time the facility could only handle vessels with a maximum capacity of 6,000 20-foot equivalent units ("TEUs"). Vessels with capacity of more than 10,000 TEUs are currently calling on North American West Coast ports, and 18,000 TEUs vessels are expected to be more prevalent in the near future.

To that end, the Port of Seattle (the "Port"), in coordination with The Northwest Seaport Alliance, will be constructing the Terminal 5 Cargo Wharf, Berth Deepening, and Improvements Project (the "Terminal 5 Project"). This modernization renovation will transform Terminal 5 into a global container terminal that is equipped to handle two 18,000 TEUs ships simultaneously.

Main components of the Terminal 5 Project consist of berth deepening, dock strengthening, and power upgrades to handle larger cranes. The ground-breaking ceremony for the Terminal 5 Project was held in July 2019.

The Terminal 5 Project required an Environmental Impact Statement, which was published by the Port in October of 2016 (the "EIS"), and a decision under the Master Use Permit was published by the Seattle Department of Construction and Inspections in April of 2017 (the "MUP"). The EIS identified train horn noise required for public and private crossings and presence of human activity as an annoyance noise. One of the conditions of the MUP focused on addressing this concern by requiring the Port and SDOT, on behalf of the City of Seattle (the "City"), to enter into a Memorandum of Understanding to describe how the Port and the City would work together to secure approval of a U.S. Federal Railroad Administration ("FRA") designated quiet zone between the West end of the train bridge across the West Waterway of the Duwamish and the Terminal 5 gate.

The Quiet Zone Project is part of the Terminal 5 Project and impacts West Marginal Way Southwest from 17$^{th}$ Avenue Southwest to Delridge Way Southwest (the "Street Corridor"). It will mitigate train noise generated by its operations along the Street Corridor, consistent with the terms of the MUP. The Quiet Zone Project will achieve this by managing and consolidating five different rail crossings into one public crossing, one public emergency crossing, a bike and pedestrian crossing, and one private crossing. The public crossings will include: a multiuse trail to benefit people biking and walking in the corridor, intelligent traffic signal improvements, minor streetscape improvements, and traffic signal timing changes. SDOT will also petition the FRA to establish a quiet zone designation for the Street Corridor.

The Terminal 5 Project will enhance the competitiveness of the region's trade gateway by modernizing the terminal to handle projected capacity, which will create economic benefits including jobs, market access for exports grown and made in the region, and imports beneficial to the regional and national economy.

## 2. CAPITAL IMPROVEMENT PROGRAM

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

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

**Does this legislation amend the Adopted Budget? ___ Yes √ 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?**

The City will be providing property owners just compensation for the property acquisitions necessary to complete the Quiet Zone Project. The Port will reimburse the City for the acquisition expenses as provided for in the Memorandum of Understanding to Establish a Railroad Quiet Zone entered into by the City and the Port, dated August 29, 2017, as amended, which are anticipated to be about $909,000. The budget for these expenditures is included in the Freight Spot Improvement CIP, which will be amended in a future budget ordinance to reflect the full reimbursement from the Port.

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

Yes. The Quiet Zone Project was designed and will be constructed in support of the Terminal 5 Project, which represents an estimated $5 million investment in Terminal 5 to expand capacity and grow international marine cargo in the Seattle Harbor. The MUP published for the Terminal 5 Project requires the establishment of a quiet zone to mitigate train noise. Failure to meet this requirement will compromise the ability of the Port to meet the MUP conditions of the Terminal 5 Project, risking investment resources and economic development. Additionally, the establishment of a quiet zone was recommended by the EIS as a noise mitigation measure.

## 4. OTHER IMPLICATIONS

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

Yes, the Department of Construction and Inspections has been instrumental in evaluating the Shoreline Substantial Development Permit, Shoreline Conditional Use Approval, and SEPA Analysis, as well as publishing a decision under the MUP for the Terminal 5 Project. The path forward for the MUP condition is unclear without the property acquisition.

**b. Is a public hearing required for this legislation?**

A public hearing is not required, but a public meeting that allows public comment is required. An opportunity for public comment will be provided during the Transportation and Utilities Committee meeting when the Committee is scheduled to vote on this Council Bill.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

Yes. Under RCW 8.25.290, the City is required to publish notice of this action in both the Daily Journal of Commerce and the Seattle Times newspaper.

**d. Does this legislation affect a piece of property?**

Yes. Several parcels of property will be affected. At this time, we anticipate approximately

one partial fee acquisition, five temporary construction easements, and a permit(s) from BNSF.

**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?**

In coordination with the Port of Seattle, outreach will be conducted with the Pigeon Point neighborhood as it relates to construction. This neighborhood will likely be impacted by construction noise, as well as detour and backed-up traffic. Materials will be translated into Spanish and potentially additional languages, based upon the recommendations of the Seattle Department of Neighborhoods.

Additionally, outreach will include freight truck drivers who will be navigating detour traffic and most heavily using the corridor near Terminal 5. Materials for freight truck drivers may need to be translated into as many as 8 languages, including Amharic, Arabic, Punjabi, Russian, Somali, Spanish, Tigrinya, and Ukrainian.

Information about the Terminal 5 construction and reopening will also be shared with the West Seattle Bridge audiences due to its proximity to the High-Rise Bridge, Low Bridge, and detour route.

**f. Climate Change Implications**

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

   This property acquisitions are needed to construct the Terminal 5 Quiet Zone Project. The Terminal 5 Quiet Zone Project implements a more efficient rail corridor and extends the bicycle and pedestrian network, which will shift transportation from trucks and single-occupancy vehicles to rail and non-motorized transportation. This modal shift reduces emissions and alleviates the impact of transportation-related emissions on climate change.

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.**

   The Project makes the transportation network more resilient by enhancing the rail and non-motorized transportation modes to accommodate future growth in transportation and freight demand and providing for possible changes to transportation patterns.

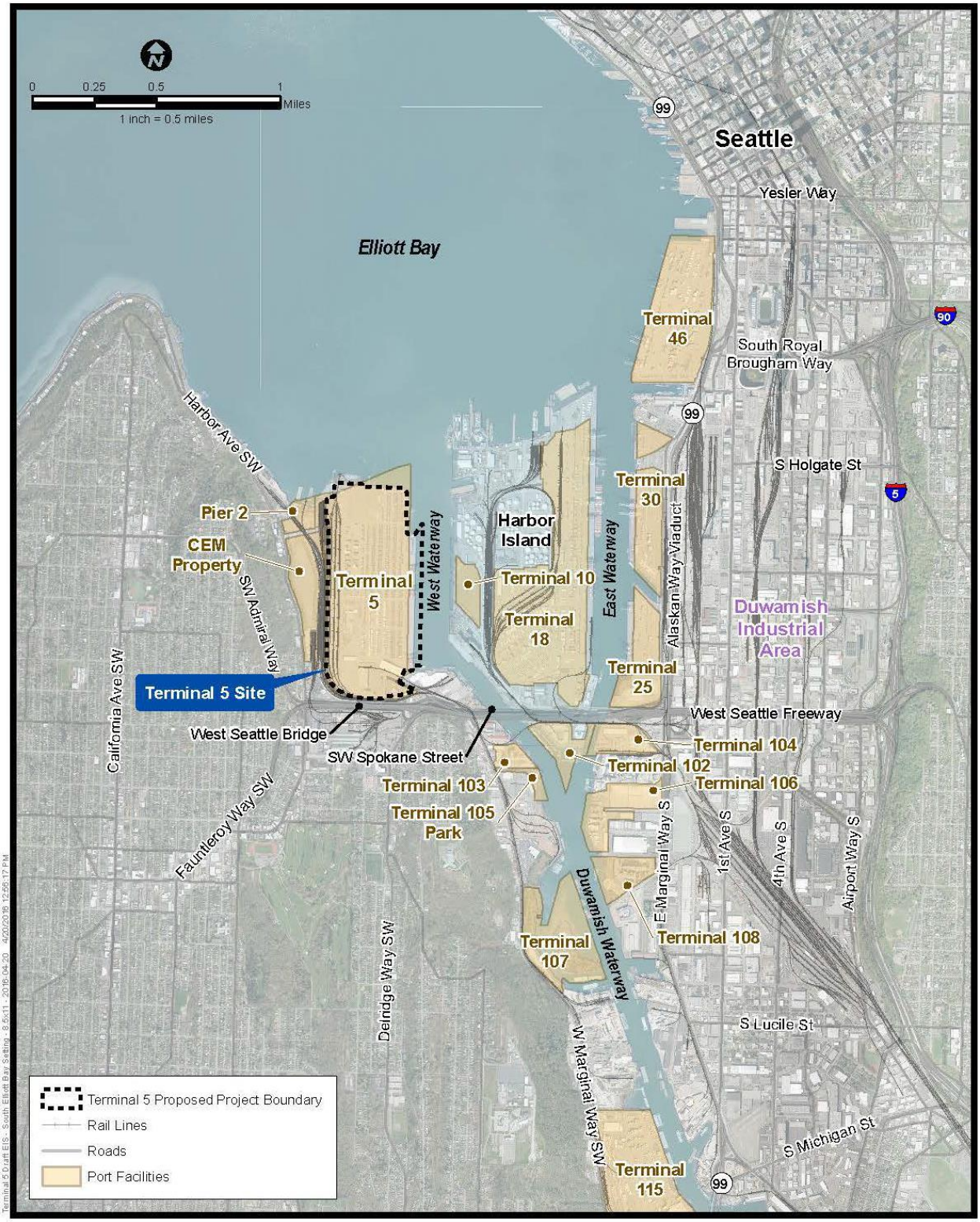
**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

This legislation does not include a new initiative or a major programmatic expansion.

**List attachments/exhibits below:**

Summary Exhibit 1 – Vicinity Map

# VICINITY MAP



SEATTLE CITY COUNCIL
CENTRAL STAFF

July 26, 2021

**M E M O R A N D U M**

**To:** Transportation and Utilities Committee
**From:** Calvin Chow, Analyst
**Subject:** CB 120138 - Condemnation authority for the Terminal 5 Quiet Zone

On August 18, 2021, the Transportation and Utilities Committee will consider and possibly vote on Council Bill (CB) 120138 to authorize condemnation authority for property rights necessary to implement a quiet zone to support freight operations at the Port of Seattle's (Port's) Terminal 5 facility.[1]

**Background**

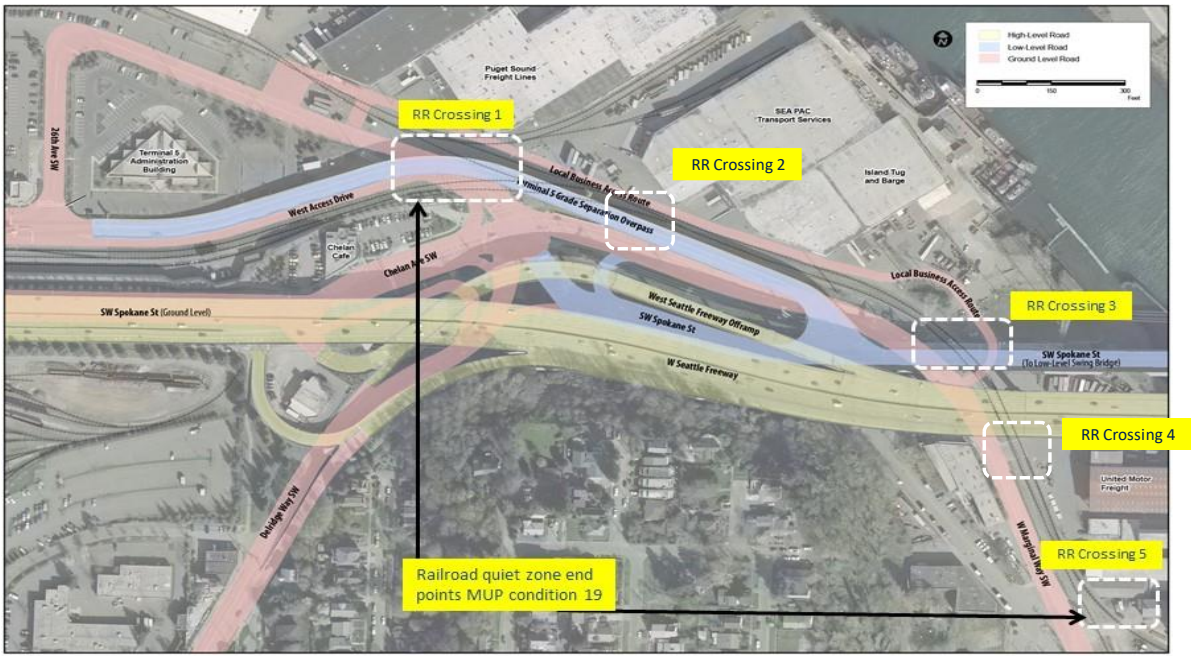
In 2014, the Port began planning and design efforts to accommodate larger cargo vessels at Terminal 5 and allow for an increased volume of freight container transfers to rail and truck transportation. By 2018, the Port had secured the necessary permits for the redevelopment of Terminal 5, including a Master Use Permit (MUP) and a shoreline permit from the City of Seattle. The Port began construction on the Terminal 5 project in 2019, and completion of Phase 1 of the project is anticipated by the end of 2021.[2]

Consistent with the MUP conditions, the Port and the Seattle Department of Transportation (SDOT) are pursuing a quiet zone designation from the U.S. Federal Railroad Administration (FRA) for the railway approach from the west end of the Duwamish railway bridge to the Terminal 5 gate. A quiet zone designation would exempt train operators from rules requiring trains to sound horns when approaching street crossings and would mitigate noise impacts due to increased rail operations at Terminal 5. The Port and SDOT signed a Memorandum of Understanding (MOU) to Establish a Railroad Quiet Zone, dated August 29, 2017.[3]

To secure FRA approval of the quiet zone designation, SDOT has designed improvements to consolidate and manage the five existing rail crossings in the corridor. The project improvements will result in one public crossing, one public emergency crossing, a bike and pedestrian crossing, and one private one-way crossing. The project also includes a multi-use trail for bicyclists and pedestrians, signal improvements, and minor streetscape improvements. These improvements will be constructed by SDOT and are fully funded by the Port.[4]

[1] The Terminal 5 improvement project is managed under the auspices of both the Port and the Northwest Seaport Alliance (NWSA). The Port's project webpage is available here; the NWSA's project webpage is here.
[2] Phase 1 of the Terminal 5 project involves reconstruction of the north berth and electrical system upgrades to the facility. Phase 2 involves reconstruction of the south berth, delivery of new cranes, and dredging of the north and south berths.
[3] The August 29, 2017 MOU was subsequently amended on May 2, 2021.
[4] Appropriations for the quiet zone improvements are included in SDOT's Freight Spot Improvement Program CIP project.

The following illustration shows the extent of the proposed quiet zone and the complicated roadway pattern in the area. The locations of the existing railway crossings are also shown.




**Proposed Legislation**

To implement the quiet zone improvements, SDOT has identified the need to acquire real estate interests including one partial fee acquisition, five temporary construction easements, and a permit from the BNSF Railway. CB 120138 would authorize SDOT to acquire these property rights and would authorize the City Attorney to commence condemnation proceedings, if necessary.

Securing these property rights would allow SDOT to maintain the project schedule for implementation of the quiet zone and thus support freight operations at Terminal 5. Without condemnation authority, SDOT would rely on voluntary negotiations with property owners; if property rights cannot be acquired, SDOT may have to reconsider the proposed project improvements and the FRA quiet zone proposal.

The proposed legislation also specifies the method of payment as required by RCW 8.12.040,[5] and it provides that the City will be reimbursed by the Port per the terms of the August 2017 MOU as amended.

Pursuant to RCW 8.25.290, SDOT will provide formal notice to the potentially impacted property owners and to the public that CB 120138 will be heard at the August 18, 2021 meeting

[5] The proposed legislation identifies the Transportation Fund as the source of funds, which is considered part of the City's General Fund for the purposes and requirements of RCW 8.12.040.

of the Transportation and Utilities Committee and, if approved, be forwarded to the September 7, 2021, Full Council meeting for Final Action. No separate public hearing is required; the committee's regular public comment period satisfies state law requirements.

Please contact me if you have any questions or concerns.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

# Terminal 5 Quiet Zone Improvements Property Acquisition Ordinance

Transportation and Utilities Committee
Jon Layzer and Jason Fialkoff
August 18, 2021 Department of Transportation



City of Seattle

# Our vision, mission, and core values

**Vision:** Seattle is a thriving equitable community powered by dependable transportation

**Mission:** to deliver a transportation system that provides safe and affordable access to places and opportunities

Committed to **6 core values**:

- Equity
- Safety
- Mobility
- Sustainability
- Livability
- Excellence

# Overview

- Railroad Quiet Zones
- Terminal 5 Quiet Zone background
- Project summary
- Property acquisition description and status
- Remaining work

# Railroad Quiet Zones

A quiet zone is a segment of a rail corridor (minimum 0.5-mile) where locomotive horns are not routinely sounded at highway and rail grade crossings, except in emergency situations or to comply with other Federal regulations


Vine St and Alaskan Way

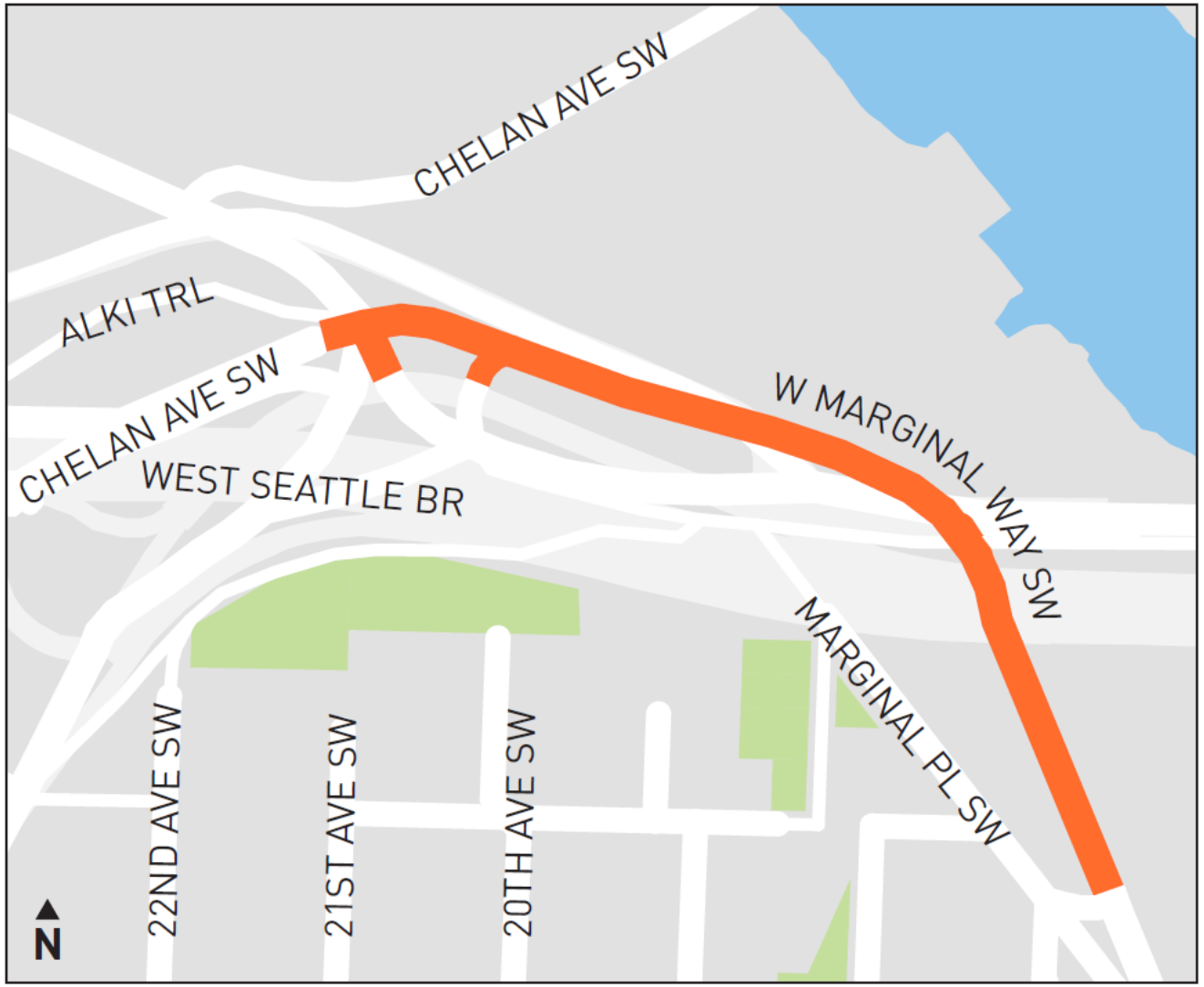
# Terminal 5 Quiet Zone timeline

Port of Seattle / Northwest Seaport Alliance (NWSA) is modernizing Terminal 5

- 2016: Environmental Impact Statement identified noise impacts to adjacent community
- 2017: Master Use Permit (MUP) conditions published, include designing quiet zone
- 2017: Quiet Zone memorandum of understanding with Port signed (MUP requirement)
- 2018: Port initiated outreach to impacted businesses
- 2018: SDOT initiated design of project
- 2021: Design complete and Notice of Intent to Establish a Quiet Zone
- 2022: Start construction
- 2023: Finish construction and establish Quiet Zone

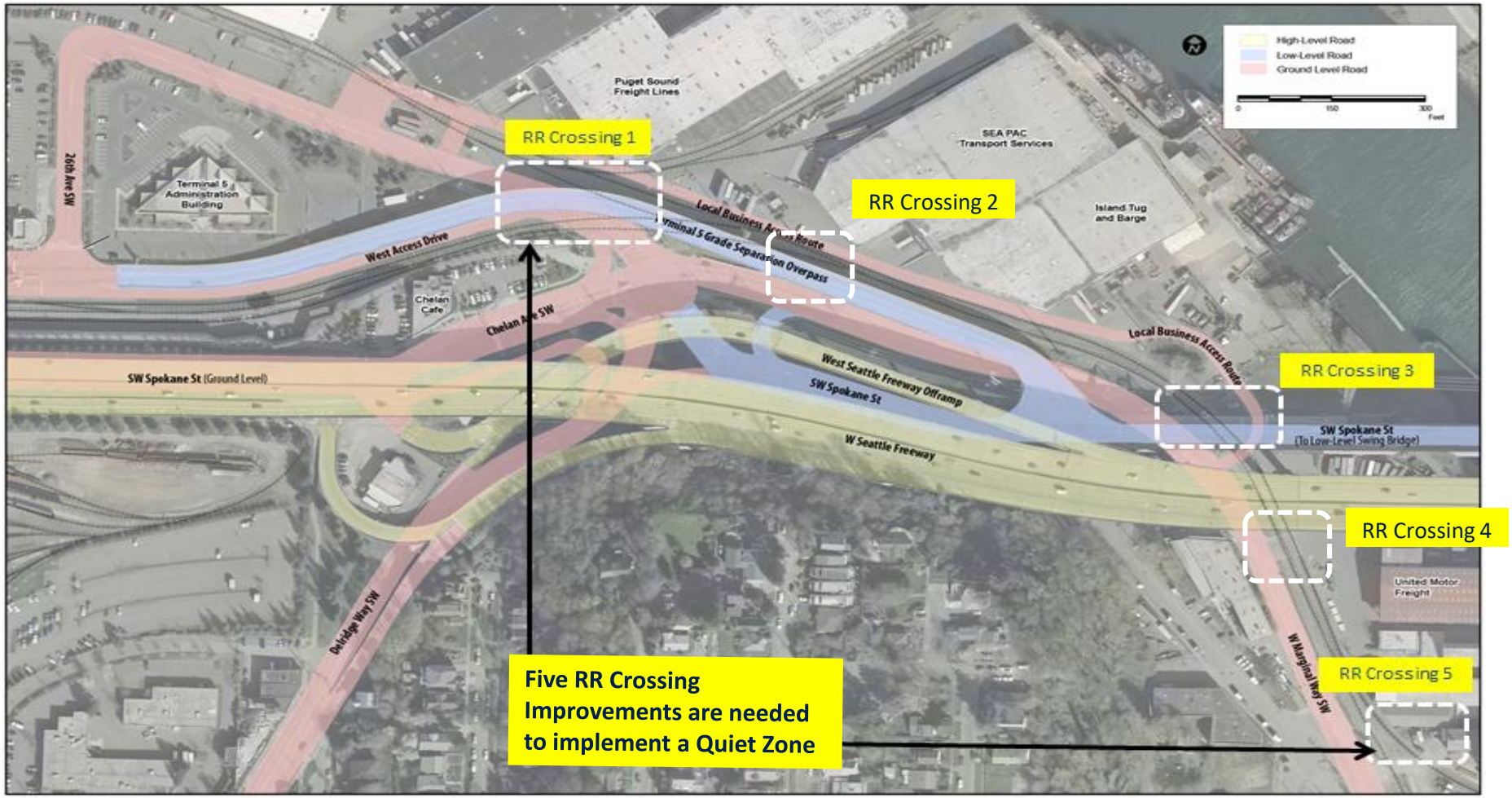
# Project summary

- Purpose: Mitigate rail noise through safety enhancements and minor civil improvements along West Marginal Way adjacent to the Chelan 5-Way intersection
- Partner: Delivered on behalf of and reimbursed by Port/NWSA
- Critical path: Property acquisition




Project area

# Terminal 5 Quiet Zone public crossing changes



# Property acquisition status

- Project outreach began in 2018
- SDOT sent property offer to United Motor Freight/RM in 2Q 2021
- Property negotiations stalled
- Port/SDOT cannot implement Quiet Zone without property acquisition
- **Action Requested:** Council approve legislation to acquire property necessary for project completion through condemnation proceedings

# Property acquisition (approximate)

# Changes to property access

# Remaining work

- Property acquisition
- Compile final bid documents and advertise
- Construction:
  - Anticipate starting in Q3 2022 with 9-10 month impact to West Marginal Way
  - Expected completion in Q2 2023
  - Schedule reliant on:
    - Successful property acquisition
    - Final agreement coordinated with BNSF and Federal Railroad Administration
    - West Seattle Bridge completion
- Quiet Zone Notice of Establishment released with 60-day comment period

# Thank you!

https://www.portseattle.org/projects/terminal-5-improvements





# Terminal 5 Quiet Zone

- Established with the Federal Railroad Administration through 49 CFR 222.43
- A diagnostic team identified recommendations which serve as the basis for safety improvement design
- SDOT provides a written Notice of Intent to Establish a Quiet Zone.
- SDOT and BNSF construct project in parallel
- Once the necessary safety improvements have been implemented SDOT provides a Notice of Establishment of the Quiet Zone.

**File #:** CB 120159, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to grant funds from the United States Department of Transportation and other non-City sources; authorizing the Director of the Seattle Department of Transportation to accept specified grants and execute related agreements for and on behalf of the City; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations for the Seattle Department of Transportation; revising allocations and spending plans for certain projects in the 2021-2026 CIP; and ratifying and confirming certain prior acts.

WHEREAS, on July 8, the United States Department of Transportation (USDOT) announced The City of Seattle's (City's) West Seattle Bridge Immediate Response Project (or West Seattle Bridge Repair Project) will receive $11.2506 million in Infrastructure for Rebuilding America (INFRA) Grant funds; and

WHEREAS, the City has received a commitment of Local Bridge Program funds from the Washington State Department of Transportation in the amount of $12 million to help pay for the repair of the West Seattle High Bridge in recognition of its statewide value connecting people and goods with jobs, services, educational opportunities, and commercial activity; and

WHEREAS, the City has requested grants from the Port of Seattle to help pay for the repair of the West Seattle High Bridge due to its regional and statewide value as a connection to maritime and industrial jobs and Port terminals; and

WHEREAS, the City of Seattle has requested grants from King County to help pay for the repair of the West Seattle High Bridge due to its regional importance as a key bus connection between Burien, White Center, West Seattle, Downtown Seattle, and South Lake Union; and

WHEREAS, the Puget Sound Regional Council has awarded the City of Seattle a grant of federal Surface Transportation funds in the amount of $700,000 for the 15th Ave S Improvement Project; and

WHEREAS, the State Legislature has approved WSDOT's recommendation awarding $1,500,000 in state Pedestrian and Bicycle Program funds to the City for a SDOT-led planning and design study for safety improvements along the Aurora Ave N corridor; and

WHEREAS, these grants require execution of agreements contingent on acceptance of the grants; and

WHEREAS, pursuant to RCW 35.22.570 and 35A.11.040, the City's legislative body has the power to accept grants; and

WHEREAS, spending of these grant funds will begin in the third quarter of 2021, requiring immediate action; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The Director of the Seattle Department of Transportation is authorized to accept the following non-City funding from the grantors listed below, and to execute, deliver, and perform agreements for the purposes described below. The funds, when received, shall be deposited in the receiving fund identified below to support, or as reimbursement for, the corresponding appropriations set forth in Section 2 of this ordinance.

| Item | Fund | Grantor | Purpose | Amount |
|---|---|---|---|---|
| 1.1 | Transportation Fund (13000) | USDOT - Infrastructure for Rebuilding America (INFRA) Grant Program | This grant provides $11,250,600 in USDOT INFRA funds to make significant bridge repairs on the West Seattle High-Rise bridge currently closed due to structural deficiencies, as well as the Spokane Street Swing Bridge ("low bridge"). | $11,250,600 |
| 1.2 | Transportation Fund (13000) | State of Washington | This grant provides $12,000,000 in WSDOT Local Bridge Program funds for repair of the West Seattle High Bridge. | $12,000.000 |

| | | | | |
|---|---|---|---|---|
| 1.3 | Transportation Fund (13000) | Port of Seattle | This grant provides up to $10,000,000 in Port of Seattle funds for the West Seattle High Bridge repair. | $10,000,000 |
| 1.4 | Transportation Fund (13000) | King County | This grant provides up to $5,000,000 in King County funds for the West Seattle High Bridge repair. | $5,000,000 |
| 1.5 | Transportation Fund (13000) | Puget Sound Regional Council | This grant provides $700,000 in federal Surface Transportation funds for the 15th Ave S Improvements project. | $700,000 |
| 1.6 | Transportation Fund (13000) | State of Washington | This grant provides $1,500,000 in WSDOT Pedestrian & Bicycle Program funds for a planning and design study prioritizing safety upgrades along the Aurora Ave N corridor. | $1,500,000 |
| | **Total** | | | **$40,450,600** |

Section 2. Contingent upon the execution of grant or other funding agreements and receipt of the grant funds authorized in Section 1 of this ordinance, appropriations in the 2021 Budget and project allocations in the 2021-2026 Adopted Capital Improvement Program for the following items are increased as follows:

| **Item** | **Fund** | **Budget Summary Level** | **Additional Budget Appropriation** | **Project Name** | **2021 Amount (in $000s)** |
|---|---|---|---|---|---|
| 2.1 | Transportation Fund (13000) | Major Maintenance/ Replacement (BC-TR-19001) | $700,000 | Arterial Asphalt & Concrete Program Phase II (MC-TR-C033) | $700,000 |
| 2.2 | Transportation Fund (13000) | Mobility Capital (BC-TR-19003) | $1,500,000 | Vision Zero (MC-TR-C064) | $1,500,000 |
| | **Net Change** | | **$2,200,000** | | **$2,200,000** |

Section 3. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Seattle Dept of Transportation | Bill LaBorde/206.484.8662 | Aaron Blumenthal/206.233.2656 |

** 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

**Legislation Title:** AN ORDINANCE relating to grant funds from the United States Department of Transportation and other non-City sources; authorizing the Director of the Seattle Department of Transportation to accept specified grants and execute related agreements for and on behalf of the City; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); changing appropriations for the Seattle Department of Transportation; revising allocations and spending plans for certain projects in the 2021-2026 CIP; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:** This Council Bill proposes the acceptance of up to 6 grants from various agencies, 4 of which would help fund the West Seattle High Bridge repair (which, along with the Low Bridge shoring and Reconnect West Seattle traffic mitigation projects, make up the West Seattle Bridge Immediate Response program). These include a recently awarded USDOT INFRA grant of $11,250,600 and a $12,000,000 WSDOT Local Bridge Program grant. Port and County contributions are anticipated but not yet secured as of the writing of this summary.

Beyond the West Seattle program, this legislation accepts added contingency funds from PSRC in the amount of $700,000 for the 15th Ave S Improvements Project, now in construction; and a $1,500,000 grant of WSDOT Pedestrian & Bicycle Program funds to plan and design a series of safety improvements along the Aurora Ave N corridor.

Because of the urgency of the West Seattle Bridge repair project, or because of grantor requirements, all grants listed in the accompanying legislation must be accepted and obligated before Council is expected to adopt the Third Quarter Supplemental Budget in late November. None of these grants had been secured or anticipated when the 2021 Budget was adopted, or when the Second Quarter Supplemental Budget was transmitted, to Council.

This legislation also appropriates the funds for the 15th Ave S and Aurora Ave N projects. We anticipate appropriations of the West Seattle Bridge grants in the 2021 Q3 Supplemental and the 2022 Budget Submittals.

## 2. CAPITAL IMPROVEMENT PROGRAM

**Does this legislation create, fund, or amend a CIP Project? _X_ Yes ____ No**

| Project Name: | Project I.D.: | Project Location: | Start Date: | End Date: | Total Project Cost Through 2026: |
|---|---|---|---|---|---|
| West Seattle Bridge Immediate Response | MC-TR-C110 | West Seattle Bridge Spanning the Duwamish | 2020 | 2022 | $162,634,000 |
| Vision Zero | MC-TR-C064 | Aurora Ave N | 2021 | 2023 | $30,341,000 |
| Arterial Asphalt & Concrete Program Phase II | MC-TR-C033 | 15th Ave S | 2018 | 2021 | $224,420,000 |

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

**Does this legislation amend the Adopted Budget? _X_ Yes ____ No**

| | | | | |
|---|---|---|---|---|
| **Appropriation change ($):** | **General Fund $** | | **Other $** | |
| | **2021** | **2022** | **2021** | **2022** |
| | **0** | **0** | **2,200,000** | **0** |
| **Estimated revenue change ($):** | **Revenue to General Fund** | | **Revenue to Other Funds** | |
| | **2021** | **2022** | **2021** | **2022** |
| | **0** | **0** | **2,200,000** | **38,250,600** |
| **Positions affected:** | **No. of Positions** | | **Total FTE Change** | |
| | **2021** | **2022** | **2021** | **2022** |
| | **0** | **0** | **0** | **0** |

**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?**
The City will lose out on millions of external funding for transportation projects.

## 3.a. Appropriations

**__X__ This legislation adds, changes, or deletes appropriations.**

| Fund Name and number | Dept | Budget Control Level Name/#* | 2021 Appropriation Change | 2022 Estimated Appropriation Change |
|---|---|---|---|---|
| Transportation Fund – 13000 | Transportation | BC-TR-19001 | $700,000 | $0 |

| | | | | |
|---|---|---|---|---|
| Transportation Fund – 13000 | Transportation | BC-TR-19003 | $1,500,000 | $0 |
| **TOTAL** | | | **$2,200,000** | **$0** |

***See budget book to obtain the appropriate Budget Control Level for your department.*

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

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

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

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

| Fund Name and Number | Dept | Revenue Source | 2021 Revenue | 2022 Estimated Revenue |
|---|---|---|---|---|
| Transportation Fund – 13000 | Transportation | USDOT – Infrastructure for Rebuilding America (INFRA) Grant Program | $0 | $11,250,600 |
| Transportation Fund – 13000 | Transportation | State of Washington - STP pass through | $0 | $12,000,000 |
| Transportation Fund – 13000 | Transportation | Port of Seattle | $0 | $10,000,000 |
| Transportation Fund – 13000 | Transportation | King County | $0 | $5,000,000 |
| Transportation Fund – 13000 | Transportation | Puget Sound Regional Council - STP pass through | $700,000 | $0 |
| Transportation Fund – 13000 | Transportation | State of Washington | $1,500,000 | $0 |
| **TOTAL** | | | **$2,200,000** | **$38,250,600** |

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

**Revenue/Reimbursement Notes:**

**3.c. Positions**

**____ This legislation adds, changes, or deletes positions.**

## 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. 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?**
The traffic impacts of the closure of the West Seattle High Bridge are most felt in Lower Duwamish communities like South Park, Georgetown and Highland Park which are home to a much higher than average proportion of BIPOC people, including some of Seattle's largest immigrant and refugee populations. Reopening the bridge will alleviate these impacts. The same is true with 15th Ave S and Aurora Ave N improvements that would be made possible by the PSRC and WSDOT Pedestrian and Bicycle Program grants.

**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 direct positive or negative impact on resiliency related to this legislation.

**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).**
s N/A

**List attachments/exhibits below:**

SEATTLE CITY COUNCIL
CENTRAL STAFF

August 12, 2021

**M E M O R A N D U M**

**To:** Transportation and Utilities Committee
**From:** Calvin Chow, Analyst
**Subject:** Council Bill 120159 - SDOT Grant Acceptance Legislation

On August 18, 2021, the Transportation and Utilities Committee will consider and possibly vote on Council Bill (CB) 120159. This legislation would authorize the Seattle Department of Transportation (SDOT) to accept six grants totaling approximately $40.5 million. The legislation would also provide $2.2 million of additional appropriation authority to support these grants. The legislation would approve acceptance of the following grants:

1. A $11,250,600 Infrastructure for Rebuilding America (INFRA) grant for West Seattle Bridge repairs.
2. A $12,000,000 Washington State Department of Transportation (WSDOT) grant for West Seattle Bridge repairs.
3. A $10,000,000 Port of Seattle grant for West Seattle Bridge repairs.
4. A $5,000,000 King County grant for West Seattle Bridge repairs.
5. A $700,000 Puget Sound Regional Council (PSRC) grant for 15th Ave S.
6. A $1,500,000 WSDOT grant for planning and design of pedestrian and bicycle safety improvements on Aurora Ave N.

Grants #1 through #4 would provide approximately $38.3 million for the West Seattle Bridge repair. SDOT has sufficient 2021 appropriations for the project in the West Seattle Bridge Immediate Response (MC-TR-C110) CIP project. SDOT is scheduled to complete repairs and reopen the bridge to traffic by mid-2022.

Grant #5 would add $700,000 of additional PSRC contingency funding for the 15th Ave S arterial repaving project. The project is currently under construction as part of the Arterial Asphalt and Concrete Program (MC-TR-C033) in the CIP with PSRC grant funding. The legislation would provide $700,000 of 2021 appropriations to authorize spending of the additional grant funds.

Grant #6 would provide $1.5 million to the Vision Zero (MC-TR-C064) CIP project to design pedestrian and bicycle safety improvements to Aurora Ave N. The legislation would provide $1.5 million of 2021 appropriations to authorize spending of these funds.

Section 3 of this legislation includes a ratify and confirm clause to allow SDOT to minimize delay in accepting funds from the granter agencies. Central Staff has not identified any policy concerns with this legislation and recommends approval.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

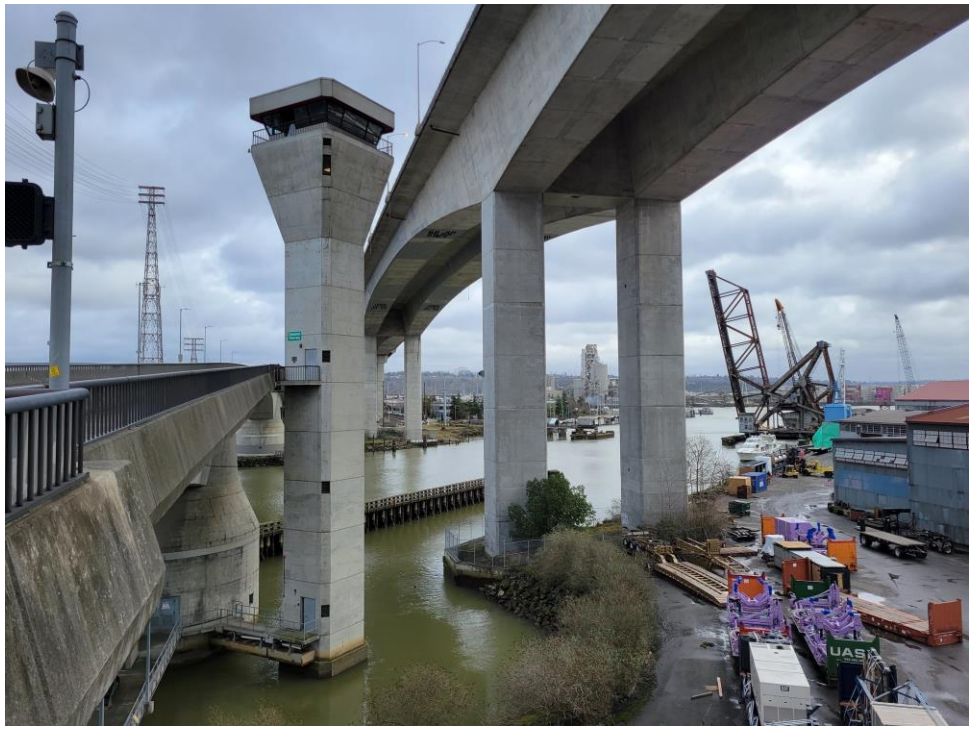
# Seattle City Council
## Transportation & Utilities Committee
### SDOT 2021 Q3 Grant Acceptance

Joanna Valencia & Kyle Butler
Transportation & Utilities Committee
August 18, 2021

City of Seattle

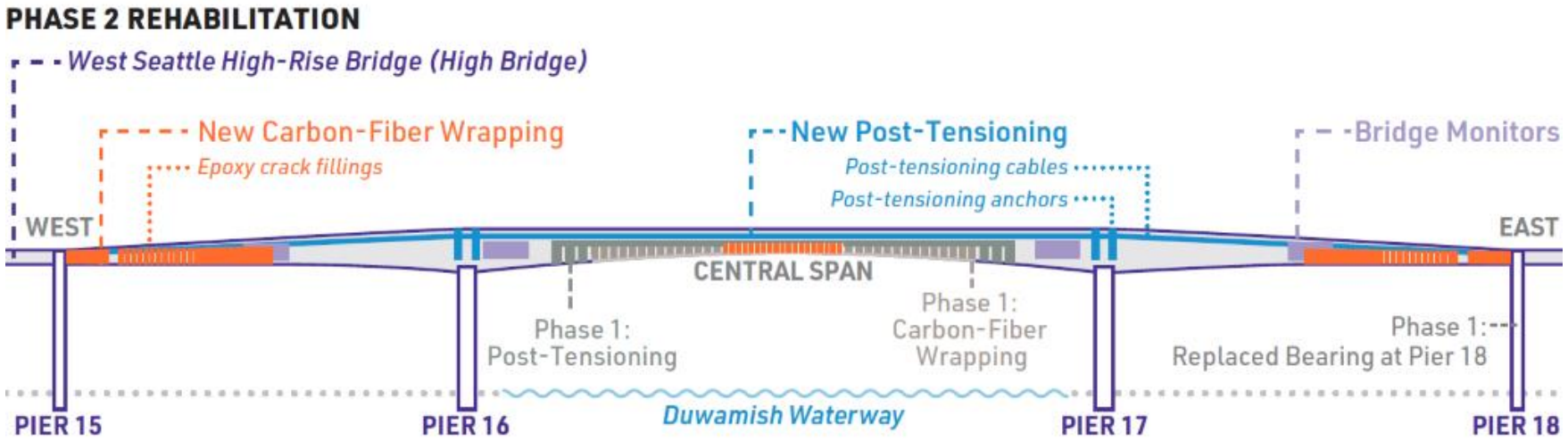
# Background

- Multiple grants awarded or pending since Q2 Supplemental budget transmitted
- All grants listed must be accepted before Q3 Supplemental Budget will be adopted in November
- City needs to obligate secured WSB grants before repair project goes to bid for construction
- 15th Ave S project in construction
- Aurora Ave N Planning needs to begin preliminary scoping to keep on schedule per grant conditions



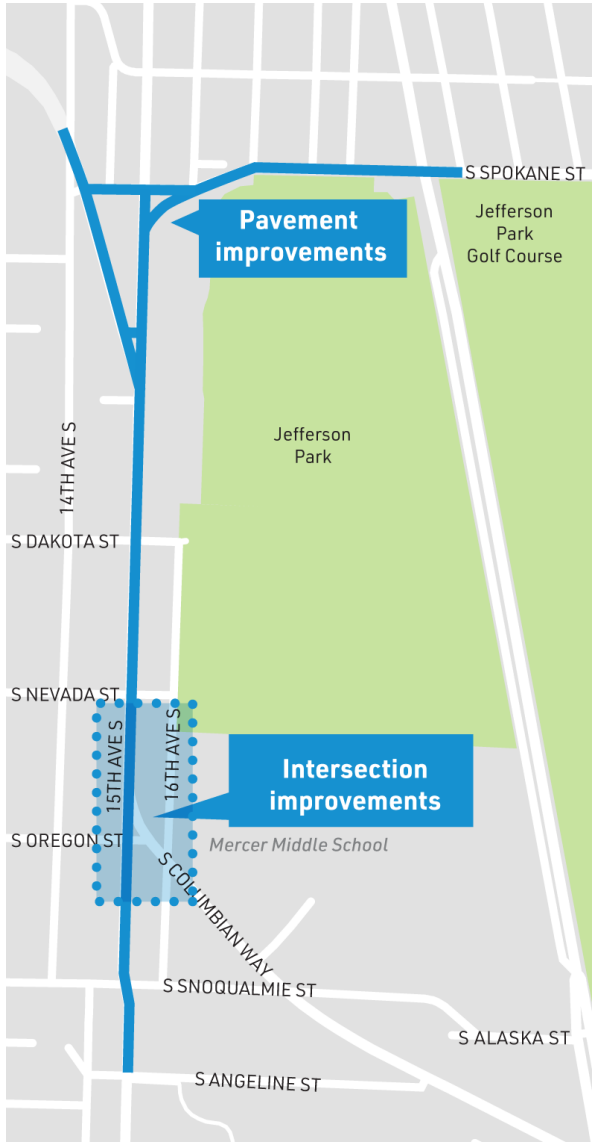
# West Seattle Bridge Rehabilitation

- Funding update:
  - Received $11.26 million INFRA grant
  - $12 million from WSDOT via competitive state distribution of federal grant local bridge funds
  - Pending contributions from Port of Seattle and King County
- 60% design update:
  - Completed 60% design review
  - Working under GC/CM contract with Kraemer to finalize design and get to 90% and 100% design by late summer/fall
  - Conducting site visits with Kraemer
  - Developing early work packages, which could include ground penetrating radar, core drilling, hydro demo for access points, work platform fabrication, and material procurement



# 15th Ave S improvements

- Redistribution of $700k in surplus PSRC funds for project currently in construction
  - Completed later this year
- Project scope:
  - New pavement to extend life of pavement, making roadway safer and smoother for travel
  - Drainage improvements to extend life of roadway and make streets safer and smoother to use
  - Improve slip lane (the right-turn-only lane) at 15th Ave S and S Spokane St
  - Upgraded pedestrian push buttons to meet ADA standards
  - Upgraded curb ramps to meet current ADA standards
  - Sidewalk repairs and upgrades
  - Improvements at 15th Ave S & S Columbian Wy intersection: install pedestrian-friendly peninsula, new curb bulbs, and improved connections for bicycles




# Aurora Ave N Planning Study

- $1.5M State Pedestrian & Safety Program grant
- $500K City match
- **Scope:** outreach, bike/ped counts, traffic modeling, preliminary environmental analysis, corridor design analysis, spot safety improvement design
- **Schedule:** scoping and procurement beginning this fall; traffic analysis in early 2022; public outreach spring 2022; completion by fall 2023
- Project staff engaged with Aurora Reimagined community-led visioning
- Will seek funding opportunities for spot improvement construction and corridor-wide design as we move forward


*Photo by Lee Bruch*

# Summary

| Grantor | Purpose | Amount |
|---|---|---|
| | **West Seattle Bridge Repair** | |
| USDOT | INFRA Grant | $11,250,600 |
| State of WA | WSDOT Local Bridge Program | $12,000,000 |
| Port of Seattle | Contribution pending | $10,000,000 |
| King County | Contribution pending | $5,000,000 |
| | **Other projects** | |
| PSRC | STP surplus funds – 15th Ave S Improvements | $700,000 |
| WSDOT | Ped/Bike Safety Prgm– Aurora Ave N | $1,500,000 |
| **Total Grants Accepted** | | **$40,450,600** |

Notes:

- Council bill includes Ratify and Confirm clause to allow grant obligation to proceed, maintaining aggressive schedule for WSB rehabilitation
- Council bill appropriates 15th Ave S and Aurora Ave dollars; WSB funds will be appropriated through 2021 supplemental and 2022 budgets

# Questions?

Joanna Valencia@seattle.gov | (206) 684-4059

Kyle.Butler@seattle.gov | (206) 615-0331

www.seattle.gov/transportation

**File #:** CB 120160, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to the City Light Department; adding a new section to Chapter 21.49 of the Seattle Municipal Code to establish the Renewable Plus Program; authorizing the City Light Department to implement and execute customer participation agreements; amending Seattle Municipal Code subsection 21.49.130.B to authorize the City Light Department to execute, implement, and administer contracts for the acquisition of eligible renewable energy resources, together with any necessary or convenient transmission, integration, or ancillary services related to such renewable energy.

WHEREAS, an increasing number of large, non-residential customers seek to address climate change by working with the City Light Department ("City Light") to increase the supply of renewable energy in the Pacific Northwest region serving their operations in City Light's service territory; and

WHEREAS, a majority of City Light's hydroelectric energy supply, although carbon-neutral, does not qualify as renewable energy under current regulations and therefore City Light does not produce renewable energy certificates ("RECs") associated with such energy, a non-power attribute valued by large non-residential customers with renewable energy goals; and

WHEREAS, City Light's large non-residential customers have expressed specific interest in renewable energy programs beyond those authorized under the Seattle Municipal Code (Section 21.49.082, Net metering program; Section 21.49.083, Large Solar Program; and Section 21.49.084, Voluntary Green Power Programs) in order to meet their renewable energy goals; and

WHEREAS, City Light seeks to establish the Renewable Plus Program to meet the desires of its large non-residential customers who seek to increase the supply of renewable energy on the electric grid; and

WHEREAS, City Light seeks to offer the Renewable Plus Program in a manner that will have no material

financial impact on customers who do not participate in the Renewable Plus Program; and

WHEREAS, to increase the supply of renewable energy and integrate it into the energy mix as desired by City Light customers, City Light seeks to enter into one or more long-term power purchase agreements with one or more developers for the acquisition of new renewable energy, together with all associated environmental attributes, to City Light for the Renewable Plus Program; and

WHEREAS, to minimize the financial impact of Renewable Plus Program to non-participants, City Light will seek to enter into long-term agreements with large non-residential customers; and

WHEREAS, in order to further minimize the financial impact of the Renewable Plus Program to non-participants, City Light must secure long-term agreements from customers to determine the amount of renewable energy for the Renewable Plus Program prior to committing to the acquisition of any renewable resource for the Renewable Plus Program; and

WHEREAS, City Light expects to benefit from diversifying its energy supply portfolio to include additional wind and solar resources to improve grid resiliency and take advantage of market opportunities in the Western Energy Imbalance Market; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. To endeavor to meet certain renewable energy goals of the City Light Department's ("Department") large non-residential customers, the Department is authorized to establish the Renewable Plus Program to make renewable energy, together with associated renewable energy certificates ("RECs"), available to customers on a long-term subscription basis.

Section 2. Under the Renewable Plus Program, City Light is authorized to implement and enter into contracts with qualifying customers to purchase renewable energy, together with associated RECs, for a period not exceeding 20 years.

Section 3. A new Section 21.49.089 is added to the Seattle Municipal Code as follows:

**21.49.089 Renewable Plus Program**

A. The Department shall implement and offer a Renewable Plus Program that enables qualifying customers to purchase energy from renewable resources, together with associated RECs, on a long-term subscription basis. The Renewable Plus Program shall be open to customers demonstrating a minimum aggregated annual consumption of 10,000 megawatt hours (MWhs). The Department may implement additional rules and conditions associated with the Renewable Plus Program that are in the best interests of the Department and are necessary or convenient for the implementation and operation of the Renewable Plus Program.

B. The Department may execute long-term customer commitment contracts with qualifying customers to purchase energy and RECs associated with renewable resources for a period not exceeding 20 years.

C. The Department shall purchase all energy acquired for the Renewable Plus Program and will integrate it into its existing supply portfolio as business conditions allow.

D. The Department shall retire the Renewable Energy Certificates associated with the energy purchased by customers under the Renewable Plus Program with the Western Renewable Energy Generation Information System, or its successor organization, toward the associated renewable power served to participating customers.

Section 4. Customer agreements under the Renewable Plus Program will make performance by the parties contingent upon authorization by City Council of a Program Rate.

Section 5. To respond to customer requests for additional supply resources not in the Department's supply portfolio and to enable the Department to minimize the costs and risks of obtaining renewable energy from a resource, subsection 21.49.130.B of the Seattle Municipal Code, which was last amended by Ordinance 125575, is amended as follows:

**21.49.130 Authority ((.))**

* * *

B. Rulemaking and contract authority

1. The Department shall have authority to adopt and file as appropriate rules, regulations,

policies, and procedures relating to its performance of the provisions of this Chapter 21.49 and to the operation of the Department's light and power system. The Department may require compliance with such rules, regulations, policies, and procedures as a condition for the supply or continued supply of electric service.

2. Effectively managing its power supply portfolio to achieve balance between supply and customer demand requires that City Light transact in the wholesale energy markets for energy and transmission services and products, including the purchase or sale of short-term capacity or energy, or integration, transmission, or ancillary services. The Department may therefore execute, implement, and administer contracts with any city or town, public utility district, governmental agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service area, for an effective term of not more than 60 months from the month following the date on which the contract is first signed ("prompt month"), providing for the acquisition, exchange, or sale of capacity or energy, or integration, transmission, or ancillary services, or eligible renewable resources, which shall have the same meaning as defined by RCW 19.285.030, on terms most favorable to the Department under such circumstances and in compliance with state law, including RCW 43.09.210. Such acquisition, sale, or exchange shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

3. The Department may execute agreements with the Bonneville Power Administration providing for reimbursements from Bonneville of some or all of the costs of operating energy conservation programs authorized by the City Council. The Department shall determine that such agreements or amendments to such agreements shall not incur any indebtedness or the acceptance of moneys imposing any duties or obligations on the City that are inconsistent with the Department's budget appropriation for such energy conservation programs. The Department shall provide a written notification prior to the execution of such contracts and a copy of such contracts to the appropriate authorizing committee of the City Council.

4. The Department may execute contracts for the purchase or sale of environmental attributes, including but not limited to ((,)) renewable energy credits (RECs), ((~~green house~~)) greenhouse gas offsets, and carbon credits to meet policy and regulatory requirements in a cost-effective and timely manner. The Department may enter into such contracts in advance of the target date for acquisition identified in the Department's Integrated Resource Plan or the date required by state or federal law. These purchases will be made within the Department's yearly budget authority limits. Sales will be made on an as-needed basis to balance demand with supply of these products, and to minimize overall costs to ratepayers.

5. The Department may execute contracts for the purchase or acquisition of cost-effective energy conservation resources for an effective term of not more than 84 months, provided that the payment terms for such contracts do not exceed 60 months. "Energy conservation resources" shall have the same meaning set forth in the Energy Independence Act, chapter 19.285 RCW, including, without limitation, long-term energy efficiency projects, new construction, whole-building performance, and pay-for-performance programs.

6. In order to meet the requirements of the Renewable Plus Program, the Department may execute contracts with any city or town, public utility district, government agency, municipal corporation, mutual association, broker, or agent, or with any person, firm, or corporation, or any other member of the general public, outside its service territory providing for the acquisition or exchange of capacity or energy, or integration, transmission, or ancillary services, of renewable resources, which shall have the same meaning as defined by RCW 19.280.020 for a term of not more than 20 years. The Department shall endeavor to match the term of the acquisition contracts with the needs and requirements of the Renewable Plus Program customer contract terms. Such acquisition or exchange of capacity, energy, or services shall be made on a basis representing the value of such capacity or energy, or integration, transmission, or ancillary services, under then-existing market conditions, and may include provisions that require indemnification by the Department.

* * *

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if

not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Seattle City Light | Scott Cooper/386-4594 | Greg Shiring/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; adding a new section to Chapter 21.49 of the Seattle Municipal Code to establish the Renewable Plus Program; authorizing the City Light Department to implement and execute customer participation agreements; amending Seattle Municipal Code subsection 21.49.130.B to authorize the City Light Department to execute, implement, and administer contracts for the acquisition of eligible renewable energy resources, together with any necessary or convenient transmission, integration, or ancillary services related to such renewable energy.

**Summary and background of the Legislation:** Large corporate customers with aggressive climate goals have been pressing utilities to offer opportunities to support the development of new renewable energy resources. City Light has been approached by large, non-residential customers to increase the supply of renewable energy on the electric grid serving their operations. To date, the combination of declining retail loads, traditional utility policies, and prevailing power market prices has not justified the need for City Light to add new resources to its portfolio. However, customers are eager, and have a financial interest, to demonstrate their environmental commitment by sourcing up to 100% of their electricity from new renewable resources and these customers are seeking optional and voluntary opportunities to purchase renewable energy bundled with Renewable Energy Certificates (RECs) generated by newly constructed renewable resources. With this Ordinance, City Light is seeking new authority to establish the Renewable Plus Program to make this bundled renewable energy product available to customers on a long-term subscription basis and to contract for renewable resources to support the program.

City Light's Green Up Program provides customers with the opportunity to purchase an unbundled renewable energy product. Customers may choose to "green-up" a certain percentage of their electricity consumption and City Light secures the RECs that represent proof that 1 megawatt-hour of electricity was generated from an eligible renewable energy resource. Since the program only provides the RECs and not the actual electricity from the renewable energy resource, this is considered an unbundled offering. A bundled offering allows customers to purchase both the renewable electricity and the RECs through participation in a single program while also supporting "additionality" – the direct connection between their participation/investment in a program to the construction and integration of newly constructed renewable resources, typically solar or wind, into the utility mix. Programs like the proposed Renewable Plus Program provide customers a pathway to meet renewable energy goals where on-site solar arrays are not feasible or other constraints prohibit the customer from purchasing/installing renewable energy projects.

Seattle City Light is uniquely positioned to meet the majority of our customer's climate and environmental needs with existing programs, services, and our resource portfolio. As the energy-related landscape is evolving, City Light must adapt to meet our evolving customer preferences for broader program and portfolio offerings. The development of a new Renewable Plus program will allow City Light to meet needs that are not being met by our current programs or resource mix. Certain customers have established aggressive sustainability targets including the explicit goal to directly increase renewable energy market additionality with their electricity purchases. Furthermore, City Light's system resource planning team is leveraging this Renewable Plus Program opportunity to analyze the value of adding solar or wind into our energy mix, with an eye towards building system resiliency and understanding rate impacts.

**Development of the Renewable Plus Program**

To meet the intent described above, Seattle City Light is planning to launch the new Renewable Plus Program for large commercial customers. City Light will contract for the development of a new renewable (solar or wind) resource that would be integrated into City Light's resource mix. City Light began engaging with customers and stakeholders in August 2020 to help inform the size of the renewable project and other aspects of the program design. City Light then released a Request for Proposals in late-2020 for a renewable resource to supply a bundled product for this program. A decision to contract for this resource will occur later in 2021, pending contracting authority from Council and further engagement with customers to determine the size of the resource needed to meet program demand.

The Renewable Plus Program will be a voluntary opportunity for qualifying customers to purchase the bundled energy from a newly constructed renewable energy resource. Qualifying customers are larger commercial customers with high electricity loads, likely exceeding 10 million kWh/year. Customers will be required to sign a contract with City Light for a period not exceeding 20 years. The contracts will take the form of a Renewable Plus Participation Agreement that outlines all program terms and conditions. The program subscribers will be charged a specific renewable rate that would be added to their existing, standard City Light rate; the final program rate will be calculated once City Light has secured a renewable resource for the program. A key feature of the Renewable Plus Program is to ensure that all costs associated with the development, implementation, and administration of the Program will be borne by program subscribers and not by customers that are not participating in the program.

To secure the renewable resources for the Renewable Plus Program, City Light will enter into agreements with renewable resource developers to secure a bundled product. City Light aims to enter contract negotiations for a new renewable resource in late 2021. As this will be a newly constructed resource, construction will begin following power purchase agreement (PPA) execution and likely will come online in 2024.

**Council Action Required**

To establish this new renewable energy program, City Council approval is being sought to allow City Light to create a new section to Seattle Municipal Code 21.49.089 to establish the Renewable Plus Program and to amend SMC 21.49.130 to establish contracting authority for resources for the Renewable Plus Program.

## 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?**
City Light will continue to use existing staff to develop and implement the Renewable Plus Program; the staff are budgeted positions and can accommodate this work within their existing workload. The Renewable Plus Program is designed to have the participating customers fund the program costs and hold other non-participants harmless from incurring any program costs. Future budget authority will be necessary to pay for the renewable resource contracted to underwrite the program and that budget will be offset by the program's revenues.

**Is there financial cost or other impacts of *not* implementing the legislation?**
If City Light does not offer this program for these key customers there is a risk that they will seek other existing avenues to meet their sustainability goals, potentially at a cost to City Light retail revenue or to City Light's unique positioning to provide energy services to meet evolving customer demands.

## 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**
No other Department is impacted by this legislation.

**b. Is a public hearing required for this legislation?**
No, a public hearing is not required for this legislation.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No, a notice is not required for this legislation.

**d. Does this legislation affect a piece of property?**
No, this legislation does not affect a piece of property.

**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?**
The Renewable Plus program is designed to target some of City Light's largest customers while minimizing impact on non-participant customers. Contracting for this new renewable energy resource will result in both temporary and permanent green jobs in the community in

which the resource will be sited. The procurement process for the renewable resource will strive to ensure that workforce development and equity outcomes are in line with City Light's Race and Social Justice and Equity principles. Those principles will be reflected in resource selection as well as in the community benefits and impacts occurring from resource construction, operations and maintenance. Communications for the program will be targeted at the largest non-residential customers served by City Light, and the program team will work closely with the City Light Communications team to ensure that planned program communications are accessible for eligible customers.

**f. Climate Change Implications**

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

Implementation of the Renewable Plus Program will decrease carbon emissions, both for Seattle City Light, and for the region. The program will directly result in the development of new grid-scale renewable energy resources in the Pacific Northwest. Implementation will increase the renewable resources that are used to serve City Light's customers, thus reducing the fossil fuels embedded in City Light's resource mix. This new renewable supply is also expected to increase City Light's surplus sales and would therefore increase the regional supply of hydroelectric power, reducing regional dependence on fossil fuels.

**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.**

The new resource for the Renewable Plus Program will be integrated into City Light's long term resource planning and evaluated for its impacts on resource adequacy and the requirements set by the State renewable portfolio standard and the Clean Energy Transformation Act (CETA). This new resource will diversify City Light's energy portfolio is expected to increase the utility's resiliency to climate change.

**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)?**

This is a new initiative. The long-term goals of the program include: meeting customer demand for such an offering; securing a new renewable resource to underwrite the Program; integration of a new renewable resource into City Light's energy mix; and developing the skills/experience to do that integration and build a comprehensive understanding of its impacts on our short/long term resource planning, rates, and energy portfolio resilience. The program experience would prove valuable to initiate other renewable energy efforts within the utility.

# SCL Renewable Plus Program ORD

Transportation & Utilities Committee – 8/18/2021

Seattle City Light

WE POWER SEATTLE

# Renewable Plus Program

Seattle City Light

# Renewable Plus Program

## What

- The Renewable Plus program will allow City Light to contract for and integrate new, regional wind or solar energy source(s) into our energy mix.
- Customers participating in the Renewable Plus program will have their subscribed load "covered" by generation from the new renewable resource.

## Why

- Many of our largest commercial customers have aggressive sustainability goals that aren't being met with our current energy mix and program offerings.
- This program allows City Light to diversify our energy portfolio with new wind/solar and spur regional renewables development that wouldn't occur otherwise.
- City Light is well-positioned to acquire, integrate, and offer this renewable energy product for these customers while mitigating risks to non-participants.

# Renewable Plus ORD

+ This ordinance will:
  1. Establish the Renewable Plus Program design
  2. Provide City Light authority to contract for up to 20 years with:
     - Renewable energy developers through power purchase agreements (PPAs), and
     - Customers participating in the program

# Renewable Plus - Program Design

+ Design principles
  - *New* renewable resource in the Pacific NW.  Integration into City Light portfolio.
  - Target large commercial customers with aggressive sustainability goals
  - Avoid cost shifting to non-participants
+ Product
  - "Bundled" energy – Renewable energy delivered to City Light + Renewable Energy Certificates (RECs)
+ Program rate
  - Additional charge on top of applicable customer base rate
  - Program rate developed using Integrated Resource Plan analysis to capture program/resource costs and benefits and pass through to participating customers

# Renewable Plus - Program Design (cont.)

+ Customers
  - Outreach to all customers with large annual load (15,000+ MWh)
  - Ongoing dialogue with interested customers on program design
  - Program subscription through Participation Agreement for long term (10-15 years)
+ Resource
  - Request for project proposals released Q1 2021
    - Wind and solar projects in eastern WA and OR
    - All projects are *new* and seeking buyer(s) before construction
  - Project evaluations based on program requirements and value to energy portfolio
  - Equity analysis – Project evaluation of green jobs, community outreach

# Program value

## + For participating customers

- Provides product to meet aggressive sustainability goals
- Supports workforce development and “green” economy
- Demonstrates civic partnership

## + For City Light

- Responds to sophisticated customer needs and adapts to changing energy market
- Provides opportunity to diversify energy portfolio and build resiliency
- Demonstrates regional leadership and directly spurs new renewable energy development in the Pacific NW

# Q & A

Seattle City Light

# THANK YOU

Seattle City Light

**File #:** CB 120128, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are design to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated

to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

**21.33.030 Drainage service charges and drainage rates-Schedule-Exemptions**

* * *

D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((~~117.4 percent~~)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.

3. ((~~The rate categories and the corresponding annual drainage rates~~)) Annual drainage treatment rates and dates effective are as follows:

((~~Effective January 1, 2020~~

| ~~Rate Category~~ | | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|---|
| ~~Small Residential~~ | | | | | |
| | ~~Und~~ | ~~$12.88~~ | ~~$170.59~~ | ~~$183.47~~ | ~~per parcel~~ |
| | ~~2,00~~ | ~~$22.29~~ | ~~$276.46~~ | ~~$298.75~~ | ~~per parcel~~ |
| | ~~3,00~~ | ~~$30.74~~ | ~~$383.52~~ | ~~$414.26~~ | ~~per parcel~~ |
| | ~~5,00~~ | ~~$41.85~~ | ~~$516.42~~ | ~~$558.27~~ | ~~per parcel~~ |
| | ~~7,00~~ | ~~$53.16~~ | ~~$651.93~~ | ~~$705.09~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | | |
| ~~Undeveloped (0-15% impervious)~~ | | | | | |
| | ~~Reg~~ | ~~$3.50~~ | ~~$42.55~~ | ~~$46.05~~ | ~~per 1,000 sq. ft.~~ |
| | ~~Low~~ | ~~$2.06~~ | ~~$25.34~~ | ~~$27.40~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16-35% impervious)~~ | | | | | |
| | ~~Reg~~ | ~~$5.25~~ | ~~$63.50~~ | ~~$68.75~~ | ~~per 1,000 sq. ft.~~ |
| | ~~Low~~ | ~~$4.10~~ | ~~$49.75~~ | ~~$53.85~~ | ~~per 1,000 sq. ft.~~ |

| | | | | | |
|---|---|---|---|---|---|
| Moderate (36-65% impervious) | | | | | |
| | Reg | $7.49 | $90.37 | $97.86 | per 1,000 sq. ft. |
| | Low | $6.06 | $73.15 | $79.21 | per 1,000 sq. ft. |
| Heavy (66-85% impervious) | | $9.93 | $119.57 | $129.50 | per 1,000 sq. ft. |

| | | | | |
|---|---|---|---|---|
| Very Heavy (86-100% impervious) | $11.87 | $142.73 | $154.60 | per 1,000 sq. ft. |

Effective January 1, 2021

| **Rate Category** | | **Treatment Rate** | **System Rate** | **Total Drainage Rate** | **Billing Unit** |
|---|---|---|---|---|---|
| Small Residential | | | | | |
| | Und | $10.97 | $184.60 | $195.57 | per parcel |
| | 2,00 | $21.36 | $299.22 | $320.58 | per parcel |
| | 3,00 | $30.16 | $415.09 | $445.25 | per parcel |
| | 5,00 | $41.00 | $558.94 | $599.94 | per parcel |
| | 7,00 | $52.09 | $705.60 | $757.69 | per parcel |

| | | | | | |
|---|---|---|---|---|---|
| ~~General Service/Large Residential~~ | | | | | |
| ~~Undeveloped (0-15% impervious)~~ | | | | | |
| | ~~Regu~~ | ~~$3.44~~ | ~~$46.05~~ | ~~$49.49~~ | ~~per 1,000 sq. ft.~~ |
| | ~~Low~~ | ~~$2.02~~ | ~~$27.43~~ | ~~$29.45~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16-35% impervious)~~ | | | | | |
| | ~~Regu~~ | ~~$5.19~~ | ~~$68.73~~ | ~~$73.92~~ | ~~per 1,000 sq. ft.~~ |
| | ~~Low~~ | ~~$4.02~~ | ~~$53.85~~ | ~~$57.87~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36-65% impervious)~~ | | | | | |
| | ~~Regu~~ | ~~$7.34~~ | ~~$97.81~~ | ~~$105.15~~ | ~~per 1,000 sq. ft.~~ |
| | ~~Low~~ | ~~$5.82~~ | ~~$79.18~~ | ~~$85.00~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66-85% impervious)~~ | | ~~$9.75~~ | ~~$129.42~~ | ~~$139.17~~ | ~~per 1,000 sq. ft.~~ |

| | | | | |
|---|---|---|---|---|
| ~~Very Heavy (86 - 100% impervious)~~ | ~~$11.62~~ | ~~$154.49~~ | ~~$165.81~~ | ~~per 1,000 sq. ft.~~)) |

For small residential parcels, per parcel:

| **Small Residential Parcels** | **Jan 1, 2021** | **Jan 1, 2022** | **Jan 1, 2023** | **Jan 1, 2024** |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $10.97 | $12.83 | $13.92 | $14.73 |
| 2,000-2,999 sq. ft. | $21.36 | $22.45 | $24.36 | $25.77 |
| 3,000-4,999 sq. ft | $30.16 | $31.47 | $34.15 | $36.12 |
| 5,000-7,999 sq. ft | $41.00 | $43.00 | $46.66 | $49.36 |
| 8,000-9,999 sq. ft. | $52.09 | $54.43 | $59.07 | $62.48 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | **Jan 1, 2021** | **Jan 1, 2022** | **Jan 1, 2023** | **Jan 1, 2024** |
|---|---|---|---|---|
| Undeveloped | $3.44 | $3.65 | $3.96 | $4.19 |
| Undeveloped (Low Impact) | $2.02 | $2.09 | $2.27 | $2.40 |
| Light | $5.19 | $5.44 | $5.91 | $6.25 |
| Light (Low Impact) | $4.02 | $4.22 | $4.58 | $4.84 |
| Moderate | $7.34 | $7.74 | $8.40 | $8.89 |
| Moderate (Low Impact) | $5.82 | $6.24 | $6.78 | $7.17 |
| Heavy | $9.75 | $10.25 | $11.12 | $11.76 |
| Very Heavy | $11.62 | $12.23 | $13.28 | $14.04 |

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

| | **Jan 1, 2021** | **Jan 1, 2022** | **Jan 1, 2023** | **Jan 1, 2024** |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $184.60 | $191.38 | $202.85 | $215.11 |
| 2,000-2,999 sq. ft. | $299.22 | $314.68 | $333.50 | $353.65 |
| 3,000-4,999 sq. ft | $415.09 | $434.44 | $460.41 | $488.24 |
| 5,000-7,999 sq. ft | $558.94 | $589.67 | $624.92 | $662.69 |
| 8,000-9,999 sq. ft. | $705.60 | $743.56 | $788.00 | $835.63 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | **Jan 1, 2021** | **Jan 1, 2022** | **Jan 1, 2023** | **Jan 1, 2024** |
|---|---|---|---|---|
| Undeveloped | $46.05 | $50.03 | $53.03 | $56.23 |
| Undeveloped (Low Impact) | $27.43 | $29.02 | $30.75 | $32.61 |
| Light | $68.73 | $74.22 | $78.65 | $83.40 |
| Light (Low Impact) | $53.85 | $57.70 | $61.15 | $64.85 |
| Moderate | $97.81 | $105.13 | $111.41 | $118.14 |
| Moderate (Low Impact) | $79.18 | $84.96 | $90.03 | $95.47 |
| Heavy | $129.42 | $138.87 | $147.17 | $156.07 |
| Very Heavy | $154.49 | $165.60 | $175.49 | $186.10 |

((~~4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.~~))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the

drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((~~5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.~~))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

* * *

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume

charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers ((~~residing inside The City of Seattle~~)) shall receive the following rate credits for drainage services based on dwelling type:

| ((~~**Effective Date**~~ | ~~**Single-Family**~~ | ~~**Duplex**~~ | ~~**Multifamily**~~ |
|---|---|---|---|
| ~~January 1, 2020~~ | ~~$23.24 per month~~ | ~~$11.62 per month~~ | ~~$2.49 per month~~ |
| ~~January 1, 2021~~ | ~~$25.00 per month~~ | ~~$12.50 per month~~ | ~~$2.68 per month~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Single-Family | $25.00 | $26.36 | $27.98 | $29.67 |
| Duplex | $12.50 | $13.18 | $13.99 | $14.83 |
| Multifamily | $2.68 | $2.82 | $2.99 | $3.17 |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| **Effective date** | **Single-family and duplex dwellings** | **Multifamily dwellings** |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 4. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 5. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or

provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Seattle Public Utilities | Vas Duggirala/3-7153 | Akshay Iyengar/4-0716 |

** 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 drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

**Summary and background of the Legislation:**
This ordinance would revise drainage rates and drainage Utility Discount Program credits. It would revise rates to meet financial policy target requirements set by City Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1. The revision is primarily driven by capital financing needs and King County treatment rate increases. The cost of operations and maintenance (O&M) is a negligible contributor. Capital financing is guided by SPU's 2021-2026 Strategic Business Plan (SBP), recently adopted by Resolution 32000. The SBP included a projected rate path, and this ordinance implements an updated rate path, as follows:

**Drainage Revenue Requirement Increases**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | AVG |
|---|---|---|---|---|---|---|---|
| SBP RATE PATH | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | 6.7% |
| **RATE STUDY PROPOSAL** | **7.4%** | **6.0%** | **6.2%** | **6.0%** | **6.2%** | **6.2%** | **6.3%** |

The proposed rate study path is slightly lower than the SBP due to several factors, notably the low interest rate environment that SPU was able to leverage recently and a positive rating agency assessment of the line of business.

## 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**

| | General Fund $ | | Other $ | |
|---|---|---|---|---|
| **Appropriation change ($):** | **2021** | **2022** | **2021** | **2022** |
| | $0 | $0 | $0 | $0 |
| | **Revenue to General Fund** | | **Revenue to Other Funds** | |
| **Estimated revenue change ($):** | **2021** | **2022** | **2021** | **2022** |
| | $0 | $0 | $0 | $10,130,351 |
| | **No. of Positions** | | **Total FTE Change** | |
| **Positions affected:** | **2021** | **2022** | **2021** | **2022** |
| | 0 | 0 | 0 | 0 |

**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?**
Rate increases are also proposed in 2023 and 2024. Revenue in 2023 and 2024 is estimated to be, respectively, $10,942,000 and $11,379,774 higher than the prior year.

**Is there financial cost or other impacts of *not* implementing the legislation?**
This rate proposal is part of a long-term rate path intended to accommodate funding needs with minimized, balanced, and predictable rate increases. Not implementing this legislation potentially places SPU at increased risk for not meeting certain goals under its current SBP. Not implementing this legislation would likely necessitate much larger future rate increases to meet capital financing needs.

## 3.b. Revenues/Reimbursements

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

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

| Fund Name and Number | Dept | Revenue Source | 2021 Revenue | 2022 Estimated Revenue |
|---|---|---|---|---|
| 44010 – Drainage and Wastewater Fund | SPU | Drainage rates | $0 | $10,130,151 |
| **TOTAL** | | | | **$10,130,151** |

**Is this change one-time or ongoing?**
Ongoing. This legislation proposes drainage rates effective January 1 of 2022, 2023, and 2024 without an end date. Rate increases beyond 2024 will likely be proposed in mid-2024.

**Revenue/Reimbursement Notes:**
The City of Seattle assesses a 11.5% tax on drainage revenues. Tax payments are estimated to increase $811,351 in 2022, $1,187,835 in 2023, and $1,261,340 in 2024.

## 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**
Several City departments incur drainage fees including the Department of Parks & Recreation, Seattle Public Utilities, Seattle Center, Department of Finance and Administrative Services, Seattle Fire Department, Seattle City Light, Seattle Public Libraries, Seattle Police Department, Department of Neighborhoods, and the Seattle Department of Transportation. Drainage fees incurred by City departments are estimated to increase $700,000 each year.

**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?**
This legislation will increase the drainage fees for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the 2021-2026 Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU conducted extensive outreach for the 2021-2026 Strategic Business Plan, which guides the rate path and included similar rate increases. SBP outreach included a significant ethnic media component with in-language advertising targeting Spanish, Chinese, Korean, and Somali speakers.

**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:**
Summary Exhibit A – 2022-2024 Drainage and Wastewater Rate Study

# Seattle Public Utilities

# 2022-2024

# Drainage and Wastewater

# Rate Study

## Table of Contents

## PREFACE - STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the drainage and wastewater rate proposal.

The most impactful change to the rate path is including the impacts of the COVID-19 pandemic. Wastewater rates are volume based, and fell 7 percent from 2019 to 2020, but the costs to operate the system are largely fixed. This is particularly true for the capital expenditures directed at consent-decree requirements that drive revenue requirements. Fortunately, the missing revenue was offset by the low interest rate environment, a side effect of the pandemic, eliminating the need to have collected it, and resulting in rate paths slightly lower and smoother than those included in the SBP.

The SBP update was submitted in 2020 but was not adopted until May 2021 with Council Resolution 32000 due to the COVID-19 pandemic.

**Table P-1** compares the projected rate path from the SBP to the rates proposed in this rate study.

**Table P-1: Rate Path Comparison**

| **Wastewater Rate Path** | **2022** | **2023** | **2024** |
|---|---|---|---|
| Strategic Business Plan Update | 3.1% | 5.9% | 0.5% |
| Rate Study | 2.0% | 3.9% | 2.9% |

| **Drainage Revenue Requirement** | **2022** | **2023** | **2024** |
|---|---|---|---|
| Strategic Business Plan Update | 8.6% | 7.2% | 3.9% |
| Rate Study | 6.0% | 6.2% | 6.0% |

# 1. EXECUTIVE SUMMARY

The Drainage and Wastewater Utility provides wastewater and stormwater management services to Seattle residences and businesses. The fund is supported by utility fee revenue, enumerated for wastewater on SPU combined utility bills based on metered water usage, and for drainage on King County property tax bills, reflecting an estimate of each parcel's contribution to stormwater run-off.

Wastewater and drainage rates consist of a system component, set to recover SPU operations and maintenance and capital expenses, and a treatment component, set to recover payments assessed by SPU's two contracted treatment providers, King County Wastewater Treatment Division and Southwest Suburban Sewer District, for flows sent to their facilities.

Drainage and wastewater rates were last increased on January 1, 2021, using the passthrough mechanism established by Seattle Municipal Code 21.28.040. This mechanism is used periodically in years between rate studies to adjust SPU treatment rates for off-cycle adoption of rates for treatment at King County facilities. Wastewater rates were increased by 7.3 percent and drainage rates by 7.4 percent. These rate increases were slightly lower than those in the 2019-2021 Rate Study (7.3 percent and 8.0 percent, respectively) due to a lower-than-expected increase to the County's treatment rate, and a reduction in volumes projected to be sent for treatment due to COVID-19. This rate study incorporates projected future treatment increases of 4.0 percent annually. These increases have not been approved by the King County Council and while this document presents rates including assumed future increases, the ordinance supported by this document only includes treatment rate increases based on treatment rates formally adopted by the King County Council. If King County Council adopts any rate increases before the next rate study, SPU will submit separate legislation utilizing the pass-through mechanism. The table below summarizes proposed revenue requirements and rates.

**Table 1-1: Proposed DWF Retail Rate Revenue Requirement and Monthly Bill Impacts**

| | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Revenue Requirement *($ millions)*** | | | | | | | |
| Wastewater | $311.4 | $334.0 | +$22.6 | $351.2 | +$17.2 | $363.4 | +$12.2 |
| Drainage | $164.7 | $174.5 | +$9.8 | $185.0 | +$10.6 | $196.1 | +$11.1 |
| **Total DWF** | **$476.1** | **$508.5** | **+$32.4** | **$536.3** | **+$27.7** | **$559.5** | **+$23.3** |
| | | | | | | | |
| **Wastewater** | | | | | | | |
| Wastewater Rate per CCF | $16.67 | $17.01 | +$0.34 | $17.68 | +$0.67 | $18.19 | +$0.51 |
| Residential (4.3 CCF) | $71.68 | $73.14 | +$1.46 | $76.02 | +$2.88 | $78.22 | +$2.19 |
| | | | | | | | |
| **Drainage** | | | | | | | |
| Townhome (<2,000 sqft) | $16.30 | $17.28 | +$0.98 | $18.34 | +$1.06 | $19.45 | +$1.11 |
| Single-Family Residential (0.15 acres) | $50.00 | $53.01 | +$3.02 | $56.27 | +$3.26 | $59.66 | +$3.39 |
| Salmon Bay Park (2.8 acres) | $6,101 | $6,469 | +$368 | $6,867 | +$398 | $7,281 | +$414 |
| Supermarket, 120 parking spots (2.5 acres) | $17,900 | $18,980 | +$1,081 | $20,148 | +$1,167 | $21,362 | +$1,214 |
| Chief Sealth High School (32 acres) | $100,419 | $106,482 | +$6,063 | $113,030 | +$6,549 | $119,841 | +$6,811 |

## 2. FINANCIAL POLICY OVERVIEW

SPU is directed through a set of Seattle City Council-adopted[1] financial policies to adopt rates sufficient to satisfy a comprehensive, inter-connected framework of rules for sound financial management in rate setting. These financial policies:

- Shape the financial profile of the Fund to lenders and the financial community.
- Manage exposure to financial risk.
- Provide intergenerational equity.

Each financial policy sets a financial metric target which results, on a planning basis, in a minimum revenue requirement, the highest of which sets a binding constraint on rate setting. SPU may adhere to a more stringent internal planning target when tracking market conditions and peer utility performance expose any financial risk or weakness. The policies are:

1. **Minimum year-end operating cash balance of one month of treatment contract expenses**
   One-month of treatment expense over the rate period is projected to range from $14 to $16 million, providing two weeks of operating liquidity at year-end. A financial risk assessment exercise conducted in 2019 deemed two weeks insufficient and a higher internal operating target of 80 to 100 days of operating expense was recommended. The Fund ended 2020 with $218.7 million (131 days) which SPU intends to draw down to $106.8 million (90 days) and divert those funds to the capital program.

**Table 2-1: Operating Cash Balance Financial Policy**

| Cash Balance Target | 2022 | 2023 | 2024 |
|---|---|---|---|
| Binding - One month treatment expense | $14.3 | $15.5 | $16.4 |
| Planning - 80 days operating expense | $85.1 | $90.2 | $94.8 |
| **Projected Balance** | **$90.4** | **$96.0** | **$106.8** |

*($ millions)*

2. **Cash finance at least 25% of the capital improvement plan over a four-year average**
   A minimum 'down-payment' on capital expenditures with operating cash prevents a rapid increase in debt service and debt burden. SPU intends to divert the existing surplus of operating cash to the capital program, funding 43 percent of the capital program with cash in 2022, 36 percent in 2023, and 60 percent in 2024.

3. **A debt service coverage ratio of at least 1.5**
   The debt service coverage ratio is the ratio between the operating margin on a cash basis, with taxes paid to the City of Seattle removed, and the debt service obligation. Per the ordinances which authorize the Fund to issue revenue bonds and the covenants between the Fund and

[1] Council Resolution 30612, 2003; SLI 13-1-A-1 2012

bond holders, City taxes are subordinate priority to the debt service obligation. Following a review of peer utilities' financial performance and credit rating practices that indicated the guarantee of priority to bond holders would be insufficient, SPU implemented a target of 1.8 using the existing metric and 2.0 using a more stringent metric that does not provide credit for City taxes. The ratio under both metrics is projected to be high, partially due to a large portion of financing for the capital program consisting of low-interest loans with initial payments beyond 2024.

4. **Net income should be generally positive**
   Net income is projected to be positive in each year.

5. **Debt-to-asset ratio should not exceed 70 percent.**

   The ratio of debt to assets is a metric of debt burden and an indicator of inflexibility to handle financial stress. The ratio is projected to hover around 60 percent.

6. **No more than 15 percent of total debt should be variable rate**
   A cap on variable rate debt limits the Fund's exposure to interest rate volatility. The Fund does not have and does not plan to issue any variable rate debt.

**Table 2-2: Projected Drainage & Wastewater Fund Financial Policy Results**

| Policy (Target) | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| 1. Operating Cash Balance (80 days Op Expense) | $90.4 | $96.0 | $106.8 | $118.6 | $131.4 |
| 2. Cash Financing of CIP (25% over 4 years) | 43% | 36% | 60% | 42% | 33% |
| 3. Debt Service Coverage (>2.0) | 3.1 | 2.9 | 2.7 | 2.8 | 2.7 |
| *Without Credit for Taxes Paid (>1.5)* | 2.1 | 2.0 | 1.8 | 1.9 | 1.8 |
| 4. Net Income (generally positive) | $76.5 | $44.2 | $41.1 | $58.8 | $72.8 |
| 5. Debt-to-Asset Ratio (<70%) | 58% | 60% | 58% | 59% | 60% |
| 6. Variable Rate Debt (<15%) | 0% | 0% | 0% | 0% | 0% |

# 3. REVENUE REQUIREMENT

The binding constraint on creating a financial plan and setting rates is satisfying the revenue requirement that the most stringent financial policy requires. The binding constraint is determined by optimizing the capital financing portfolio and the utilization of operating cash to achieve a rate path equitable to all rate payers, current and future. For the rate period, optimization was dictated by the financing needs of the large upcoming capital program. An expansion of capital investment requires the Fund to take on more debt, though because the expansion is temporary, in this case to complete the bulk of the Ship Canal Water Quality Project, SPU intends to utilize the prudent option of a one-time drawdown of operating cash to pay for a one-time expenditure. The drawdown will reduce operating cash to the extent that maintaining the financial policy minimum will be the binding constraint through 2024.

The table below summarizes the revenue requirement for wastewater rates and drainage rates over the rate period. Each category, in millions of dollars, is followed by that component's contribution to the change in the retail rate. For example, O&M is projected to increase from $64.0 million in 2021 to $71.3 million in 2022. A 2.3 percent rate increase is necessary to collect enough revenue to cover this increase. The net sum of each category's impact is the rate increase. Details about each component are in the following sections.

**Table 3-1: Components of the Revenue Requirement ($ millions)**

| WASTEWATER | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Operating Expenses** | | | | | | | |
| O&M | $ 64.0 | $ 71.3 | +2.3% | $ 74.5 | +0.9% | $ 78.6 | +1.1% |
| Treatment | 155.7 | 161.5 | +1.8% | 175.0 | +3.9% | 184.9 | +2.7% |
| Taxes | 41.4 | 44.9 | +1.1% | 47.1 | +0.6% | 48.6 | +0.4% |
| **Capital** | | | | | | | |
| Cash Contribution | $ 23.2 | $ 46.4 | +7.2% | $ 46.1 | -0.1% | $ 47.7 | +0.5% |
| Loans and Grants | 28.4 | 4.7 | -7.3% | (16.2) | -6.0% | (23.0) | -1.8% |
| Debt Service | 25.0 | 25.3 | +0.1% | 27.5 | +0.6% | 29.3 | +0.5% |
| **Subtotal Expenditures** | **$ 337.7** | **$ 354.2** | **+5.1%** | **$ 353.8** | **-0.1%** | **$ 366.2** | **+3.4%** |
| Less Non-Rates Revenue | (13.1) | (8.4) | +1.5% | (8.2) | +0.1% | (8.2) | -0.0% |
| Less Decrease in Cash Balance | (13.2) | (11.8) | +0.4% | 5.6 | +5.0% | 5.4 | -0.0% |
| **Rates Revenue Requirement** | **$ 311.4** | **$ 334.0** | **+7.0%** | **$ 351.2** | **+4.9%** | **$ 363.4** | **+3.3%** |
| Plus UDP | 11.3 | 13.1 | +0.5% | 14.7 | +0.5% | 15.4 | +0.2% |
| **Retail Rate Revenue Requirement** | **$ 322.7** | **$ 347.1** | **+7.6%** | **$ 366.0** | **+5.4%** | **$ 378.8** | **+3.5%** |
| Change in Demand | | | -5.6% | | -1.5% | | -0.6% |
| **Change in Wastewater Retail Rate** | | | **+2.0%** | | **+3.9%** | | **2.9%** |

| DRAINAGE | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Operating Expenses** | $ 73.9 | $ 75.8 | +1.2% | $ 79.0 | +1.8% | $ 83.2 | +2.2% | $ 73.9 |
| O&M | 9.8 | 10.2 | +0.2% | 11.1 | +0.5% | 11.7 | +0.3% | 9.8 |
| Treatment | 23.1 | 24.9 | +1.1% | 26.4 | +0.8% | 27.9 | +0.8% | 23.1 |
| Taxes | | | | | | | | |
| **Capital** | $ 23.2 | $ 54.1 | +18.4% | $ 50.1 | -2.2% | $ 53.6 | +1.9% | $ 23.2 |
| Cash Contribution | 33.1 | 5.8 | -16.3% | (19.9) | -14.4% | (28.1) | -4.4% | 33.1 |
| Loans and Grants | 39.6 | 40.0 | +0.3% | 44.3 | +2.4% | 48.3 | +2.1% | 39.6 |
| Debt Service | **$ 202.6** | **$ 210.8** | **+4.9%** | **$ 191.0** | **-11.1%** | **$ 196.6** | **+3.0%** | **$ 202.6** |
| **Subtotal Expenditures** | (14.6) | (6.3) | +4.9% | (6.0) | +0.2% | (5.9) | +0.0% | (14.6) |
| Less Non-Rates Revenue | (23.3) | (30.0) | -4.0% | - | +16.9% | 5.4 | +2.9% | (23.3) |
| Less Decrease in Cash Balance | **$ 164.7** | **$ 174.5** | **+5.8%** | **$ 185.0** | **+5.9%** | **$ 196.1** | **+5.9%** | **$ 164.7** |
| **Rates Revenue Requirement** | 3.1 | 3.4 | +0.2% | 3.9 | +0.2% | 4.1 | +0.1% | 3.1 |
| Plus UDP | **$ 167.8** | **$ 177.9** | **+6.0%** | **$ 188.9** | **+6.2%** | **$ 200.2** | **+6.0%** | **$ 167.8** |
| **Retail Rate Revenue Requirement** | $ 73.9 | $ 75.8 | +1.2% | $ 79.0 | +1.8% | $ 83.2 | +2.2% | $ 73.9 |

*($ millions)*

## Operations and Maintenance

SPU projects expenditures for the ongoing operations and maintenance of the Drainage and Wastewater System, including indirect administrative and City central support activities, of $147 million in 2022 ($71.3 for wastewater and $75.8 for drainage, see table above), rising to $162 million by 2024.

Total Fund expenditures are allocated between Wastewater and Drainage based on a direct allocation of each project, the most granular programmatic level of the City Budget, to the wastewater (8 percent of total O&M), drainage (14 percent), or combined (17 percent) systems. Combined system expenses are assigned 45 percent to wastewater and 55 percent to drainage based on an analysis of system infrastructure and requirements of the Consent Decree between SPU and the EPA governing SPU's Combined Sewer Overflow program. Remaining projects (60 percent) inherit the results of the above direct allocation at their respective org, division, or branch levels within the Utility's organizational hierarchy. Based on 2020 actual expenditures, SPU allocated 47 percent of total O&M to drainage. See Table 3-2 for the allocation results in three high-level categories.

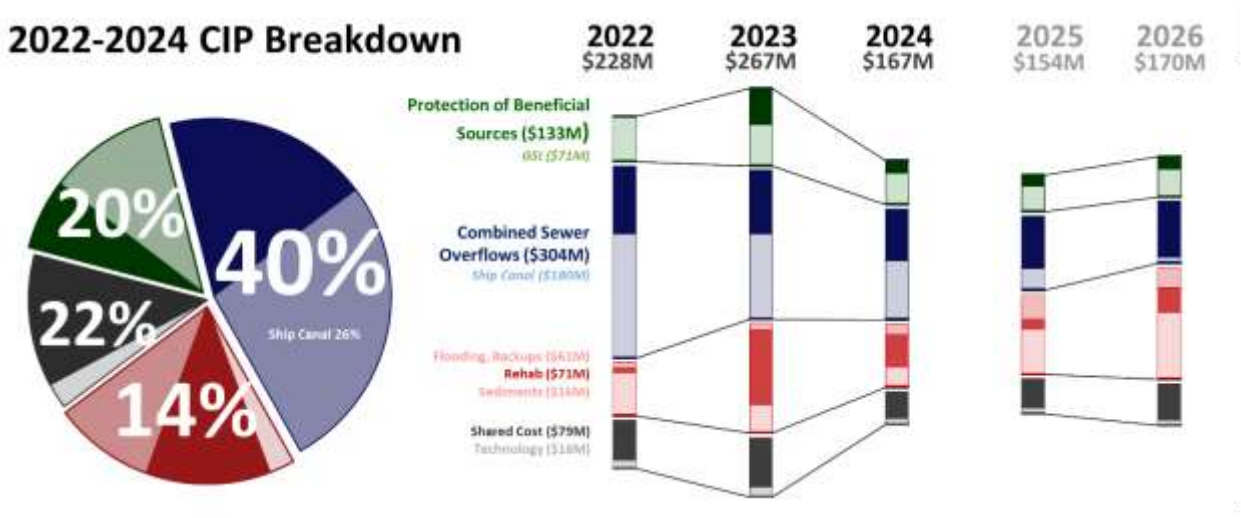
**Table 3-2: O&M Allocation to Drainage**

| | |
|---|---|
| Infrastructure O&M and Planning | 51% |
| Administrative | 32% |
| Overhead | 49% |
| **Total** | **47%** |

## Capital Financing Expense

Annual capital expenditures over $200 million are planned for each year of the rate period, more than double the average of the last five years. The largest projects are the Ship Canal Water Quality Project (26 percent of total planned expenditures) followed by Green Stormwater Infrastructure and pipe renewal and rehabilitation (35 percent combined, see GSI under 'Protection of Beneficial Uses' in green and 'rehab' in red).

**Figure 3-1: Planned CIP Expenditures**




The capital program can be financed through a combination of operating cash contributions, low-interest loans, revenue bonds, and grants. SPU proposes to increase operating cash contributions above the 25 percent minimum set by financial policies to a 45 percent average over the rate period to address the short-term increase in planned capital expenditures, requiring close to $100 million each year.

**Table 3-3: Projected CIP Financing**

| | 2021 | 2022 | 2023 | 2024 | 2021-24 | Rate Period |
|---|---|---|---|---|---|---|
| Cash and Grants | $46.4 | $100.5 | $96.2 | $101.4 | $344.4 | $298.0 |
| Revenue Bonds | $55.6 | $43.5 | $120.3 | $36.6 | $256.0 | $200.4 |
| Loans | $83.7 | $84.4 | $50.0 | $31.0 | $249.0 | $165.4 |
| **Total CIP** | **$185.7** | **$228.3** | **$266.5** | **$168.9** | **$849.4** | **$663.8** |
| *Cash-Funded %* | *25%* | *44%* | *36%* | *60%* | *41%* | *45%* |

*($ millions)*

A further 25 percent will be financed through a combination of: $123 million in State Revolving Fund loans from the Washington State Department of Ecology, a $192 million WIFIA loan from the EPA, and a $10 million Public Works Trust Fund loan from the Washington State Department of Commerce. Another three percent is funded through grants. Loans and grants are only included if they have already been granted.

SPU plans to fund the remaining 30 percent through three revenue bond issues, one $83 million issue already completed in 2021 and two $90 million issues in mid-2022 and mid-2023. These two issues will add $12 million to annual debt service and provide funding into 2025.

## Use of Cash Balances

Operating cash balances increase when revenues generated by rates exceed total cash expenditures, which in contrast to income statement expenses do not include non-cash expenses such as depreciation, amortization, environmental liabilities, losses on the sales of assets, or pension liability write-downs, but do include the cash expenses of the principal portion of debt payments. Cash balances can be drawn down to the minimum required by the Fund's financial policies, but financial management practices explicitly limit such draw down to pay for one-time and not ongoing expenses. Because on-going expenses are paid for through rate revenues, in any given year incoming cash from rate revenues will at least balance out outgoing cash to expenses. Large one-time expenses, such as the Ship Canal Water Quality Project, provide an opportunity to draw down cash balances to reduce the revenue requirement in the relevant years; this practice avoids the need to raise rates to cover the impact of a one-time expense and then lower rates as the impact wanes.

Operating cash balances have steadily increased through Seattle's post-recession economic expansion. SPU plans to manage funding the capital program by increasing operating cash contributions (see Section 3.2) and decreasing the share funded by debt. Offsetting the peaks of the capital cycle with operating cash can smooth out the size of debt issuances to the same amount each year, providing stability and predictability to rates and financial performance. DWF cash balances will be reduced from $218 million at the beginning of 2021 to $90 million by the end of 2022 and then built back up to $107 million by the end of 2024.

## Non-Rate Revenue

Non-rate revenue includes permit fees, operating and capital grants, contributions in aid of construction, interest income, other miscellaneous revenues, and capital contributions. An increase in non-rate revenues has the effect of reducing the revenue requirement that must be recovered through rates. Grants, contributions, miscellaneous revenues, and permit fees are conservatively held flat in this proposal as it is not fiscally prudent to pattern rates on unsecured revenue. However, SPU expects to increase outside sources of funding wherever opportunities can be identified.

# 4. PROPOSED WASTEWATER RATES

## Overview and Proposed Wastewater Rates

SPU wastewater customers pay a single flat volumetric charge per 100 cubic feet (CCF). There are no monthly fees or tiers of service. A minimum of one CCF per month is assessed on all active accounts. The single-volumetric charge is a combination of a system rate, to cover SPU's internal costs and taxes incurred on system rate revenue, and a treatment rate, to cover payments for wastewater treatment and taxes incurred on treatment rate revenue. The system rate is updated through the rate study process, currently on a 3-year cycle. The treatment rate is updated when the King County Council formally adopts legislation modifying the treatment rates charged to SPU. During the rate study process, any adopted County treatment rate increases are incorporated into proposed SPU treatment rates. If legislation to update the County treatment legislation is adopted by the King County Council mid-cycle, the Seattle Municipal Code provides a mid-term treatment rate adjustment process to formulaically update SPU's treatment rate based on adopted changes to the County's treatment rate.

This rate study includes a treatment rate increase for 2022. The County has not formally adopted any rate increases beyond 2022, and no additional changes to SPU treatment rates are included in the legislation supported by this rate study. This rate study however does include projected increases to the County treatment rate in 2023 and 2024 in all future year results unless otherwise indicated.

Table 4-1 presents system and treatment rates included in legislation based on adopted County treatment rates, and projected future passthroughs based on projected future County treatment rate increases.

**Table 4-1: Proposed Wastewater Rates (per CCF)**

| | 2021 Adopted | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|---|
| System Rate | $ 7.42 | $ 7.67 | $ 7.67 | $ 7.67 |
| Treatment Rate | $ 9.25 | $ 9.34 | $ 9.34 | $ 9.34 |
| Future Passthrough | | | $ 0.67 | $ 1.18 |
| **Total Wastewater Rate** | **$ 16.67** | **$ 17.01** | **$ 17.68** | **$ 18.19** |

## SPU System Rate

The system rate is set to collect enough revenue to cover planned operations, maintenance, and investment expenditures. These expenditures are offset by non-rates revenues including permit fees and standard charges among others. Any non-rate revenue collected reduces the amount required to be collected through rate revenues. Most of these components (operations, maintenance, debt service, and non-rates revenues) tend to be stable, increasing at a rate that is either controlled (debt service) or inflationary (operations and maintenance). Cash contributions to CIP can, on the other hand, be a source of volatility as capital expenditures can vary widely from year to year when the scheduling of a few large projects determines the timing of expenditures. One strategy to counter this volatility is to draw operating cash balances down during years of high capital expenditures and increase operating cash balances during years of lower capital expenditures. SPU proposes to draw wastewater cash balances down by $11.8 million in 2022, reducing the amount of revenue that needs to be collected by the same

amount, after which cash balances will be managed according to financial policy minimums. See Table 4 2 for an enumeration of each of these components.

**Table 0-1 Wastewater System Rate Components**

| Rate Component | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|
| O&M | $ 71.3 | $ 74.5 | $ 78.6 |
| City Taxes | $ 19.3 | $ 19.5 | $ 19.7 |
| State Taxes | $ 3.6 | $ 3.7 | $ 3.7 |
| **Subtotal Operations & Maintenance** | **$ 94.2** | **$ 97.7** | **$ 102.0** |
| Debt Service | $ 25.3 | $ 27.5 | $ 29.3 |
| Cash to CIP | $ 46.4 | $ 46.1 | $ 47.7 |
| **Subtotal Capital Financing** | **$ 71.8** | **$ 73.6** | **$ 77.0** |
| **Subtotal Expenditures** | **$ 166.0** | **$ 171.3** | **$ 178.9** |
| Non Rate Revenue | $ (8.4) | $ (8.2) | $ (8.2) |
| Loan Drawdown Bridge | $ 4.7 | $ (16.2) | $ (23.0) |
| Use of Cash Balances | $ (11.8) | $ 5.6 | $ 5.4 |
| **Sewer System Revenue Requirement** | **$ 150.6** | **$ 152.4** | **$ 153.2** |
| UDP Enrollment | 3.8% | 4.0% | 4.1% |
| **Sewer System Rate Revenue Requirement** | **$ 156.4** | **$ 158.8** | **$ 159.7** |
| Volume (CCF, Millions) | 20.4 | 20.7 | 20.8 |
| **System Rate** | **$ 7.67** | **$ 7.67** | **$ 7.67** |

*($ millions, except final rate)*

In addition to typically utilizing revenue bonds to provide debt-financing for the capital program, SPU also seeks alternative funding through loans or grants when possible. This rate period includes significant loan funding, so much so that the lag between when capital expenditures are made from the operating fund and when loan reimbursement funding is received into the operating fund presents a liquidity concern that need to be considered in planning. The year-end balance is labeled "Loan Financing" above.

The final step is to adjust for enrollment in the Utility Discount Program. In 2020, 2.9 percent of gross wastewater revenue was returned to customers through bill discounts. SPU intends to expand UDP enrollment, growing UDP to 3.8 percent of revenue in 2022 and to 4.1 percent in 2024. Adjusting the revenue requirement for the revenue loss from UDP is the revenue that the base system rate must recover. Divided by the number of units sold (CCF), is the unit system rate.

## Treatment Rate

Payments for wastewater treatment are the single largest component of both wastewater and total DWF operating expense, with 99% of treatment expense paid to King County and the remainder to Southwest Suburban Sewer District. See Table 4-3 for components and derivation of the treatment rate. Note that 2023 and 2024 are labeled as “Projected” as opposed to “Proposed” because King County Council has not yet adopted rate increases beyond 2022. Expenses and the derived treatment rate in “Projected” years are based on estimated future County and Southwest Suburban treatment rates.

**Table 0-1 Wastewater Treatment Rate Components**

| Expenditure Category | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|
| Treatment by King County | $ 171.0 | $ $185.4 | $ 196.0 |
| Treatment by SWSSD | $ 0.6 | $ 0.7 | $ 0.7 |
| Less treatment paid by Drainage | $ 10.2 | $ (11.1) | $ 11.7 |
| **Treatment Expense** | **$ 161.5** | **$ $175.0** | **$ 184.9** |
| City Taxes | $ 22 | $ 23.9 | $ 25.2 |
| **Revenue Requirement** | **$ 183.5** | **$ $198.8** | **$ $210.2** |
| UDP Enrollment | 3.8% | 4.0% | 4.1% |
| **Rate Revenue Requirement** | **$ 190.7** | **$ $207.2** | **$ $219.1** |
| Volume (CCF, Millions) | 20.4 | 20.7 | 20.8 |
| **Treatment Rate** | **$ 9.34** | **$ $10.01** | **$ $10.52** |

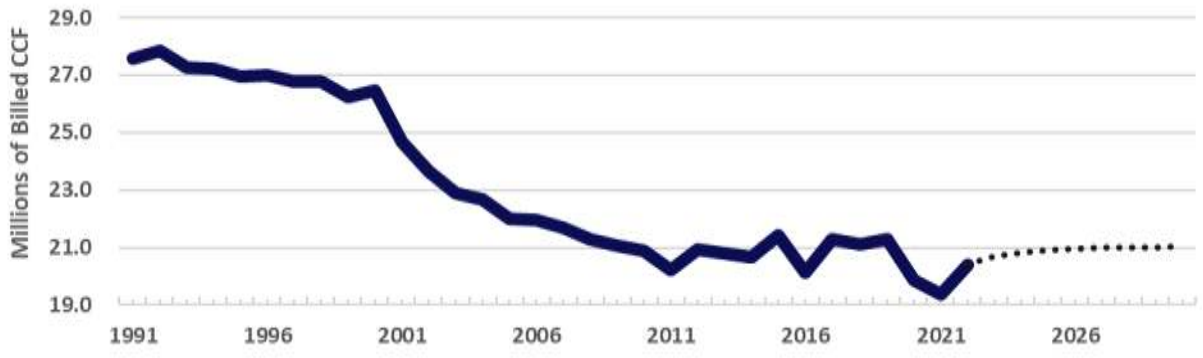
*($ millions, except final rate)*

## Wastewater Demand

The fee for wastewater services is assessed on a volumetric basis measured in 100 cubic foot (CCF) units. The rate is derived by dividing the gross revenue requirement of the system by projected billed volumes. The numerator, the revenue requirement, is largely a fixed cost. The cost to maintain and replace pipe and other utility infrastructure assets that serve customers, whether or not they have any demand, is a function of the size of the system and depreciation over time. The variable portion of expense to serve larger customers is relatively negligible. With costs being fixed, decreases in wastewater demand do not result in compensatory decreases in cost and require instead an increase to rates.

Demand for wastewater services has been in a long-term decline due to efficiency gains in two forms: conservation and redevelopment. Efficiency gains resulted in a five percent decline over the 1990s that was accelerated by a focus on conservation, a response to drought conditions starting in 2000, to 20 percent over the 2000s. Rapid population growth post-recession placed roughly the same upward pressure on wastewater demand as efficiency gains did downward. Seattle's population grew 28% in ten years over which time billed wastewater volumes hovered around 20 million CCF ever year.

**Chart 4-1: Historic and Projected Wastewater Volumes**




This phase ended with the COVID-19 pandemic. The sectors of the economy more acutely impacted by shutdown orders tended to be large consumers of water and generators of wastewater. Closures in the commercial and education sectors led to a four percent rise in single-family consumption and a 13

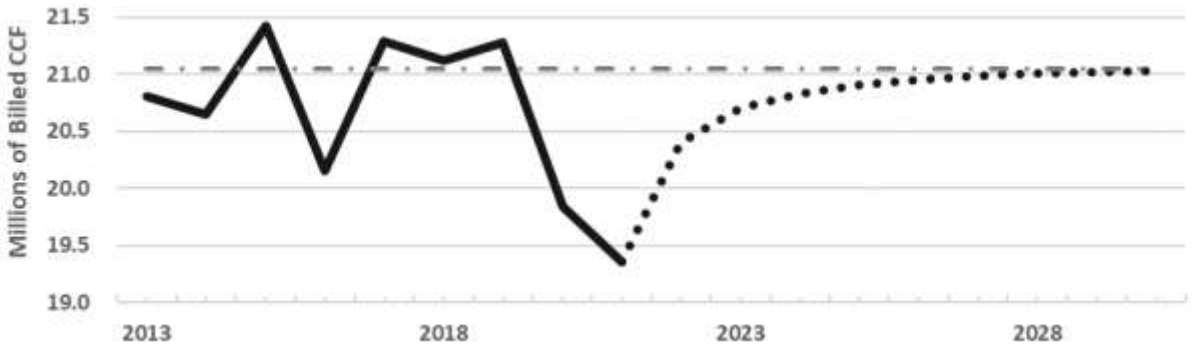
percent decline in commercial consumption. Commercial consumption is the combination of business and multi-family consumption, hiding the true effect on business. Large residential firms and low-income housing operators had little change in consumption. Meanwhile, the normal social interactions that were newly found to be dangerous were concentrated in commercial activities that also happened to be large wastewater generators; see Table 4-4. Particularly hard hit were large hotels in the downtown core, the University of Washington, and commercial premises with a heavy restaurant presence.

**Table 0-1 COVID-19 Impact on Wastewater Demand**

| Change from November 2019 to November 2020 | |
|---|---|
| Downtown Hotels | -70% |
| University of Washington | -46% |
| All Other Education | -52% |
| Commercial – Shopping/Dining Center | -77% |
| Commercial - Industrial | -80% |
| Commercial - Heavy Industrial | -100% |

As the vaccine rollout allows for the resumption of unimpeded social and commercial activities, wastewater volumes are expected to recover but the patterns those activities take on in the new post-pandemic normal are unknown. The resumption of in-person education and residence hall occupancy at schools and universities is relatively known. The long-term impacts to on-site work, the cruise industry, business travel, and brick and mortar retail and dining are still unknown. This makes projecting wastewater volume for the next few years a product of conservative assumptions tied to a close monitoring of the early stages of recovery.

**Table 4-5: Wastewater Volume Forecast**




Wastewater volume projections assume a long-tailed recovery stretching into 2027 transitioning to slow growth into the long-term. This projection is based on a slowly emerging trend that seems to indicate that per-premise consumption is changing from falling to stable; however, this trend is the product of demand for new residential construction and the growth management, density, and zoning issues that the housing crisis will force the City to address, all of which are external, unknown, and politically sensitive. For the purposes of this rate study, volumes are projected to recover to 20.4 million CCF by the end of the rate period, a two percent decline.

# 5. DRAINAGE COST ALLOCATION / RATE DESIGN

Once the rate revenue requirement is set, it is assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. In the case of drainage, there is a unique cost of service associated with the management of stormwater run-off from different types of land cover found on customer properties. These land cover types essentially act as customer classes for drainage cost allocation purposes.

The steps required to allocate drainage system costs to land surface types and then to drainage customer rates can be summarized as follows:

- Drainage costs are grouped into two broad classifications: account-allocated expense and flow-allocated expense.
- Flow-related costs are further allocated between four surface type categories based on cost weighted average run-off.
- A unit rate for account costs and for each surface type is developed based on the total number of accounts and square footage of land surface by type citywide.
- Rates are developed for each customer class by applying the surface type unit rates to the typical surface type composition for each tier.

## Drainage Allocation Classifications

Drainage rates are composed of four distinct components, in addition to the account rate: impervious surface rate, managed grass rate, unmanaged grass rate, and good forest rate. Total flow-related expense is allocated based on the cost of managing the run-off from any given surface type.

The amount of run-off from any given parcel depends on the type of surface it contains. Impervious surface absorbs less run-off than pervious, or porous surface, and therefore generates more stormwater run-off during a given storm event. Likewise, pervious surface with significant ground and tree cover will generate less run-off than a highly managed pervious surface such as a lawn. The more intense the storm, the greater the run-off for all surface types.

Impervious surface is hard or compacted surface from which most water runs off when exposed to rainwater. Common impervious surfaces include roof tops, concrete or asphalt paving, compact gravel and packed earth.

Pervious managed grass is the most common type of pervious area in the City and includes such surfaces as lawns, landscaped parks, and golf courses. Managed grass absorbs nearly all rainwater during average storms but produces increasing amounts of run-off with more intense storm events due to its greater soil compaction.

The last two types of pervious area, woods and unmanaged grass and good forest, are vegetated surfaces of a specific types such as forests or non-forested land that are in the natural progression back to a forested state. This category includes large undeveloped areas in places such as Seward Park, Carkeek Park, and various greenbelts throughout the City. These surface types perform similarly to

managed grass during average storm events but infiltrate significantly more rainwater during more intense storms.

To determine the cost of managing the run-off from any given surface type, SPU looked at two factors:

- The expected volume of run-off from each surface type during differing intensities of storms
- The cost of O&M and infrastructure oriented towards the management of the run-off during each of these storm events

The revenue requirement for account and each surface type is derived by multiplying the cost weighted run-off percentages by the revenue requirement. See Appendix E for the step-by-step calculation underlying the cost share percentages. The cost class allocations are used in the development of drainage rates for each customer tier.

**Table 5-1: Revenue Requirement Allocation by Type**

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Account | $2.4 | $2.6 | $2.7 |
| Impervious | 144.8 | 153.7 | 162.9 |
| Pervious – Managed Grass | 27.6 | 29.3 | 31.1 |
| Pervious – Woods and Unmanaged Grass | 2.4 | 2.5 | 2.6 |
| Pervious – Good Forest | 0.8 | 0.8 | 0.9 |
| **Total Revenue Requirement** | **$177.9** | **$188.9** | **$200.2** |

*($ in millions)*

## Drainage Rate Design

Drainage customer bills are intended to recover the cost of service associated with managing the stormwater run-off from individual parcels. In the first part of this chapter, SPU defines the cost of service associated with managing the run-off from different land surface types and with account-related services. The following steps are required to develop drainage rates which assign these costs to individual customer parcels:

- Define customer classes and rate tiers for parcels with similar surface type characteristics (and therefore similar costs of service)
- Develop unit rates for each surface type and account classification
- Determine an average customer land composition profile for each rate tier
- Apply the surface type and account unit rates to applicable profile factors for each tier

**Customer Classes and Tiers**

Small Residential

Small residential customers with billable areas less than 10,000 square feet are homogeneous in terms of surface cover, which makes property size the key determinant of parcel stormwater flow contribution. Small residential customers are assigned to one of five size-based categories, each representing a range of total area (e.g., 3,000 to 4,999 square feet).

Large Residential and General Service

Large single family and duplex parcels 10,000 square feet or greater ("large residential") and general service parcels (all sizes), pay a unit rate (per 1,000 square feet of billable area) based on their actual property characteristics (percent impervious and parcel size) rather than category averages. There is too much variation between these properties in terms of parcel size and surface characteristics to be fairly captured by a flat rate structure like that applied to small residential customers. SPU has five impervious surface-based rate categories. Each category represents a range of impervious surface (e.g., 66-85% impervious).

General service and large residential parcels which contain significant amounts of highly pervious (absorbent) area, such as forested land or other unmanaged vegetated areas such as pasturelands and meadows, and which are composed of no more than 65% impervious area, may also qualify for discounted low impact rates. Parcels with these surface types generate significantly less stormwater run-off than parcels with similar amounts of impervious surface but whose pervious area is less absorbent (e.g., a highly managed lawn).

**Account and Surface Type Unit Rates**

Unit rates for each surface type and for account-allocated expense are calculated as described below.

Surface Type Rates

Unit rates are calculated by dividing the expense allocated to each surface type by the total citywide area for that surface type (as expressed in thousands of square feet). Area by surface type is collected from aerial photos in the City's Geographic Information System (GIS). This same data source is used to identify the area of each surface type for each city parcel, used for drainage billing purposes.

Table 5-3 presents the area units and calculated unit rates for each surface type.

**Table 5-2: Surface Type Unit Rates**

| | Area *(1,0000 sqft)* | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Impervious | 792,533 | $182.7 | $193.9 | $205.6 |
| Pervious - Managed Grass | 655,429 | $42.1 | $44.7 | $47.4 |
| Pervious - Woods and Unmanaged Grass | 105,430 | $22.3 | $23.7 | $25.1 |
| Pervious - Good Forest | 54,603 | $14.6 | $15.5 | $16.4 |

Account Rates

Account expense is driven by the number of customers rather than by the volume of run-off. To determine these rates, the account-allocated component of the revenue requirement is first assigned to small residential and general service/large residential customer groups based on an 80/20 split of the total number of parcels in each group and then divided by the billing units for each group.

**Table 5-4: Account Unit Rates**

| | Units | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| General Service | 847,256 sqft | $ 0.92 | $ 0.98 | $ 1.04 |
| Small Residential | 145,837 Parcels | $ 10.90 | $ 11.57 | $ 12.26 |

**Surface Type Profile by Tier**

Drainage bills for each customer are intended to reflect the cost of managing the run-off from that parcel. Each tier rate is composed of a flow and an account component. Both components reflect the average cost for a tier composed of properties with similar characteristics.

The flow component of each tier rate is based on the average percentage of total area attributable to each surface type, as calculated using GIS data for individual parcels assigned to a given tier. For small residential customers, averages are based on a random sample of properties assigned to each flat rate tier. For general service and large residential customers, the percentages are based on citywide GIS data for all parcels assigned to a given tier.

Table 5-5 presents the average land cover profile by tier used to calculate the flow component of the tier drainage rate.

**Table 5-5: Surface Type Average Profile by Tier (sq. ft)**

| | | Woods & Grass | Unmanaged Grass | Good Forest | Impervious | Total |
|---|---|---|---|---|---|---|
| **Small Residential** | | | | | | |
| < 2000 sq. ft. | | 5,663 | 0 | 0 | 16,119 | 21,783 |
| 2000-2999 sq. ft. | | 6,744 | 0 | 0 | 11,003 | 17,747 |
| 3000-4999 sq. ft | | 88,492 | 0 | 0 | 88,492 | 176,985 |
| 5000-7999 sq. ft | | 153,876 | 1,023 | 326 | 137,652 | 292,876 |
| 8000-9999 sq. ft. | | 127,008 | 3,040 | 1 | 86,700 | 216,749 |
| **General Service/Large Residential** | | | | | | |
| Undeveloped | Regular | 63,546 | 4,003 | 1,532 | 6,605 | 75,686 |
| | Low Impact | 31,392 | 66,976 | 46,339 | 5,746 | 150,452 |
| Light | Regular | 63,035 | 7,495 | 662 | 26,699 | 97,890 |
| | Low Impact | 11,291 | 11,906 | 4,145 | 7,121 | 34,463 |
| Moderate | Regular | 61,706 | 6,472 | 554 | 69,908 | 138,640 |
| | Low Impact | 3,774 | 3,067 | 1,007 | 5,049 | 12,896 |
| Heavy | | 28,873 | 1,338 | 37 | 93,886 | 124,134 |
| Very Heavy | | 10,030 | 111 | 0 | 237,554 | 247,694 |

**Rate Calculation by Tier**

The rate assigned to each customer tier is equal to the sum of a flow component and an account component.

For all customers, the flow component of the rate is calculated by multiplying the surface type rates (Table 5-4) by the average area assumptions for the tier found in Table 5-5. The formula for this calculation is as follows:

**Flow component = (IA/1,000 * I$) + (MGA/1,000 * MG$)**
**+ (UMGA/1,000 * UMG$) +(GF/1,000 * GF$)**

Where:

- IA=Tier average impervious area
- I$=Impervious surface rate per 1,000 sq. ft.
- MGA=Tier average managed grass area
- MG$=Managed grass surface rate per 1,000 sq. ft.
- UMGA=Tier average unmanaged grass area
- UMG$=Unmanaged grass surface rate per 1,000 sq. ft.
- GF=Tier average good forest area
- GF$=Good Forest surface rate per 1,000 sq. ft.

The account component for small residential customers is the same flat rate per customer. For general service and large residential customers, the account rate is multiplied by parcel area.

The proposed rates presented in Table 5-6 are equal to the sum of the flow component, for the system and treatment rates, and the account component, for the system rate only, for each tier. Small residential tiers are based on a flat rate per parcel; all other parcels are based on area.

**Table 5-6: Proposed Drainage Rates**

| | 2022 | | | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Treatment | System | Rate | Treatment | System | Rate | Treatment | System | Rate |
| **Small Residential** | | | | | | | | | |
| < 2000 sq. ft. | $12.83 | $191.38 | $204.21 | $13.92 | $202.85 | $216.77 | $14.73 | $215.11 | $229.84 |
| 2000-2999 | $22.45 | $314.68 | $337.13 | $24.36 | $333.50 | $357.86 | $25.77 | $353.65 | $379.42 |
| 3000-4999 sq. ft | $31.47 | $434.44 | $465.91 | $34.15 | $460.41 | $494.56 | $36.12 | $488.24 | $524.36 |
| 5000-7999 sq. ft | $43.00 | $589.67 | $632.67 | $46.66 | $624.92 | $671.58 | $49.36 | $662.69 | $712.05 |
| 8000-9999 sq. ft. | $54.43 | $743.56 | $797.99 | $59.07 | $788.00 | $847.07 | $62.48 | $835.63 | $898.11 |
| **General Service** | | | | | | | | | |
| Undeveloped | $3.65 | $50.03 | $53.68 | $3.96 | $53.03 | $56.99 | $4.19 | $56.23 | $60.42 |
| Low Impact | $2.09 | $29.02 | $31.11 | $2.27 | $30.75 | $33.02 | $2.40 | $32.61 | $35.01 |
| Light | $5.44 | $74.22 | $79.66 | $5.91 | $78.65 | $84.56 | $6.25 | $83.40 | $89.65 |
| Low Impact | $4.22 | $57.70 | $61.92 | $4.58 | $61.15 | $65.73 | $4.84 | $64.85 | $69.69 |
| Moderate | $7.74 | $105.13 | $112.87 | $8.40 | $111.41 | $119.81 | $8.89 | $118.14 | $127.03 |
| Low Impact | $6.24 | $84.96 | $91.20 | $6.78 | $90.03 | $96.81 | $7.17 | $95.47 | $102.64 |
| Heavy | $10.25 | $138.87 | $149.12 | $11.12 | $147.17 | $158.29 | $11.76 | $156.07 | $167.83 |
| Very Heavy | $12.23 | $165.60 | $177.83 | $13.28 | $175.49 | $188.77 | $14.04 | $186.10 | $200.14 |

*King County Council has not adopted any rate increases beyond 2022; rates based on SPU internal projections of future increases*

## Other Drainage Credits and Discounts

Drainage bill discounts are available for property owners that help reduce the impact of stormwater on the City's system. Billing exemptions (which reduce the overall drainage bill) are also available for large natural areas that offer systemic benefits greater than those offered by other types of undeveloped lands or which clearly do not benefit from or impact the stormwater system.

*A. Low Impact Rates*

Discounts[2] of 19 to 41 percent are applied to the rate for undeveloped natural areas of 0.5 acres or greater containing sufficient amounts of qualifying "highly infiltrative" surface (i.e., forested areas, unmanaged grasslands, etc.). Certain athletic facilities with engineered designs that mimic the stormwater retention benefits of these large natural areas are also eligible for low impact rates.

*B. Stormwater Facility Credit Program (SFCP)*

This program offers credits of up to 50 percent for privately-owned systems that slow down stormwater flow and/or provide water quality treatment for run-off from impervious areas, thus lessening the impact to the City's stormwater system, creeks, lakes or Puget Sound.

[2] Relative to the rates for non-qualifying properties with like amounts of impervious surface.

Stormwater systems are structures such as vaults, rain gardens, permeable pavements and filtration systems. SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

*C. Rainwater Harvest Credit*

SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

*D. Undeveloped Riparian Corridor Exemption*

Developed riparian corridors[3] with small buffers and bank armoring increase the risk of flooding and downstream property damage. In contrast, undeveloped riparian corridors with a sufficient buffer act as floodplains which allow creeks to expand during peak periods, mitigating downstream flood damage.

The discount assumes exemption of the entire 100-foot qualifying creek buffer from the parcel's billable area. Qualifying criteria for this exemption are found in SPU Director's Rule FIN-211.2.

*E. Wetlands Exemption*

Wetlands act like natural drainage systems, protecting and improving water quality and storing floodwaters which are slowly released over time. Wetlands also serve as an important habitat for fish and wildlife. Only wetlands of at least 1,000 square feet in area and with no development within the wetland area will be considered for this exemption.

An application is required to qualify for this exemption, including the provision of supporting documentation demonstrating that the wetland meets all required criteria, as defined in SPU Director's Rule FIN-211.3

*F. Undeveloped Islands Exemption*

This credit applies to undeveloped islands with less than ten percent impervious area. These islands do not benefit from, nor do they impact, the drainage system or surrounding receiving waters.

[3] Riparian corridor is defined in SMC 25.09.020.B.5.A.

## 6. UTILITY DISCOUNT PROGRAM

The City assists qualified customers with discounted utility services. Customers may receive their discount in one of three ways: 1) as a credit to their SPU wastewater bill; 2) where no wastewater bill is received, as a credit to the customer's City Light bill; or 3) in the form of a credit voucher. The latter two options are typically applicable to renters who pay drainage, wastewater, and water utility fees indirectly as part of their rental payment. For customers who do not receive a wastewater bill, a fixed credit is calculated which is equal to 50 percent of a typical residential bill for the class of customer receiving the credit. See Table 6-1 for proposed discounts. Proposed credits do not include projected changes in the King County treatment rate. Increases in the treatment rate will result in increases to credits through the pass-through mechanism established by SMC 21.28.040.

**Table 6-1: Utility Discount Program Credits**

| | Basis | Proposed 2022 | Proposed 2023 | Proposed 2024 |
|---|---|---|---|---|
| **Wastewater** | | | | |
| Customers Receiving | | | | |
| SPU Bills | | 50% discount off actual usage | | |
| SCL Bills Only | | 50% discount of 'typical' customer class consumption | | |
| Single-Family | 4.3 CCF | $ 36.57 | $ 38.01 | $ 39.11 |
| Multi-Family | 3.0 CCF | $ 25.52 | $ 26.52 | $ 27.29 |
| **Drainage (SPU and SCL)** | | | | |
| Typical Monthly Bill* | | $ 52.72 | $ 55.97 | $ 59.34 |
| Single-Family | *100%*** | $ 26.36 | $ 27.98 | $ 29.67 |
| Duplex | *50%*** | $ 13.18 | $ 13.99 | $ 14.83 |
| Multi-Family | *10.7%*** | $ 2.82 | $ 2.99 | $ 3.17 |

Note: Rates proposed in legislation do not include projected mid-term treatment rate adjustments

* 'Typical' residential parcel of 5,000 - 7,9999 sq. ft.

** Ratio of 'typical' bill for customers in each discount class to 'typical' single-family parcel bill

## APPENDIX A — FINANCIAL SUMMARY

### Table A-1: Drainage and Wastewater Fund Financial Summary

| | 2020 Actuals | 2021 Project | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|---|---|
| **Operating Revenue** | | | | | |
| Wastewater | $ 300.7 | $ 311.4 | $ 334.1 | $ 351.2 | $ 363.4 |
| Drainage | $ 153.4 | $ 164.7 | $ 174.5 | $ 185.0 | $ 196.1 |
| Other | $ 6.2 | $ 6.3 | $ 10.1 | $ 10.4 | $ 10.7 |
| **Total Operating Revenue** | **$ 460.3** | **$ 482.4** | **$ 518.7** | **$ 546.7** | **$ 570.2** |
| | | | | | |
| **Operating Expenses** | | | | | |
| Treatment | $ 166.6 | $ 165.5 | $ 171.7 | $ 186.0 | $ 196.6 |
| O&M | $ 158.5 | $ 137.8 | $ 147.2 | $ 153.5 | $ 161.8 |
| City Taxes | $ 54.3 | $ 57.8 | $ 62.5 | $ 65.9 | $ 68.7 |
| State Taxes | $ 6.5 | $ 6.7 | $ 7.3 | $ 7.6 | $ 7.8 |
| Depreciation | $ 33..7 | $ 34.5 | $ 39.2 | $ 39.1 | $ 39.3 |
| **Total Operating Expenses** | **$ 385.9** | **$ 402.3** | **$ 428.0** | **$ 452.1** | **$ 474.3** |
| | | | | | |
| **Net Operating Income** | **$ 74.4** | **$ 80.1** | **$ 90.7** | **$ 94.6** | **$ 95.9** |
| | | | | | |
| **Other Income (Expenses)** | | | | | |
| Net Interest Expense | $ -22.1 | $ (34.5) | $ (32.9) | $ (37.4) | $ (40.3) |
| Other Non-Operating | $ 9.9 | $ 5.6 | $ 3.8 | $ 3.0 | $ 2.6 |
| **Total Other Income (Expenses)** | **$ -12.2** | **$ (29.0)** | **$ (29.1)** | **$ (34.4)** | **$ (37.7)** |
| | | | | | |
| Grants and Contributions | $ 21.7 | $ 15.7 | $ 0.8 | $ 0.8 | $ 0.8 |
| | | | | | |
| **Net Income (Loss)** | **$ 83.9** | **$ 66.9** | **$ 62.4** | **$ 60.9** | **$ 59.0** |

*($ millions)*

# APPENDIX B — DWF COST ASSIGNMENT DETAIL

**Drainage and Wastewater Cost Assignment Methodology**

SPU conducted its last review of DWF cost assignment factors in 2021, using 2020 actual data. Those factors were used to determine the 2022-2024 drainage and wastewater system cost of service.

This rate study uses the methodology described below for assigning operating expenses between drainage and wastewater lines of business. The cost assignment methodology is consistent with that of the rate studies used to propose rates for 2004 through 2021. The current rate study uses 2020 actual labor expense as the basis for labor related cost splits. Consistent use of actual expense over time helps to minimize errors in cost assignment resulting from variations between actual and budgeted spending.

DWF Operating Expenses are grouped into three categories:

Direct Operating Expense

Some expenses are assigned 100 percent to the applicable line of business (e.g., drainage billing administration). The majority of shared direct operating expenses are assigned based on actual direct labor expenses of an identified proxy. For example, most regulatory direct operating expense is related to water quality and combined sewer overflow (CSO) issues. Therefore, these activities are assigned based on actual direct labor expense for a subset of water quality and CSO-related capital and operating activities. The use of a programmatic proxy is useful in capturing any shifts in the focus of regulatory support over time.

Management estimates are used to identify the cost assignment factors for a limited number of activities. The bulk of activities using management estimates are related to billing and customer service activities. SPU is responsible for wastewater billing and for drainage and wastewater customer service.[4] Management estimates are used to identify labor effort associated with the support of each line of business for a targeted subset of customer service budgeted activities.

Administration

Except for Project Delivery and Engineering (PDE), the cost assignment of all general management expense is based on the sum of actual direct labor expenses for direct operating activities. Administrative expense for PDE is assigned based on actual direct labor expense charged to capital projects by each division.

This methodology creates a direct link between administrative functions and the activities they support. In addition, this methodology provides a consistent mechanism for updating administration cost assignment from year to year in case the programmatic focus changes.

[4] King County administers billing for drainage.

General and Administrative Expense

Finance, Accounting, and Risk Management (FARS) expense is assigned based on the sum of actual direct labor expense for all direct operating and administrative activities which charge to the DWF budget.

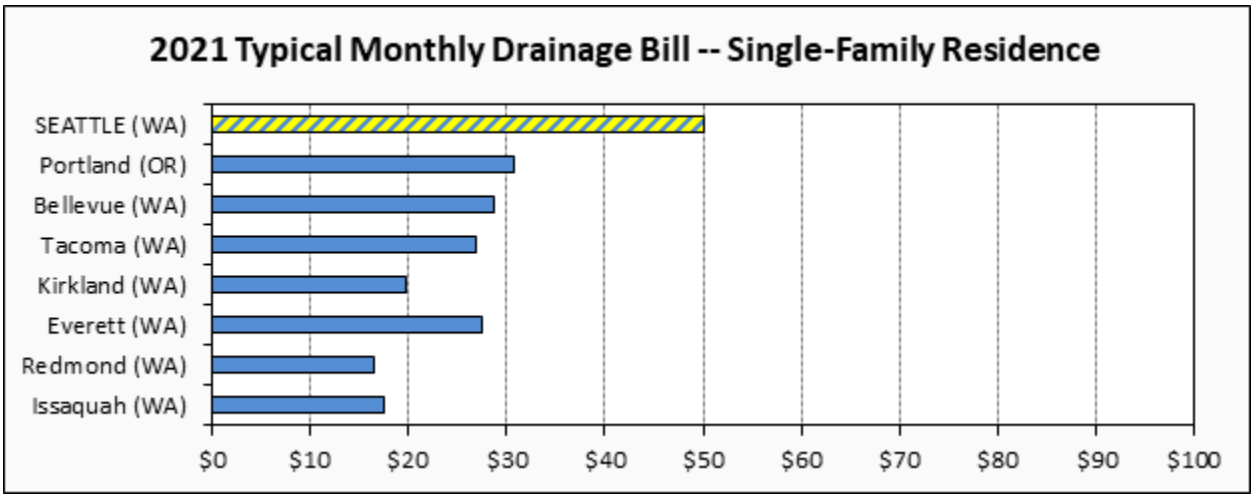
**Cost Assignment Factor**

The DWF total operating budget for each operating activity is divided between the wastewater and drainage lines of business using cost assignment factors These factors represent the typical amount of support provided to each line of business in carrying out a specific type of activity. Therefore, drainage and wastewater each receive their proportional shares of activities.

## APPENDIX C — COMPARATIVE RATES

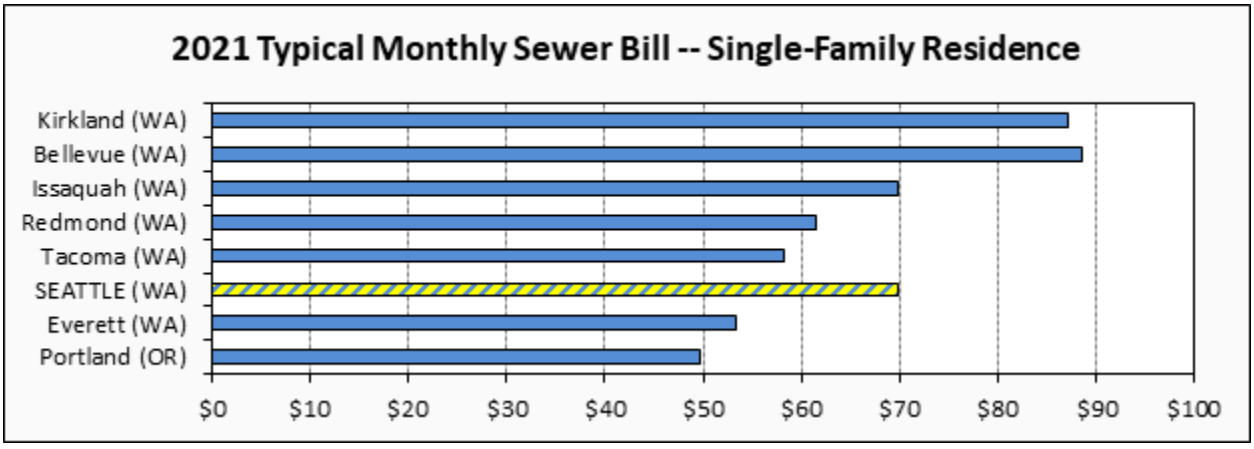
The following tables compare 2021 City of Seattle drainage and wastewater fees to those of other regional utilities.

**Figure C-1: Monthly Drainage Bill Comparison - Typical Single-Family Residence**



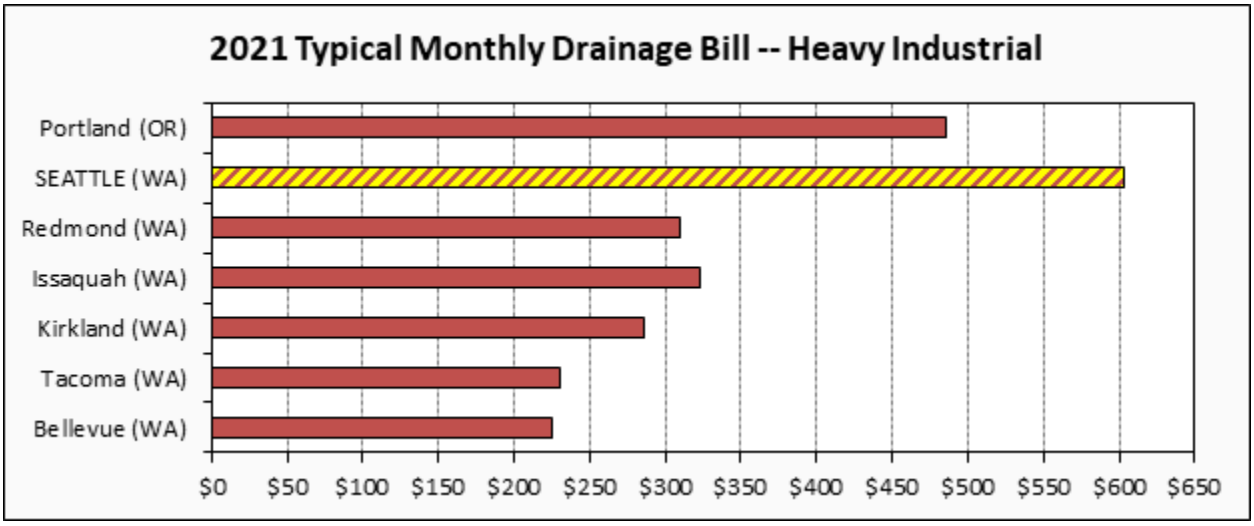

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-2: Monthly Wastewater Bill Comparison - Typical Single-Family Residence**



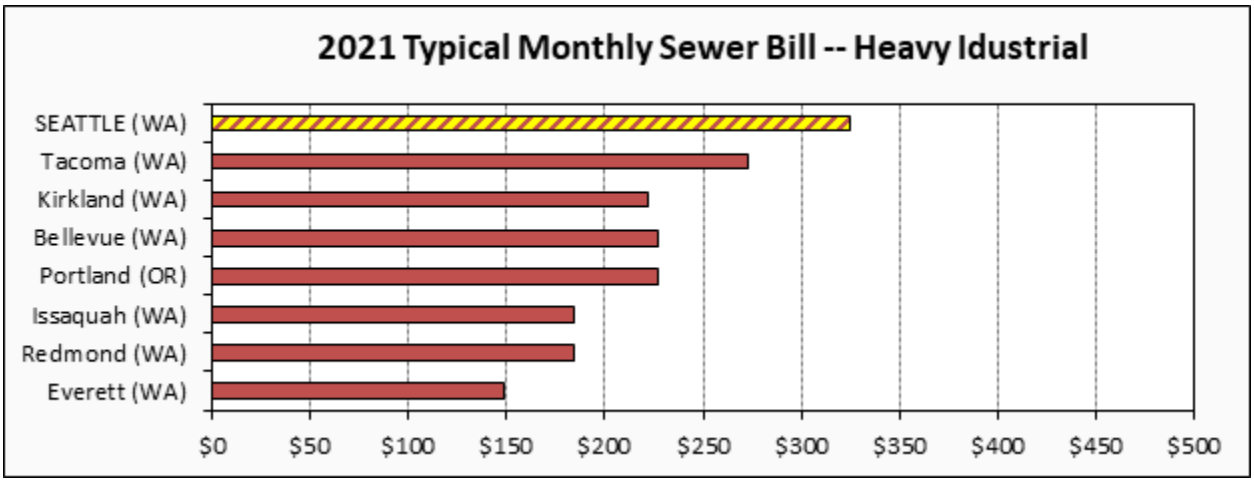

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-3: Monthly Drainage Bill Comparison - Commercial**




Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-4: Monthly Wastewater Bill Comparison - Commercial**




Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

## APPENDIX D— DRAINAGE COST ALLOCATION DETAIL

Run-off is a factor of area and run-off coefficients. Run-off coefficients, or flow factors, represent a mathematical calculation of the portion of rainfall that becomes direct run-off during a storm event. For example, a 0.35 co-efficient means that 35 percent of the rain falling on a particular surface ends up as run-off, while 65 percent is infiltrated.

Flow factors for a particular surface type will vary depending on the underlying storm assumptions. Storms are classified by intensity (how many inches of rain fall in a given time), duration (how long the storm lasts), and recurrence interval. Storms which occur more frequently (e.g., once 2 years) are considered to be less severe than storms with higher recurrence intervals (e.g., a 25-year storm).

The infrastructure and operation and maintenance expenses of the drainage system are oriented to the frequency of storm events, as noted below.

- **25-year events.** The flood management service goal is to prevent flooding of private property in 25-year storm events, defined as the maximum rainfall received in 24 hours for the largest storm expected over a 25-year period. This means that pipes and some other portions of the drainage system designed for peak storm events must be sized to manage these 25-year volumes.
- **2-year events.** The regulatory goal for combined sewer overflows is an average of not more than one overflow per site per year. In practice, this means controlling CSOs in a 2-year event, defined as the rainfall that would be received in a recurrence of the second-largest storm in one year during the period of record. Both the King County treatment system and Seattle's Drainage and Wastewater Utility have incurred substantial CSO control costs and expect to continue to incur them in the future.
- **6-month events.** Water quality infrastructure focuses on high-frequency events, defined as storms that occur on average twice per year. These investments are an increasingly significant portion of infrastructure costs as water quality regulations become more stringent and Seattle moves to reduce impacts on creeks and other receiving waters.
- **Average storm events.** A variety of the remaining SPU drainage assets and activities, ranging from Customer Service to general operations, are not associated with any of the preceding significant storm events, but are designed to serve the overall needs of the drainage system and its customers. These are assigned based on average storm events, defined as the average of all storm events over the course of a year.

Surface Type Cost Share Definition Methodology

The following steps are used to determine the percentage of total flow related expense to be allocated to each surface area type.

**Step 1:** Identify run-off coefficients and area for each surface type city wide.

Run-off coefficients and surface type area are the inputs used to calculate total run-off by surface type for each storm event.

Table D-1 presents the run-off coefficients assumed for the four storm events underlying surface type flow calculation.

**Table D-1: Run-off Coefficients by Surface Type and Storm Event**

| Surface Type | 25-Year Storm | 2-Year Storm | 6-Month Storm | Average Storm |
|---|---|---|---|---|
| Impervious | 0.925 | 0.890 | 0.848 | 0.613 |
| Pervious - Managed Grass | 0.564 | 0.433 | 0.314 | 0.022 |
| Pervious - Woods and Unmanaged Grass | 0.349 | 0.214 | 0.114 | 0.021 |
| Pervious - Good Forest | 0.249 | 0.127 | 0.048 | 0.020 |

Run-off coefficients represent the percentage of rainfall which results in stormwater run-off. A run-off coefficient of 0.56 means that 56 percent of the rainfall landing on a surface ends up as run-off while the remaining 44 percent is infiltrated into the ground or cracks. The table above demonstrates that impervious surface has the most amount of run-off under all storm events, but that run-off increases for ALL surface types with an increase in the intensity of the storm.

Table D-2 provides a summary of area by surface type for the City of Seattle. These area calculations were derived from aerial photos present in the City's GIS system.

**Table D-2: Square Footage by Surface Type (City of Seattle)**

| Surface Type | Sq. Ft | % of Total |
|---|---|---|
| Impervious | 792,533,331 | 49% |
| Pervious - Managed Grass | 655,429,445 | 41% |
| Pervious - Woods and Unmanaged Grass | 105,430,165 | 7% |
| Pervious - Good Forest | 54,602,936 | 3% |
| Total | 1,607,995,877 | 100% |

**Step 2: Calculate run-off for each surface type for each storm event**

In Table D-3, the run-off coefficients found in Table D-1 are multiplied by the applicable surface type square footage to calculate total run-off by surface type and storm event. Table D-3 presents this data in both flow-units and as a percentage of total flow for each storm event.

**Table D-3: Run-off Volumes by Surface Type**

| | 25-Year Storm | | 2-Year Storm | | 6-Month Storm | | Average Storm | |
|---|---|---|---|---|---|---|---|---|
| Surface Type | Flow Units | % of Flow | Flow Units | % | Flow Units | % | Flow Units | % |
| Impervious | 733,093,331 | 64% | 705,354,664 | 69% | 672,068,264 | 75% | 485,822,932 | 96% |
| Pervious - Managed Grass | 369,662,207 | 32% | 283,800,950 | 28% | 205,804,846 | 23% | 14,419,448 | 3% |
| Pervious - Woods & Grass | 36,795,128 | 3% | 22,562,055 | 2% | 12,019,039 | 1% | 2,214,033 | 0% |
| Pervious - Good Forest | 13,596,131 | 1% | 6,934,573 | 1% | 2,620,941 | 0% | 1,092,059 | 0% |
| **Total** | **1,153,146,797** | **100%** | **1,018,652,242** | **100%** | **892,513,090** | **100%** | **503,548,472** | **100%** |

**Step 3: Determine Cost Weights for Each Storm Event**

To develop a single percentage of total cost represented by each storm event, the total flow percentages for each storm event found in Table D-3 are weighted by the percent of total drainage system expense associated with managing each storm event.

The first step in determining cost weights by storm event is to assign pre-tax flow expense to storm event categories. Most capital expense and O&M infrastructure maintenance expense is allocated to the storm event(s) which the associated infrastructure is designed to manage, except for pipe expense which is allocated between storm events using an incremental cost approach. Flow allocated expenses not directly related to a specific type of infrastructure are typically assigned to the Average Storm event.

Table D-4 presents actual pre-tax flow expense by category. The cost weights by storm event found at the bottom of the table represent the percent of total expense associated with each storm event.

**Table D-4: Pre-Tax Flow Expense by Storm Event**

| | 25 Year | 2 Year | 6 Month | Avg Storm | Total |
|---|---|---|---|---|---|
| **Category** | | | | | |
| SPU CSOs Assets | $0 | $0 | $0 | $0 | $0 |
| Pipe Assets | $0 | $0 | $0 | $0 | $0 |
| WQ Assets | $0 | $0 | $0 | $0 | $0 |
| Other Assets | $40,057 | $67,366 | $67,159 | $73,602 | $248,184 |
| **TOTAL CAPITAL** | **$40,057** | **$67,366** | **$67,159** | **$73,602** | **$248,184** |
| O&M-Treatment | $0 | $32,974 | $0 | $0 | $32,974 |
| O&M Other | $15,215 | $11,016 | $14,313 | $148,305 | $188,850 |
| **TOTAL O&M** | **$15,215** | **$43,990** | **$14,313** | **$148,305** | **$221,824** |
| **TOTAL PRE-TAX EXPENSE** | **$55,272** | **$111,356** | **$81,472** | **$221,908** | **$470,008** |
| **Cost Weight by Storm Event** | 11.8% | 23.7% | 17.3% | 47.2% | 100.0% |

**Step 4: Determine Flow-Based Cost Shares by Surface Type**

By applying the applicable storm event cost weight from Table D-4 to the percentage of flow represented by each surface type under each design storm scenario (found in Table D-3), SPU can calculate a cost weighted run-off share for each surface type. These shares are used to allocate the flow-based revenue requirement between different surface types in the development of surface type rates, as further described in the chapter “Drainage Cost Allocation.”

**Table D-5: Flow-Based Cost Share by Surface Type**

| Surface Type | Cost Share |
|---|---|
| Impervious | 82.5% |
| Pervious - Managed Grass | 15.7% |
| Pervious - Woods and Unmanaged Grass | 1.3% |
| Pervious - Good Forest | 0.5% |

SEATTLE CITY COUNCIL
CENTRAL STAFF

August 13, 2021

**M E M O R A N D U M**

| | |
|---|---|
| **To:** | Transportation and Utilities Committee |
| **From:** | Brian Goodnight, Analyst |
| **Subject:** | Council Bill 120128: 2022-2024 Drainage Rates<br>Council Bill 120129: 2022-2024 Wastewater Rates<br>Council Bill 120130: 2022-2023 Water Rates |

On August 18, 2021, the Transportation and Utilities Committee will continue its consideration of three Council Bills (CBs) that would revise Seattle Public Utilities' (SPU's) drainage rates (CB 120128), wastewater rates (CB 120129), and retail water rates (CB 120130). SPU provided a presentation on the proposed bills at the committee's July 21, 2021, meeting. This memorandum provides background information on prior Council actions, describes the proposed rate increases and compares them to the rates adopted in the 2021–2026 Strategic Business Plan, summarizes the impact to customers, and describes potential technical amendments.

**Background**

SPU operates three distinct utilities: Drainage and Wastewater, Solid Waste, and Water. The Council typically considers rate-setting legislation for one of the utilities each year, with rates being set for a three-year period. Due to the COVID-19 pandemic and its economic impacts, however, in 2020 the Executive did not propose an increase to water rates for 2021 according to the regular schedule. Therefore, the 2020 adopted water rates continued unchanged into 2021. In order to get back on the regular schedule, the Executive has now proposed water rate legislation covering a two-year period (2022–2023) in addition to the regularly scheduled update to drainage and wastewater rates covering a three-year period (2022–2024).

The most recent updates to water rates occurred in November 2017 when the Council passed Ordinance 125444, establishing retail water rates for 2018–2020, and Ordinance 125445, establishing wholesale water rates for 2018–2020. Additionally, the Council revised the wholesale water rate surcharge for one specific subregion, via Ordinance 125662, in September 2018.

In October 2018, the Council passed two ordinances establishing drainage and wastewater rates for 2019–2021: Ordinance 125686 for drainage, and Ordinance 125685 for wastewater. In addition, the Council periodically adjusts the drainage and wastewater rates in response to changes in the King County wastewater treatment rate that the City pays to the County. The Council approved this type of rate change most recently in November 2020 via Ordinance 126215 for drainage and Ordinance 126216 for wastewater.

The Council also recently adopted, via Resolution 32000, an updated Strategic Business Plan (SBP) for SPU covering 2021–2026. The updated SBP contains a new mission and vision for SPU, identifies the department's focus areas, describes its long-term goals and short-term strategies, and specifies a three-year rate path (2021 to 2023) and a three-year rate forecast (2024 to 2026) for all three of SPU's distinct utilities.

**Retail Water: Proposed 2022–2023 Rates and SBP Comparison**

SPU manages and operates a water system that supplies drinking water to retail customers inside and outside of the city boundaries and to wholesale customers, which includes nearby cities, water districts, and the Cascade Water Alliance. CB 120130 would establish retail water rates for residential, general service (e.g., multifamily residential and commercial), and public fire customers. The bill would also revise the low-income assistance credits for qualifying water customers and would create new rate schedules for customers in Burien and Mercer Island to account for new utility taxes in those jurisdictions.

The proposed water rate increases for 2022 and 2023 are shown in Table 1, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected between 2024–2026.

*Table 1. Comparison of Proposed Water Rates vs SBP*

| | | **Proposed** | | *Forecast* | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | *2024* | *2025* | *2026* | *6-Year Avg* |
| **Water** | | | | | | | |
| Proposed Rates | 0.0% | **2.6%** | **3.6%** | *4.0%* | *4.7%* | *3.6%* | *3.1%* |
| Adopted SBP | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | 3.4% |

*Note: The proposed legislation would only establish rates for 2022 and 2023. The rates for additional years are included for reference purposes only.*

As shown in Table 1, the proposed water rate increases are lower in 2022 and 2023 than the rate increases endorsed in the SBP. Additionally, SPU's updated forecast predicts that the six-year average rate increase will also be below the average in the SBP. The differences between the adopted SBP and the proposed rate increases are due to the updating of key assumptions in the intervening period.

SPU prepared the SBP and its associated materials during 2020, but the Executive chose to delay the submittal of the plan as a result of the pandemic. Therefore, although the Council adopted the SBP in May 2021, some of the underlying analysis was performed almost a year before the water rate study that is the basis for the current proposal. This detailed rate study (attached as Exhibit A to the Summary and Fiscal Note) revises several assumptions, determines the level of resources required for the department to meet its financial policies, and calculates the revenue requirement for the retail system.

According to the rate study, the two most impactful updates are related to wholesale revenues and the financing plan for capital projects. The SBP included an assumption that wholesale revenues would decrease as wholesale rates were lowered to account for overpayments in previous years. SPU is currently in discussions with wholesale customers over a variety of topics however, including future rates, and the current rate study assumes a higher level of wholesale revenues than the SBP. Increasing wholesale revenues reduces the amount of revenue required from retail customers, thus lowering retail rate increases.

The current rate study also updates the capital financing plan for water projects. Cash balances for the Water Fund are at an all-time high and, given the low-interest rate environment, SPU is planning to use some of that cash balance to defease existing high-interest debt. This action, along with the refunding of other bonds, is expected to generate substantial debt service savings in future years.

The proposed rates are also impacted by revised assumptions regarding customer consumption (small increase in system connections, spreading costs among more customers), participation in the Utility Discount Program (continued growth as the economic impacts of the pandemic continue), and an effort to smooth the rate path by increasing revenue collections in early years to ease the impact of predicted cost increases in later years.

Overall, the proposed water rates would increase SPU revenues by almost $7.0 million in 2022 (relative to 2021) and approximately $9.1 million in 2023 (relative to 2022). Due to the City's imposition of a utility tax on retail water revenue, approximately $1.1 million and $1.4 million of that additional revenue would be paid to the City's General Fund in 2022 and 2023, respectively.

**Drainage and Wastewater: Proposed 2022–2024 Rates and SBP Comparison**

Drainage and wastewater fees work in tandem to provide SPU sufficient revenue to manage the stormwater and wastewater collection and treatment systems. The systems are physically interconnected in parts of the city through combined pipes that handle both stormwater and wastewater. CB 120128 and CB 120129 would establish drainage and wastewater rates for 2022–2024 and would revise the low-income assistance credits for qualifying utility customers.

The proposed drainage and wastewater rate increases for 2022–2024 are shown in Table 2, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected in 2025 and 2026.

*Table 2. Comparison of Proposed Drainage and Wastewater Rates vs SBP*

| | | Proposed | | | Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | **2024** | *2025* | *2026* | *6-Year Avg* |
| **Drainage** | | | | | | | |
| Proposed Rates | 7.4% | **6.0%** | **6.2%** | **6.0%** | *6.2%* | *6.2%* | *6.3%* |
| Adopted SBP | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | 6.7% |
| **Wastewater** | | | | | | | |
| Proposed Rates | 7.3% | **2.0%** | **3.9%** | **2.9%** | *4.5%* | *4.5%* | *4.2%* |
| Adopted SBP | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | 4.7% |

*Note: The proposed legislation would only establish rates for 2022–2024. The rates for additional years are included for reference purposes only. Additionally, the tables in this memorandum include projections for future increases to King County's wastewater treatment rate.*

As shown in Table 2, the proposed increases for both drainage and wastewater are lower than the rate increases endorsed in the SBP for 2022 and 2023 but are higher than the SBP-endorsed rates for 2024. SPU's updated forecast for 2025 and 2026, if accurate, would result in the six-year average rate increases being below the averages in the SBP. Similar to the water rate discussion above, the differences between the SBP and the proposed drainage and wastewater rates are largely due to changing assumptions between the time when the SBP analysis was performed and the current analysis.

According to the rate study, the most impactful change to the rate paths came from recognizing the decrease in wastewater system usage that resulted from the pandemic. Similar to water, wastewater rates are volume based and revenues are negatively impacted by decreased consumption. System expenses, however, are largely fixed and do not experience decreases in tandem with decreasing volumes. The rate study projects that wastewater volumes will rebound over time, although slowly, with the recovery stretching into 2027.

Counteracting that decrease in wastewater volumes and contributing to the reduced rate increases for drainage are savings achieved by taking advantage of the low-interest rate environment and a cash balance in excess of internal financial targets. SPU intends to defease and refund existing high-interest debt and use some of its cash balance to increase the cash financing of capital projects. SPU financial policies require that at least 25 percent of the capital improvement plan over a four-year average be funded with cash. The rate study assumes an average of 45 percent cash funding during the next three years, with an additional 25 percent financed with low-interest loans.

Another factor influencing the difference in proposed rates relative to the SBP is a change in the assumption regarding King County wastewater treatment charges, which is the largest operating expense for wastewater and the Drainage and Wastewater Fund. King County has recently modified its approach to instituting treatment rate increases, switching from a biennial cycle to an annual cycle. The rate study incorporates this adjustment and assumes annual

treatment rate increases of 4 -5 percent, rather than the assumptions in the SBP of 10.3 percent increases in 2023 and 2025 and no increases in 2024 and 2026. Please see the Potential Amendments section below for additional information on the treatment rate increases included in the proposed legislation.

Overall, the proposed drainage rates would increase SPU revenues by approximately $10.1 million in 2022 (relative to 2021), $10.9 million in 2023 (relative to 2022), and $11.4 million in 2024 (relative to 2023). Due to the City's imposition of a utility tax on drainage revenue, an average of approximately $1.2 million of the additional revenue each year would be paid to the City's General Fund.

With respect to wastewater, the proposed rates and changes in demand would increase SPU revenues by approximately $24.4 million in 2022 (relative to 2021), $18.8 million in 2023 (relative to 2022), and $12.9 million in 2024 (relative to 2023). The City's utility tax on wastewater revenues would direct an average of approximately $2.2 million of the additional revenue each year to the General Fund.

**Customer Impact**

Table 3 shows the impact of the proposed drainage, wastewater, and water rate increases on the monthly bills for a typical residential customer and for a typical small store, such as a convenience store. The table shows the expected monthly bills for those typical customers and provides the dollar and percentage increases from the previous year.

Although the annual percentage increases in Table 3 come close to matching the overall proposed rate increases shown in Tables 1 and 2, the annual increases do not match exactly. The rate increases in the previous tables show the average increase for all customer types and tiers, but do not represent the specific increase that every customer will experience.

*Table 3. Monthly Impact of Proposed Rate Increases to Customers*

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Drainage** | | | | |
| **Residential [a]** | **$50.00** | **$52.72** | **$55.97** | **$59.34** |
| *$ Change from Prior Year* | -- | *$2.73* | *$3.24* | *$3.37* |
| *% Change from Prior Year* | -- | *5.5%* | *6.2%* | *6.0%* |
| **Convenience Store [b]** | **$120.43** | **$128.93** | **$136.86** | **$145.10** |
| *$ Change from Prior Year* | -- | *$8.50* | *$7.93* | *$8.24* |
| *% Change from Prior Year* | -- | *7.1%* | *6.2%* | *6.0%* |
| **Wastewater** | | | | |
| **Residential [c]** | **$71.68** | **$73.14** | **$76.02** | **$78.22** |
| *$ Change from Prior Year* | -- | *$1.46* | *$2.88* | *$2.19* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Convenience Store [d]** | **$250.05** | **$255.15** | **$265.20** | **$272.85** |
| *$ Change from Prior Year* | -- | *$5.10* | *$10.05* | *$7.65* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Water** | | | | |
| **Residential [e]** | **$45.69** | **$47.04** | **$48.66** | |
| *$ Change from Prior Year* | -- | *$1.35* | *$1.62* | |
| *% Change from Prior Year* | -- | *3.0%* | *3.4%* | |
| **Convenience Store [f]** | **$107.30** | **$109.70** | **$113.70** | |
| *$ Change from Prior Year* | -- | *$2.40* | *$4.00* | |
| *% Change from Prior Year* | -- | *2.2%* | *3.6%* | |

a – Typical monthly single-family drainage fee based on 1/12 of annual fee for 5,000–7,999 sq. ft. rate tier
b – Based on 1/12 of annual fee for 8,700 sq. ft. in the "Very Heavy" category
c – Based on monthly wastewater consumption of 4.3 CCF ("hundred cubic feet"; 1 CCF = 748 gallons)
d – Based on monthly wastewater consumption of 15 CCF
e – Based on monthly water consumption of 5 CCF
f – Based on monthly water consumption of 15 CCF

**Potential Amendments**

CB 120128 (Drainage Rates) and CB 120129 (Wastewater Rates), require amendments to correct errors in the transmitted versions of the bills. Both bills contained similar errors and staff have prepared substitute versions of the bills, attached to this memorandum, for the committee's consideration on August 18.

The substitute bills would replace incorrect drainage and wastewater rates for 2023 and 2024 with corrected values. In the Drainage and Wastewater Rate Study accompanying the bills, SPU makes assumptions regarding future increases to King County's wastewater treatment rate. At this time, King County has only approved a wastewater treatment rate increase for 2022. Therefore, the bills should only include a treatment rate increase for 2022, but not for 2023 and

2024. The bills transmitted by the Executive, however, inadvertently included the treatment rate increase assumptions for 2023 and 2024. The substitute bills would correct those errors.

When King County does adopt treatment rate increases for future years, SPU will need to transmit new legislation amending the City's drainage and wastewater rates at that time.

The substitute bills would also correct an omission in section numbering, as the transmitted bills omit a Section 2.

**Attachments:**

1. CB 120128 Proposed Substitute
2. CB 120129 Proposed Substitute

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

Vas Duggirala/Brian Goodnight
SPU 2022-2024 Drainage Rates ORD
D2a~~1a~~

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

**21.33.030 Drainage service charges and drainage rates—Schedule—Exemptions**

* * *

D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((~~117.4 percent~~)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.

3. ((~~The rate categories and the corresponding annual drainage rates~~)) Annual drainage treatment rates and dates effective are as follows:

((~~Effective January 1, 2020~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$12.88~~ | ~~$170.59~~ | ~~$183.47~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$22.29~~ | ~~$276.46~~ | ~~$298.75~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.74~~ | ~~$383.52~~ | ~~$414.26~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.85~~ | ~~$516.42~~ | ~~$558.27~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$53.16~~ | ~~$651.93~~ | ~~$705.09~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.50~~ | ~~$42.55~~ | ~~$46.05~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.06~~ | ~~$25.34~~ | ~~$27.40~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.25~~ | ~~$63.50~~ | ~~$68.75~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.10~~ | ~~$49.75~~ | ~~$53.85~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.49~~ | ~~$90.37~~ | ~~$97.86~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$6.06~~ | ~~$73.15~~ | ~~$79.21~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.93~~ | ~~$119.57~~ | ~~$129.50~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.87~~ | ~~$142.73~~ | ~~$154.60~~ | ~~per 1,000 sq. ft.~~ |

~~Effective January 1, 2021~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$10.97~~ | ~~$184.60~~ | ~~$195.57~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$21.36~~ | ~~$299.22~~ | ~~$320.58~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.16~~ | ~~$415.09~~ | ~~$445.25~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.00~~ | ~~$558.94~~ | ~~$599.94~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$52.09~~ | ~~$705.60~~ | ~~$757.69~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.44~~ | ~~$46.05~~ | ~~$49.49~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.02~~ | ~~$27.43~~ | ~~$29.45~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.19~~ | ~~$68.73~~ | ~~$73.92~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.02~~ | ~~$53.85~~ | ~~$57.87~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.34~~ | ~~$97.81~~ | ~~$105.15~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$5.82~~ | ~~$79.18~~ | ~~$85.00~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.75~~ | ~~$129.42~~ | ~~$139.17~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.62~~ | ~~$154.49~~ | ~~$165.81~~ | ~~per 1,000 sq. ft.~~)) |

For small residential parcels, per parcel:

| Small Residential Parcels | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $10.97 | $12.83 | ~~$13.92~~<br>$12.83 | ~~$14.73~~<br>$12.83 |
| 2,000–2,999 sq. ft. | $21.36 | $22.45 | ~~$24.36~~<br>$22.45 | ~~$25.77~~<br>$22.45 |
| 3,000–4,999 sq. ft | $30.16 | $31.47 | ~~$34.15~~<br>$31.47 | ~~$36.12~~<br>$31.47 |
| 5,000–7,999 sq. ft | $41.00 | $43.00 | ~~$46.66~~<br>$43.00 | ~~$49.36~~<br>$43.00 |
| 8,000–9,999 sq. ft. | $52.09 | $54.43 | ~~$59.07~~<br>$54.43 | ~~$62.48~~<br>$54.43 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $3.44 | $3.65 | ~~$3.96~~ $3.65 | ~~$4.19~~ $3.65 |
| Undeveloped (Low Impact) | $2.02 | $2.09 | ~~$2.27~~ $2.09 | ~~$2.40~~ $2.09 |
| Light (16% to 35% impervious) | $5.19 | $5.44 | ~~$5.91~~ $5.44 | ~~$6.25~~ $5.44 |
| Light (Low Impact) | $4.02 | $4.22 | ~~$4.58~~ $4.22 | ~~$4.84~~ $4.22 |
| Moderate (36% to 65% impervious) | $7.34 | $7.74 | ~~$8.40~~ $7.74 | ~~$8.89~~ $7.74 |
| Moderate (Low Impact) | $5.82 | $6.24 | ~~$6.78~~ $6.24 | ~~$7.17~~ $6.24 |
| Heavy (66% to 85% impervious) | $9.75 | $10.25 | ~~$11.12~~ $10.25 | ~~$11.76~~ $10.25 |
| Very Heavy (86% to 100% impervious) | $11.62 | $12.23 | ~~$13.28~~ $12.23 | ~~$14.04~~ $12.23 |

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $184.60 | $191.38 | $202.85 | $215.11 |
| 2,000–2,999 sq. ft. | $299.22 | $314.68 | $333.50 | $353.65 |
| 3,000–4,999 sq. ft | $415.09 | $434.44 | $460.41 | $488.24 |
| 5,000–7,999 sq. ft | $558.94 | $589.67 | $624.92 | $662.69 |
| 8,000–9,999 sq. ft. | $705.60 | $743.56 | $788.00 | $835.63 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $46.05 | $50.03 | $53.03 | $56.23 |
| Undeveloped (Low Impact) | $27.43 | $29.02 | $30.75 | $32.61 |
| Light (16% to 35% impervious) | $68.73 | $74.22 | $78.65 | $83.40 |
| Light (Low Impact) | $53.85 | $57.70 | $61.15 | $64.85 |
| Moderate (36% to 65% impervious) | $97.81 | $105.13 | $111.41 | $118.14 |
| Moderate (Low Impact) | $79.18 | $84.96 | $90.03 | $95.47 |

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Heavy (66% to 85% impervious) | $129.42 | $138.87 | $147.17 | $156.07 |
| Very Heavy (86% to 100% impervious) | $154.49 | $165.60 | $175.49 | $186.10 |

((~~4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.~~))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((~~5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.~~))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The

rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers ((~~residing inside The City of Seattle~~)) shall receive the following rate credits for drainage services based on dwelling type:

| ((~~Effective Date~~ | ~~Single-Family~~ | ~~Duplex~~ | ~~Multifamily~~ |
|---|---|---|---|
| ~~January 1, 2020~~ | ~~$23.24 per month~~ | ~~$11.62 per month~~ | ~~$2.49 per month~~ |
| ~~January 1, 2021~~ | ~~$25.00 per month~~ | ~~$12.50 per month~~ | ~~$2.68 per month~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Single-Family | $25.00 | $26.36 | ~~$27.98~~ $27.83 | ~~$29.67~~ $29.40 |
| Duplex | $12.50 | $13.18 | ~~$13.99~~ $13.92 | ~~$14.83~~ $14.70 |
| Multifamily | $2.68 | $2.82 | ~~$2.99~~ $2.98 | ~~$3.17~~ $3.15 |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 34. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Vas Duggirala/Brian Goodnight
SPU 2022-2024 Wastewater Rates ORD
D2a~~1a~~

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title
AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body
WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.28.040 Wastewater volume charge**

* * *

B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((~~118.7 percent in 2020 and 116.4 percent in 2021~~)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

| | ~~((Effective Jan. 1, 2020~~ | ~~Effective Jan. 1, 2021~~ |
|---|---|---|
| ~~Treatment Rate~~ | ~~$8.84~~ | ~~$9.25~~ |
| ~~System Rate~~ | ~~$6.71~~ | ~~$7.42~~ |
| ~~Wastewater Volume Rate~~ | ~~$15.55~~ | ~~$16.67~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Treatment Rate | $9.25 | $9.34 | ~~$10.01~~ $9.34 | ~~$10.52~~ $9.34 |
| System Rate | $7.42 | $7.67 | $7.67 | $7.67 |
| Wastewater Volume Rate | $16.67 | $17.01 | ~~$17.68~~ $17.01 | ~~$18.19~~ $17.01 |

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. ((~~Certified low-income residential utility customers ("Certified customers")~~)) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater

volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| ~~((Effective date~~ | ~~Single-family and duplex dwellings~~ | ~~Multifamily dwellings~~ |
|---|---|---|
| ~~January 1, 2020~~ | ~~$33.43 per month~~ | ~~$23.32 per month~~ |
| ~~January 1, 2021~~ | ~~$35.85 per month~~ | ~~$25.01 per month~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Single-Family | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| Duplex | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| ~~Multi-Family~~ Multifamily | $25.01 | $25.52 | ~~$26.52~~ $25.52 | ~~$27.29~~ $25.52 |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| **Effective Date** | **Single-Family** | **Duplex** | **Multifamily** |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base

service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 34. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# Water Rate Study 2022-2023
# Drainage and Wastewater Rate Study 2022-2024

Updating Water, Drainage, and Wastewater Rates

July 21, 2021

Seattle Public Utilities

City of Seattle

# Agenda

- Strategic Business Plan (SBP) Update
- Water
  - Updates to Strategic Business Plan
  - Rate Proposal Changes
- Wastewater & Drainage
  - Updates to Strategic Business Plan
  - Rate Proposal Changes

# Endorsed Rate Path - Strategic Business Plan

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Wastewater | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Drainage | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.9%** | **5.0%** | **2.2%** | **5.4%** | **4.2%** | **4.2%** |

Approved rate legislation currently in effect

# Strategic Business Plan - Proposed Rates

## Six-year average rate path lowered from 4.2% to 3.9%.

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation

# Single Family Residential Bill Comparison

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Strategic Business Plan | $222.62 | $232.03 | $243.79 | $249.50 | $262.96 | $274.51 |
| Proposed Rate Update | $222.62 | $229.47 | $238.49 | $247.34 | $258.16 | $268.92 |
| **Savings** | **$0** | **-$2.56** | **-$5.30** | **-$2.16** | **-$4.80** | **-$5.59** |

# Water Rate Proposal

# Proposed Water Rates

| | Proposed Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| SBP Rate Path | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Rate Proposal | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |

# Water Rates – Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

# Drainage & Wastewater Rate Proposal

# Proposed Drainage & Wastewater Rates

| | | Proposed Rate Path | | | Rate Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Wastewater SBP Rate Path | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Wastewater Rate Proposal | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| | | | | | | | |
| Drainage SBP Rate Path | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Drainage Rate Proposal | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |

# Drainage & Wastewater Rates - Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

## King County Wastewater Treatment Rate

- Updated for adopted and projected rate schedule

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **SBP** | 4.5% | 0% | 10.25% | 0% | 10.25% |
| **Proposed** | 4.0% | 4.0% | 4.0% | 5.0% | 5.0% |

# Regulatory Drivers – Ship Canal Project

- As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

| | Proposed Rate Path | | |
|---|---|---|---|
| **Wastewater** | 2022 | 2023 | 2024 |
| Consent Decree-Related | 0.5% | 0.5% | 0.5% |
| Remaining | 1.5% | 3.4% | 2.4% |
| Rate Proposal | 2.0% | 3.9% | 2.9% |
| **Drainage** | | | |
| Consent Decree-Related | 2.0% | 2.0% | 2.0% |
| Remaining | 4.0% | 4.2% | 4.0% |
| Rate Proposal | 6.0% | 6.2% | 6.0% |

# Strategic Business Plan – Proposed Rates

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation

Vas Duggirala/Brian Goodnight
SPU 2022-2024 Drainage Rates ORD
D2a~~1a~~

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title
AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.
..body
WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

**21.33.030 Drainage service charges and drainage rates—Schedule—Exemptions**

* * *

D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((~~117.4 percent~~)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.

3. ((~~The rate categories and the corresponding annual drainage rates~~)) Annual drainage treatment rates and dates effective are as follows:

((~~Effective January 1, 2020~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$12.88~~ | ~~$170.59~~ | ~~$183.47~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$22.29~~ | ~~$276.46~~ | ~~$298.75~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.74~~ | ~~$383.52~~ | ~~$414.26~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.85~~ | ~~$516.42~~ | ~~$558.27~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$53.16~~ | ~~$651.93~~ | ~~$705.09~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.50~~ | ~~$42.55~~ | ~~$46.05~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.06~~ | ~~$25.34~~ | ~~$27.40~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.25~~ | ~~$63.50~~ | ~~$68.75~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.10~~ | ~~$49.75~~ | ~~$53.85~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.49~~ | ~~$90.37~~ | ~~$97.86~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$6.06~~ | ~~$73.15~~ | ~~$79.21~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.93~~ | ~~$119.57~~ | ~~$129.50~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.87~~ | ~~$142.73~~ | ~~$154.60~~ | ~~per 1,000 sq. ft.~~ |

~~Effective January 1, 2021~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$10.97~~ | ~~$184.60~~ | ~~$195.57~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$21.36~~ | ~~$299.22~~ | ~~$320.58~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.16~~ | ~~$415.09~~ | ~~$445.25~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.00~~ | ~~$558.94~~ | ~~$599.94~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$52.09~~ | ~~$705.60~~ | ~~$757.69~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.44~~ | ~~$46.05~~ | ~~$49.49~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.02~~ | ~~$27.43~~ | ~~$29.45~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.19~~ | ~~$68.73~~ | ~~$73.92~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.02~~ | ~~$53.85~~ | ~~$57.87~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.34~~ | ~~$97.81~~ | ~~$105.15~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$5.82~~ | ~~$79.18~~ | ~~$85.00~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.75~~ | ~~$129.42~~ | ~~$139.17~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.62~~ | ~~$154.49~~ | ~~$165.81~~ | ~~per 1,000 sq. ft.~~)) |

For small residential parcels, per parcel:

| Small Residential Parcels | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $10.97 | $12.83 | ~~$13.92~~<br>$12.83 | ~~$14.73~~<br>$12.83 |
| 2,000–2,999 sq. ft. | $21.36 | $22.45 | ~~$24.36~~<br>$22.45 | ~~$25.77~~<br>$22.45 |
| 3,000–4,999 sq. ft | $30.16 | $31.47 | ~~$34.15~~<br>$31.47 | ~~$36.12~~<br>$31.47 |
| 5,000–7,999 sq. ft | $41.00 | $43.00 | ~~$46.66~~<br>$43.00 | ~~$49.36~~<br>$43.00 |
| 8,000–9,999 sq. ft. | $52.09 | $54.43 | ~~$59.07~~<br>$54.43 | ~~$62.48~~<br>$54.43 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $3.44 | $3.65 | ~~$3.96~~ $3.65 | ~~$4.19~~ $3.65 |
| Undeveloped (Low Impact) | $2.02 | $2.09 | ~~$2.27~~ $2.09 | ~~$2.40~~ $2.09 |
| Light (16% to 35% impervious) | $5.19 | $5.44 | ~~$5.91~~ $5.44 | ~~$6.25~~ $5.44 |
| Light (Low Impact) | $4.02 | $4.22 | ~~$4.58~~ $4.22 | ~~$4.84~~ $4.22 |
| Moderate (36% to 65% impervious) | $7.34 | $7.74 | ~~$8.40~~ $7.74 | ~~$8.89~~ $7.74 |
| Moderate (Low Impact) | $5.82 | $6.24 | ~~$6.78~~ $6.24 | ~~$7.17~~ $6.24 |
| Heavy (66% to 85% impervious) | $9.75 | $10.25 | ~~$11.12~~ $10.25 | ~~$11.76~~ $10.25 |
| Very Heavy (86% to 100% impervious) | $11.62 | $12.23 | ~~$13.28~~ $12.23 | ~~$14.04~~ $12.23 |

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $184.60 | $191.38 | $202.85 | $215.11 |
| 2,000–2,999 sq. ft. | $299.22 | $314.68 | $333.50 | $353.65 |
| 3,000–4,999 sq. ft | $415.09 | $434.44 | $460.41 | $488.24 |
| 5,000–7,999 sq. ft | $558.94 | $589.67 | $624.92 | $662.69 |
| 8,000–9,999 sq. ft. | $705.60 | $743.56 | $788.00 | $835.63 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $46.05 | $50.03 | $53.03 | $56.23 |
| Undeveloped (Low Impact) | $27.43 | $29.02 | $30.75 | $32.61 |
| Light (16% to 35% impervious) | $68.73 | $74.22 | $78.65 | $83.40 |
| Light (Low Impact) | $53.85 | $57.70 | $61.15 | $64.85 |
| Moderate (36% to 65% impervious) | $97.81 | $105.13 | $111.41 | $118.14 |
| Moderate (Low Impact) | $79.18 | $84.96 | $90.03 | $95.47 |

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Heavy (66% to 85% impervious) | $129.42 | $138.87 | $147.17 | $156.07 |
| Very Heavy (86% to 100% impervious) | $154.49 | $165.60 | $175.49 | $186.10 |

((~~4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.~~))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((~~5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.~~))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The

rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers ((~~residing inside The City of Seattle~~)) shall receive the following rate credits for drainage services based on dwelling type:

| ((~~Effective Date~~ | ~~Single-Family~~ | ~~Duplex~~ | ~~Multifamily~~ |
|---|---|---|---|
| ~~January 1, 2020~~ | ~~$23.24 per month~~ | ~~$11.62 per month~~ | ~~$2.49 per month~~ |
| ~~January 1, 2021~~ | ~~$25.00 per month~~ | ~~$12.50 per month~~ | ~~$2.68 per month~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Single-Family | $25.00 | $26.36 | ~~$27.98~~ $27.83 | ~~$29.67~~ $29.40 |
| Duplex | $12.50 | $13.18 | ~~$13.99~~ $13.92 | ~~$14.83~~ $14.70 |
| Multifamily | $2.68 | $2.82 | ~~$2.99~~ $2.98 | ~~$3.17~~ $3.15 |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 3~~4~~. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

**File #:** CB 120129, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated

to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.28.040 Wastewater volume charge**

* * *

B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((~~118.7 percent in 2020 and 116.4 percent in 2021~~)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

| | **((~~Effective Jan. 1, 2020~~** | **~~Effective Jan. 1, 2021~~** |
|---|---|---|
| ~~Treatment Rate~~ | ~~$8.84~~ | ~~$9.25~~ |
| ~~System Rate~~ | ~~$6.71~~ | ~~$7.42~~ |
| ~~Wastewater Volume Rate~~ | ~~$15.55~~ | ~~$16.67~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Treatment Rate | $9.25 | $9.34 | $10.01 | $10.52 |
| System Rate | $7.42 | $7.67 | $7.67 | $7.67 |
| Wastewater Volume Rate | $16.67 | $17.01 | $17.68 | $18.19 |

* * *

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. ((~~Certified low-income residential utility customers ("Certified customers")~~)) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| ((~~Effective date~~ | ~~Single-family and duplex dwellings~~ | ~~Multifamily dwellings~~ |
|---|---|---|
| ~~January 1, 2020~~ | ~~$33.43 per month~~ | ~~$23.32 per month~~ |
| ~~January 1, 2021~~ | ~~$35.85 per month~~ | ~~$25.01 per month~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Single-Family | $35.85 | $36.57 | $38.01 | $39.11 |
| Duplex | $35.85 | $36.57 | $38.01 | $39.11 |
| Multi-Family | $25.01 | $25.52 | $26.52 | $27.29 |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| Effective Date | Single-Family | Duplex | Multifamily |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent

shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 4. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 5. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Seattle Public Utilities | Vas Duggirala/3-7153 | Akshay Iyengar/4-0716 |

** 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 wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

**Summary and background of the Legislation:**
This ordinance would revise wastewater rates and wastewater Utility Discount Program credits. It would revise rates to meet increasing financial policy target requirements set by City Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1. The revision is driven by capital financing needs and King County treatment rate increases. O&M is a negligible contributor. Capital financing is guided by SPU's Strategic Business Plan (SBP), adopted by Resolution 32000. The SBP included a projected rate path, this ordinance implements an updated rate path:

**Wastewater Rate Increases**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | AVG |
|---|---|---|---|---|---|---|---|
| SBP RATE PATH | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | 4.7% |
| **RATE STUDY PROPOSAL** | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | 4.2% |

The proposed rate path is slightly lower than the SBP due to several factors most notably the low interest rate environment.

## 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

| Appropriation change ($): | General Fund $ | | Other $ | |
|---|---|---|---|---|
| | 2021 | 2022 | 2021 | 2022 |
| | $0 | $0 | $0 | $0 |

| Estimated revenue change ($): | Revenue to General Fund | | Revenue to Other Funds | |
|---|---|---|---|---|
| | 2021 | 2022 | 2021 | 2022 |
| | $0 | $0 | $0 | $24,400,377 |
| **Positions affected:** | No. of Positions | | Total FTE Change | |
| | 2021 | 2022 | 2021 | 2022 |
| | 0 | 0 | 0 | 0 |

**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?**
Rate increases are also proposed for 2023 and 2024. Revenue in 2023 and 2024 estimated to be, respectively, $18,843,681 and $12,863,401 higher than the prior year.

Revenues also fluctuate due to demand. This is particularly important in 2022 where demand, pushed upwards by the recovery from COVID-19, is projected to increase revenue $17,474,027 over 2021. The remainder of the 2022 revenue increase is due to the rate increase.

**Is there financial cost or other impacts of *not* implementing the legislation?**
Not implementing this legislation potentially places SPU at increased risk for not meeting certain goals under its current SBP. Not implementing this legislation would likely necessitate much larger future rate increases to meet capital financing needs.

## 3.b. Revenues/Reimbursements

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

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

| Fund Name and Number | Dept | Revenue Source | 2021 Revenue | 2022 Estimated Revenue |
|---|---|---|---|---|
| 44010 – Drainage and Wastewater Fund | SPU | Wastewater rates | $0 | $24,400,377 |
| **TOTAL** | | | | |

**Is this change one-time or ongoing?**
Ongoing. This legislation proposes drainage rates effective January 1 of 2022, 2023, and 2024 without an end date. Rate increases beyond 2024 will likely be proposed in mid-2024.

**Revenue/Reimbursement Notes:**
The City of Seattle assesses a 12% tax on wastewater revenues. Tax payments are estimated to increase $3,506,910 in 2022, $2,118,318 in 2023, $1,527,181 in 2024.

## 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**
Several City departments incur wastewater fees including the Department of Parks & Recreation, Seattle Public Utilities, Office of the Waterfront and Civic Projects, Department of Finance and Administrative Services, Seattle Fire Department, Seattle City Light, Seattle Public Libraries, Seattle Police Department, and the Seattle Department of Transportation. Wastewater fees incurred by City departments are estimated to increase $50,000 in 2022, $100,000 in 2023, and $50,000 in 2024.

**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?**
This legislation will increase the sewer costs for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the 2021-2026 Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU conducted extensive outreach for the 2021-2026 Strategic Business Plan, which guides the rate path and included similar rate increases. SBP outreach included a significant ethnic media component with in-language advertising targeting Spanish, Chinese, Korean, and Somali speakers.

**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:**
Summary Exhibit A – 2022-2024 Drainage and Wastewater Rate Study

# Seattle Public Utilities

# 2022-2024

# Drainage and Wastewater

# Rate Study

## Table of Contents

## PREFACE - STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the drainage and wastewater rate proposal.

The most impactful change to the rate path is including the impacts of the COVID-19 pandemic. Wastewater rates are volume based, and fell 7 percent from 2019 to 2020, but the costs to operate the system are largely fixed. This is particularly true for the capital expenditures directed at consent-decree requirements that drive revenue requirements. Fortunately, the missing revenue was offset by the low interest rate environment, a side effect of the pandemic, eliminating the need to have collected it, and resulting in rate paths slightly lower and smoother than those included in the SBP.

The SBP update was submitted in 2020 but was not adopted until May 2021 with Council Resolution 32000 due to the COVID-19 pandemic.

**Table P-1** compares the projected rate path from the SBP to the rates proposed in this rate study.

**Table P-1: Rate Path Comparison**

| **Wastewater Rate Path** | **2022** | **2023** | **2024** |
|---|---|---|---|
| Strategic Business Plan Update | 3.1% | 5.9% | 0.5% |
| Rate Study | 2.0% | 3.9% | 2.9% |

| **Drainage Revenue Requirement** | **2022** | **2023** | **2024** |
|---|---|---|---|
| Strategic Business Plan Update | 8.6% | 7.2% | 3.9% |
| Rate Study | 6.0% | 6.2% | 6.0% |

# 1. EXECUTIVE SUMMARY

The Drainage and Wastewater Utility provides wastewater and stormwater management services to Seattle residences and businesses. The fund is supported by utility fee revenue, enumerated for wastewater on SPU combined utility bills based on metered water usage, and for drainage on King County property tax bills, reflecting an estimate of each parcel's contribution to stormwater run-off.

Wastewater and drainage rates consist of a system component, set to recover SPU operations and maintenance and capital expenses, and a treatment component, set to recover payments assessed by SPU's two contracted treatment providers, King County Wastewater Treatment Division and Southwest Suburban Sewer District, for flows sent to their facilities.

Drainage and wastewater rates were last increased on January 1, 2021, using the passthrough mechanism established by Seattle Municipal Code 21.28.040. This mechanism is used periodically in years between rate studies to adjust SPU treatment rates for off-cycle adoption of rates for treatment at King County facilities. Wastewater rates were increased by 7.3 percent and drainage rates by 7.4 percent. These rate increases were slightly lower than those in the 2019-2021 Rate Study (7.3 percent and 8.0 percent, respectively) due to a lower-than-expected increase to the County's treatment rate, and a reduction in volumes projected to be sent for treatment due to COVID-19. This rate study incorporates projected future treatment increases of 4.0 percent annually. These increases have not been approved by the King County Council and while this document presents rates including assumed future increases, the ordinance supported by this document only includes treatment rate increases based on treatment rates formally adopted by the King County Council. If King County Council adopts any rate increases before the next rate study, SPU will submit separate legislation utilizing the pass-through mechanism. The table below summarizes proposed revenue requirements and rates.

**Table 1-1: Proposed DWF Retail Rate Revenue Requirement and Monthly Bill Impacts**

| | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Revenue Requirement *($ millions)*** | | | | | | | |
| Wastewater | $311.4 | $334.0 | +$22.6 | $351.2 | +$17.2 | $363.4 | +$12.2 |
| Drainage | $164.7 | $174.5 | +$9.8 | $185.0 | +$10.6 | $196.1 | +$11.1 |
| **Total DWF** | **$476.1** | **$508.5** | **+$32.4** | **$536.3** | **+$27.7** | **$559.5** | **+$23.3** |
| | | | | | | | |
| **Wastewater** | | | | | | | |
| Wastewater Rate per CCF | $16.67 | $17.01 | +$0.34 | $17.68 | +$0.67 | $18.19 | +$0.51 |
| Residential (4.3 CCF) | $71.68 | $73.14 | +$1.46 | $76.02 | +$2.88 | $78.22 | +$2.19 |
| | | | | | | | |
| **Drainage** | | | | | | | |
| Townhome (<2,000 sqft) | $16.30 | $17.28 | +$0.98 | $18.34 | +$1.06 | $19.45 | +$1.11 |
| Single-Family Residential (0.15 acres) | $50.00 | $53.01 | +$3.02 | $56.27 | +$3.26 | $59.66 | +$3.39 |
| Salmon Bay Park (2.8 acres) | $6,101 | $6,469 | +$368 | $6,867 | +$398 | $7,281 | +$414 |
| Supermarket, 120 parking spots (2.5 acres) | $17,900 | $18,980 | +$1,081 | $20,148 | +$1,167 | $21,362 | +$1,214 |
| Chief Sealth High School (32 acres) | $100,419 | $106,482 | +$6,063 | $113,030 | +$6,549 | $119,841 | +$6,811 |

## 2. FINANCIAL POLICY OVERVIEW

SPU is directed through a set of Seattle City Council-adopted[1] financial policies to adopt rates sufficient to satisfy a comprehensive, inter-connected framework of rules for sound financial management in rate setting. These financial policies:

- Shape the financial profile of the Fund to lenders and the financial community.
- Manage exposure to financial risk.
- Provide intergenerational equity.

Each financial policy sets a financial metric target which results, on a planning basis, in a minimum revenue requirement, the highest of which sets a binding constraint on rate setting. SPU may adhere to a more stringent internal planning target when tracking market conditions and peer utility performance expose any financial risk or weakness. The policies are:

1. **Minimum year-end operating cash balance of one month of treatment contract expenses**
   One-month of treatment expense over the rate period is projected to range from $14 to $16 million, providing two weeks of operating liquidity at year-end. A financial risk assessment exercise conducted in 2019 deemed two weeks insufficient and a higher internal operating target of 80 to 100 days of operating expense was recommended. The Fund ended 2020 with $218.7 million (131 days) which SPU intends to draw down to $106.8 million (90 days) and divert those funds to the capital program.

**Table 2-1: Operating Cash Balance Financial Policy**

| Cash Balance Target | 2022 | 2023 | 2024 |
|---|---|---|---|
| Binding - One month treatment expense | $14.3 | $15.5 | $16.4 |
| Planning - 80 days operating expense | $85.1 | $90.2 | $94.8 |
| **Projected Balance** | **$90.4** | **$96.0** | **$106.8** |

*($ millions)*

2. **Cash finance at least 25% of the capital improvement plan over a four-year average**
   A minimum 'down-payment' on capital expenditures with operating cash prevents a rapid increase in debt service and debt burden. SPU intends to divert the existing surplus of operating cash to the capital program, funding 43 percent of the capital program with cash in 2022, 36 percent in 2023, and 60 percent in 2024.

3. **A debt service coverage ratio of at least 1.5**
   The debt service coverage ratio is the ratio between the operating margin on a cash basis, with taxes paid to the City of Seattle removed, and the debt service obligation. Per the ordinances which authorize the Fund to issue revenue bonds and the covenants between the Fund and

[1] Council Resolution 30612, 2003; SLI 13-1-A-1 2012

bond holders, City taxes are subordinate priority to the debt service obligation. Following a review of peer utilities' financial performance and credit rating practices that indicated the guarantee of priority to bond holders would be insufficient, SPU implemented a target of 1.8 using the existing metric and 2.0 using a more stringent metric that does not provide credit for City taxes. The ratio under both metrics is projected to be high, partially due to a large portion of financing for the capital program consisting of low-interest loans with initial payments beyond 2024.

4. **Net income should be generally positive**
   Net income is projected to be positive in each year.

5. **Debt-to-asset ratio should not exceed 70 percent.**

   The ratio of debt to assets is a metric of debt burden and an indicator of inflexibility to handle financial stress. The ratio is projected to hover around 60 percent.

6. **No more than 15 percent of total debt should be variable rate**
   A cap on variable rate debt limits the Fund's exposure to interest rate volatility. The Fund does not have and does not plan to issue any variable rate debt.

**Table 2-2: Projected Drainage & Wastewater Fund Financial Policy Results**

| Policy (Target) | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| 1. Operating Cash Balance (80 days Op Expense) | $90.4 | $96.0 | $106.8 | $118.6 | $131.4 |
| 2. Cash Financing of CIP (25% over 4 years) | 43% | 36% | 60% | 42% | 33% |
| 3. Debt Service Coverage (>2.0) | 3.1 | 2.9 | 2.7 | 2.8 | 2.7 |
| *Without Credit for Taxes Paid (>1.5)* | 2.1 | 2.0 | 1.8 | 1.9 | 1.8 |
| 4. Net Income (generally positive) | $76.5 | $44.2 | $41.1 | $58.8 | $72.8 |
| 5. Debt-to-Asset Ratio (<70%) | 58% | 60% | 58% | 59% | 60% |
| 6. Variable Rate Debt (<15%) | 0% | 0% | 0% | 0% | 0% |

# 3. REVENUE REQUIREMENT

The binding constraint on creating a financial plan and setting rates is satisfying the revenue requirement that the most stringent financial policy requires. The binding constraint is determined by optimizing the capital financing portfolio and the utilization of operating cash to achieve a rate path equitable to all rate payers, current and future. For the rate period, optimization was dictated by the financing needs of the large upcoming capital program. An expansion of capital investment requires the Fund to take on more debt, though because the expansion is temporary, in this case to complete the bulk of the Ship Canal Water Quality Project, SPU intends to utilize the prudent option of a one-time drawdown of operating cash to pay for a one-time expenditure. The drawdown will reduce operating cash to the extent that maintaining the financial policy minimum will be the binding constraint through 2024.

The table below summarizes the revenue requirement for wastewater rates and drainage rates over the rate period. Each category, in millions of dollars, is followed by that component's contribution to the change in the retail rate. For example, O&M is projected to increase from $64.0 million in 2021 to $71.3 million in 2022. A 2.3 percent rate increase is necessary to collect enough revenue to cover this increase. The net sum of each category's impact is the rate increase. Details about each component are in the following sections.

**Table 3-1: Components of the Revenue Requirement ($ millions)**

| WASTEWATER | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Operating Expenses** | | | | | | | |
| O&M | $ 64.0 | $ 71.3 | +2.3% | $ 74.5 | +0.9% | $ 78.6 | +1.1% |
| Treatment | 155.7 | 161.5 | +1.8% | 175.0 | +3.9% | 184.9 | +2.7% |
| Taxes | 41.4 | 44.9 | +1.1% | 47.1 | +0.6% | 48.6 | +0.4% |
| **Capital** | | | | | | | |
| Cash Contribution | $ 23.2 | $ 46.4 | +7.2% | $ 46.1 | -0.1% | $ 47.7 | +0.5% |
| Loans and Grants | 28.4 | 4.7 | -7.3% | (16.2) | -6.0% | (23.0) | -1.8% |
| Debt Service | 25.0 | 25.3 | +0.1% | 27.5 | +0.6% | 29.3 | +0.5% |
| **Subtotal Expenditures** | **$ 337.7** | **$ 354.2** | **+5.1%** | **$ 353.8** | **-0.1%** | **$ 366.2** | **+3.4%** |
| Less Non-Rates Revenue | (13.1) | (8.4) | +1.5% | (8.2) | +0.1% | (8.2) | -0.0% |
| Less Decrease in Cash Balance | (13.2) | (11.8) | +0.4% | 5.6 | +5.0% | 5.4 | -0.0% |
| **Rates Revenue Requirement** | **$ 311.4** | **$ 334.0** | **+7.0%** | **$ 351.2** | **+4.9%** | **$ 363.4** | **+3.3%** |
| Plus UDP | 11.3 | 13.1 | +0.5% | 14.7 | +0.5% | 15.4 | +0.2% |
| **Retail Rate Revenue Requirement** | **$ 322.7** | **$ 347.1** | **+7.6%** | **$ 366.0** | **+5.4%** | **$ 378.8** | **+3.5%** |
| Change in Demand | | | -5.6% | | -1.5% | | -0.6% |
| **Change in Wastewater Retail Rate** | | | **+2.0%** | | **+3.9%** | | **2.9%** |

| DRAINAGE | 2021 | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|
| **Operating Expenses** | $ 73.9 | $ 75.8 | +1.2% | $ 79.0 | +1.8% | $ 83.2 | +2.2% | $ 73.9 |
| O&M | 9.8 | 10.2 | +0.2% | 11.1 | +0.5% | 11.7 | +0.3% | 9.8 |
| Treatment | 23.1 | 24.9 | +1.1% | 26.4 | +0.8% | 27.9 | +0.8% | 23.1 |
| Taxes | | | | | | | | |
| **Capital** | $ 23.2 | $ 54.1 | +18.4% | $ 50.1 | -2.2% | $ 53.6 | +1.9% | $ 23.2 |
| Cash Contribution | 33.1 | 5.8 | -16.3% | (19.9) | -14.4% | (28.1) | -4.4% | 33.1 |
| Loans and Grants | 39.6 | 40.0 | +0.3% | 44.3 | +2.4% | 48.3 | +2.1% | 39.6 |
| Debt Service | **$ 202.6** | **$ 210.8** | **+4.9%** | **$ 191.0** | **-11.1%** | **$ 196.6** | **+3.0%** | **$ 202.6** |
| **Subtotal Expenditures** | (14.6) | (6.3) | +4.9% | (6.0) | +0.2% | (5.9) | +0.0% | (14.6) |
| Less Non-Rates Revenue | (23.3) | (30.0) | -4.0% | - | +16.9% | 5.4 | +2.9% | (23.3) |
| Less Decrease in Cash Balance | **$ 164.7** | **$ 174.5** | **+5.8%** | **$ 185.0** | **+5.9%** | **$ 196.1** | **+5.9%** | **$ 164.7** |
| **Rates Revenue Requirement** | 3.1 | 3.4 | +0.2% | 3.9 | +0.2% | 4.1 | +0.1% | 3.1 |
| Plus UDP | **$ 167.8** | **$ 177.9** | **+6.0%** | **$ 188.9** | **+6.2%** | **$ 200.2** | **+6.0%** | **$ 167.8** |
| **Retail Rate Revenue Requirement** | $ 73.9 | $ 75.8 | +1.2% | $ 79.0 | +1.8% | $ 83.2 | +2.2% | $ 73.9 |

*($ millions)*

## Operations and Maintenance

SPU projects expenditures for the ongoing operations and maintenance of the Drainage and Wastewater System, including indirect administrative and City central support activities, of $147 million in 2022 ($71.3 for wastewater and $75.8 for drainage, see table above), rising to $162 million by 2024.

Total Fund expenditures are allocated between Wastewater and Drainage based on a direct allocation of each project, the most granular programmatic level of the City Budget, to the wastewater (8 percent of total O&M), drainage (14 percent), or combined (17 percent) systems. Combined system expenses are assigned 45 percent to wastewater and 55 percent to drainage based on an analysis of system infrastructure and requirements of the Consent Decree between SPU and the EPA governing SPU's Combined Sewer Overflow program. Remaining projects (60 percent) inherit the results of the above direct allocation at their respective org, division, or branch levels within the Utility's organizational hierarchy. Based on 2020 actual expenditures, SPU allocated 47 percent of total O&M to drainage. See Table 3-2 for the allocation results in three high-level categories.

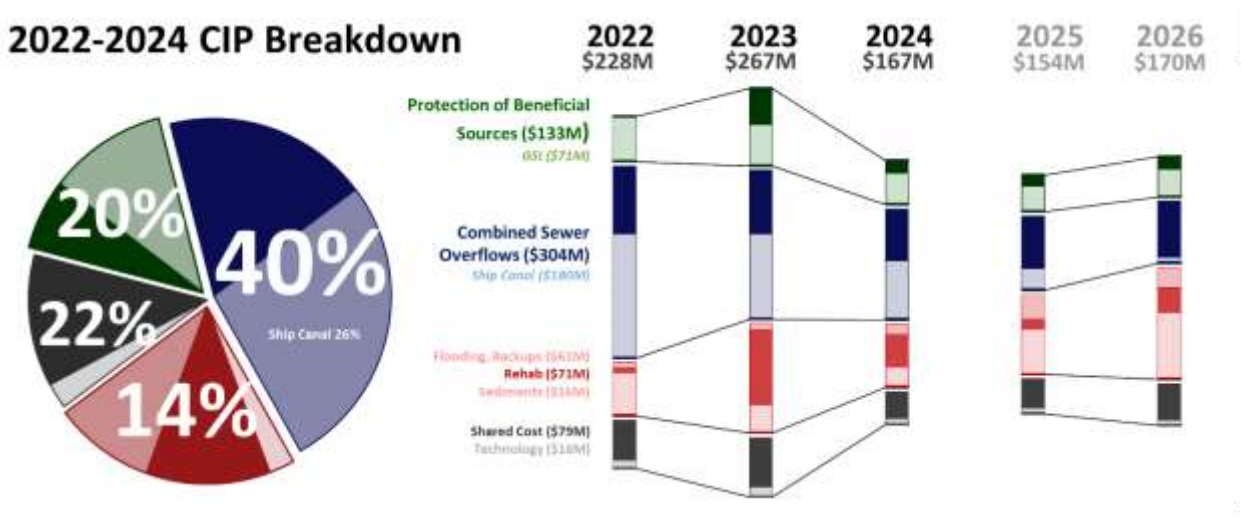
**Table 3-2: O&M Allocation to Drainage**

| | |
|---|---|
| Infrastructure O&M and Planning | 51% |
| Administrative | 32% |
| Overhead | 49% |
| **Total** | **47%** |

## Capital Financing Expense

Annual capital expenditures over $200 million are planned for each year of the rate period, more than double the average of the last five years. The largest projects are the Ship Canal Water Quality Project (26 percent of total planned expenditures) followed by Green Stormwater Infrastructure and pipe renewal and rehabilitation (35 percent combined, see GSI under 'Protection of Beneficial Uses' in green and 'rehab' in red).

**Figure 3-1: Planned CIP Expenditures**




The capital program can be financed through a combination of operating cash contributions, low-interest loans, revenue bonds, and grants. SPU proposes to increase operating cash contributions above the 25 percent minimum set by financial policies to a 45 percent average over the rate period to address the short-term increase in planned capital expenditures, requiring close to $100 million each year.

**Table 3-3: Projected CIP Financing**

| | 2021 | 2022 | 2023 | 2024 | 2021-24 | Rate Period |
|---|---|---|---|---|---|---|
| Cash and Grants | $46.4 | $100.5 | $96.2 | $101.4 | $344.4 | $298.0 |
| Revenue Bonds | $55.6 | $43.5 | $120.3 | $36.6 | $256.0 | $200.4 |
| Loans | $83.7 | $84.4 | $50.0 | $31.0 | $249.0 | $165.4 |
| **Total CIP** | **$185.7** | **$228.3** | **$266.5** | **$168.9** | **$849.4** | **$663.8** |
| *Cash-Funded %* | *25%* | *44%* | *36%* | *60%* | *41%* | *45%* |

*($ millions)*

A further 25 percent will be financed through a combination of: $123 million in State Revolving Fund loans from the Washington State Department of Ecology, a $192 million WIFIA loan from the EPA, and a $10 million Public Works Trust Fund loan from the Washington State Department of Commerce. Another three percent is funded through grants. Loans and grants are only included if they have already been granted.

SPU plans to fund the remaining 30 percent through three revenue bond issues, one $83 million issue already completed in 2021 and two $90 million issues in mid-2022 and mid-2023. These two issues will add $12 million to annual debt service and provide funding into 2025.

## Use of Cash Balances

Operating cash balances increase when revenues generated by rates exceed total cash expenditures, which in contrast to income statement expenses do not include non-cash expenses such as depreciation, amortization, environmental liabilities, losses on the sales of assets, or pension liability write-downs, but do include the cash expenses of the principal portion of debt payments. Cash balances can be drawn down to the minimum required by the Fund's financial policies, but financial management practices explicitly limit such draw down to pay for one-time and not ongoing expenses. Because on-going expenses are paid for through rate revenues, in any given year incoming cash from rate revenues will at least balance out outgoing cash to expenses. Large one-time expenses, such as the Ship Canal Water Quality Project, provide an opportunity to draw down cash balances to reduce the revenue requirement in the relevant years; this practice avoids the need to raise rates to cover the impact of a one-time expense and then lower rates as the impact wanes.

Operating cash balances have steadily increased through Seattle's post-recession economic expansion. SPU plans to manage funding the capital program by increasing operating cash contributions (see Section 3.2) and decreasing the share funded by debt. Offsetting the peaks of the capital cycle with operating cash can smooth out the size of debt issuances to the same amount each year, providing stability and predictability to rates and financial performance. DWF cash balances will be reduced from $218 million at the beginning of 2021 to $90 million by the end of 2022 and then built back up to $107 million by the end of 2024.

## Non-Rate Revenue

Non-rate revenue includes permit fees, operating and capital grants, contributions in aid of construction, interest income, other miscellaneous revenues, and capital contributions. An increase in non-rate revenues has the effect of reducing the revenue requirement that must be recovered through rates. Grants, contributions, miscellaneous revenues, and permit fees are conservatively held flat in this proposal as it is not fiscally prudent to pattern rates on unsecured revenue. However, SPU expects to increase outside sources of funding wherever opportunities can be identified.

# 4. PROPOSED WASTEWATER RATES

## Overview and Proposed Wastewater Rates

SPU wastewater customers pay a single flat volumetric charge per 100 cubic feet (CCF). There are no monthly fees or tiers of service. A minimum of one CCF per month is assessed on all active accounts. The single-volumetric charge is a combination of a system rate, to cover SPU's internal costs and taxes incurred on system rate revenue, and a treatment rate, to cover payments for wastewater treatment and taxes incurred on treatment rate revenue. The system rate is updated through the rate study process, currently on a 3-year cycle. The treatment rate is updated when the King County Council formally adopts legislation modifying the treatment rates charged to SPU. During the rate study process, any adopted County treatment rate increases are incorporated into proposed SPU treatment rates. If legislation to update the County treatment legislation is adopted by the King County Council mid-cycle, the Seattle Municipal Code provides a mid-term treatment rate adjustment process to formulaically update SPU's treatment rate based on adopted changes to the County's treatment rate.

This rate study includes a treatment rate increase for 2022. The County has not formally adopted any rate increases beyond 2022, and no additional changes to SPU treatment rates are included in the legislation supported by this rate study. This rate study however does include projected increases to the County treatment rate in 2023 and 2024 in all future year results unless otherwise indicated.

Table 4-1 presents system and treatment rates included in legislation based on adopted County treatment rates, and projected future passthroughs based on projected future County treatment rate increases.

**Table 4-1: Proposed Wastewater Rates (per CCF)**

| | 2021 Adopted | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|---|
| System Rate | $ 7.42 | $ 7.67 | $ 7.67 | $ 7.67 |
| Treatment Rate | $ 9.25 | $ 9.34 | $ 9.34 | $ 9.34 |
| Future Passthrough | | | $ 0.67 | $ 1.18 |
| **Total Wastewater Rate** | **$ 16.67** | **$ 17.01** | **$ 17.68** | **$ 18.19** |

## SPU System Rate

The system rate is set to collect enough revenue to cover planned operations, maintenance, and investment expenditures. These expenditures are offset by non-rates revenues including permit fees and standard charges among others. Any non-rate revenue collected reduces the amount required to be collected through rate revenues. Most of these components (operations, maintenance, debt service, and non-rates revenues) tend to be stable, increasing at a rate that is either controlled (debt service) or inflationary (operations and maintenance). Cash contributions to CIP can, on the other hand, be a source of volatility as capital expenditures can vary widely from year to year when the scheduling of a few large projects determines the timing of expenditures. One strategy to counter this volatility is to draw operating cash balances down during years of high capital expenditures and increase operating cash balances during years of lower capital expenditures. SPU proposes to draw wastewater cash balances down by $11.8 million in 2022, reducing the amount of revenue that needs to be collected by the same

amount, after which cash balances will be managed according to financial policy minimums. See Table 4 2 for an enumeration of each of these components.

**Table 0-1 Wastewater System Rate Components**

| Rate Component | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|
| O&M | $ 71.3 | $ 74.5 | $ 78.6 |
| City Taxes | $ 19.3 | $ 19.5 | $ 19.7 |
| State Taxes | $ 3.6 | $ 3.7 | $ 3.7 |
| **Subtotal Operations & Maintenance** | **$ 94.2** | **$ 97.7** | **$ 102.0** |
| Debt Service | $ 25.3 | $ 27.5 | $ 29.3 |
| Cash to CIP | $ 46.4 | $ 46.1 | $ 47.7 |
| **Subtotal Capital Financing** | **$ 71.8** | **$ 73.6** | **$ 77.0** |
| **Subtotal Expenditures** | **$ 166.0** | **$ 171.3** | **$ 178.9** |
| Non Rate Revenue | $ (8.4) | $ (8.2) | $ (8.2) |
| Loan Drawdown Bridge | $ 4.7 | $ (16.2) | $ (23.0) |
| Use of Cash Balances | $ (11.8) | $ 5.6 | $ 5.4 |
| **Sewer System Revenue Requirement** | **$ 150.6** | **$ 152.4** | **$ 153.2** |
| UDP Enrollment | 3.8% | 4.0% | 4.1% |
| **Sewer System Rate Revenue Requirement** | **$ 156.4** | **$ 158.8** | **$ 159.7** |
| Volume (CCF, Millions) | 20.4 | 20.7 | 20.8 |
| **System Rate** | **$ 7.67** | **$ 7.67** | **$ 7.67** |

*($ millions, except final rate)*

In addition to typically utilizing revenue bonds to provide debt-financing for the capital program, SPU also seeks alternative funding through loans or grants when possible. This rate period includes significant loan funding, so much so that the lag between when capital expenditures are made from the operating fund and when loan reimbursement funding is received into the operating fund presents a liquidity concern that need to be considered in planning. The year-end balance is labeled "Loan Financing" above.

The final step is to adjust for enrollment in the Utility Discount Program. In 2020, 2.9 percent of gross wastewater revenue was returned to customers through bill discounts. SPU intends to expand UDP enrollment, growing UDP to 3.8 percent of revenue in 2022 and to 4.1 percent in 2024. Adjusting the revenue requirement for the revenue loss from UDP is the revenue that the base system rate must recover. Divided by the number of units sold (CCF), is the unit system rate.

## Treatment Rate

Payments for wastewater treatment are the single largest component of both wastewater and total DWF operating expense, with 99% of treatment expense paid to King County and the remainder to Southwest Suburban Sewer District. See Table 4-3 for components and derivation of the treatment rate. Note that 2023 and 2024 are labeled as “Projected” as opposed to “Proposed” because King County Council has not yet adopted rate increases beyond 2022. Expenses and the derived treatment rate in “Projected” years are based on estimated future County and Southwest Suburban treatment rates.

**Table 0-1 Wastewater Treatment Rate Components**

| Expenditure Category | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|
| Treatment by King County | $ 171.0 | $ $185.4 | $ 196.0 |
| Treatment by SWSSD | $ 0.6 | $ 0.7 | $ 0.7 |
| Less treatment paid by Drainage | $ 10.2 | $ (11.1) | $ 11.7 |
| **Treatment Expense** | **$ 161.5** | **$ $175.0** | **$ 184.9** |
| City Taxes | $ 22 | $ 23.9 | $ 25.2 |
| **Revenue Requirement** | **$ 183.5** | **$ $198.8** | **$ $210.2** |
| UDP Enrollment | 3.8% | 4.0% | 4.1% |
| **Rate Revenue Requirement** | **$ 190.7** | **$ $207.2** | **$ $219.1** |
| Volume (CCF, Millions) | 20.4 | 20.7 | 20.8 |
| **Treatment Rate** | **$ 9.34** | **$ $10.01** | **$ $10.52** |

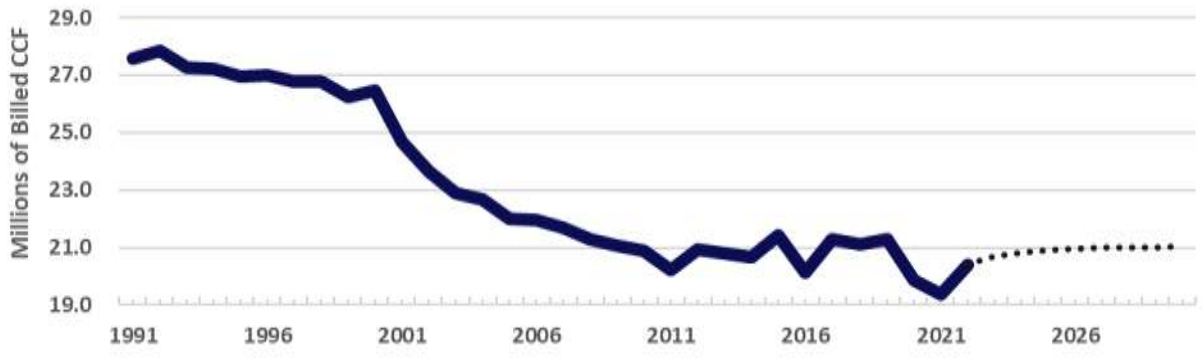
*($ millions, except final rate)*

## Wastewater Demand

The fee for wastewater services is assessed on a volumetric basis measured in 100 cubic foot (CCF) units. The rate is derived by dividing the gross revenue requirement of the system by projected billed volumes. The numerator, the revenue requirement, is largely a fixed cost. The cost to maintain and replace pipe and other utility infrastructure assets that serve customers, whether or not they have any demand, is a function of the size of the system and depreciation over time. The variable portion of expense to serve larger customers is relatively negligible. With costs being fixed, decreases in wastewater demand do not result in compensatory decreases in cost and require instead an increase to rates.

Demand for wastewater services has been in a long-term decline due to efficiency gains in two forms: conservation and redevelopment. Efficiency gains resulted in a five percent decline over the 1990s that was accelerated by a focus on conservation, a response to drought conditions starting in 2000, to 20 percent over the 2000s. Rapid population growth post-recession placed roughly the same upward pressure on wastewater demand as efficiency gains did downward. Seattle's population grew 28% in ten years over which time billed wastewater volumes hovered around 20 million CCF ever year.

**Chart 4-1: Historic and Projected Wastewater Volumes**




This phase ended with the COVID-19 pandemic. The sectors of the economy more acutely impacted by shutdown orders tended to be large consumers of water and generators of wastewater. Closures in the commercial and education sectors led to a four percent rise in single-family consumption and a 13

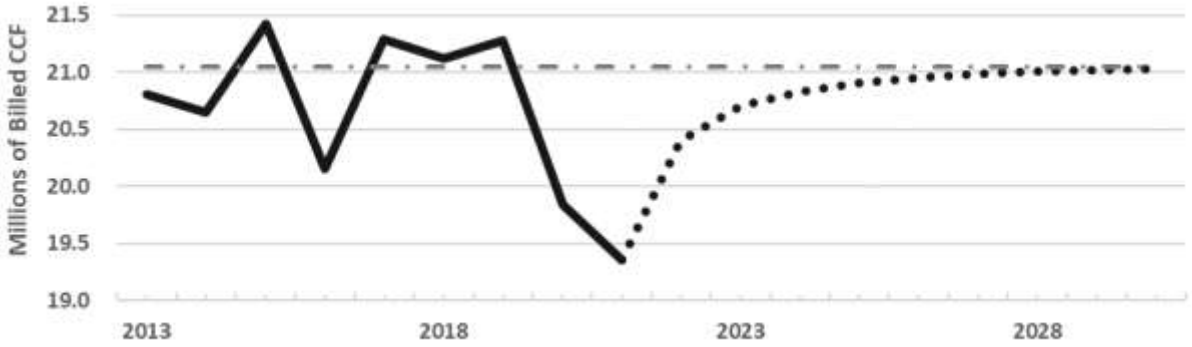
percent decline in commercial consumption. Commercial consumption is the combination of business and multi-family consumption, hiding the true effect on business. Large residential firms and low-income housing operators had little change in consumption. Meanwhile, the normal social interactions that were newly found to be dangerous were concentrated in commercial activities that also happened to be large wastewater generators; see Table 4-4. Particularly hard hit were large hotels in the downtown core, the University of Washington, and commercial premises with a heavy restaurant presence.

**Table 0-1 COVID-19 Impact on Wastewater Demand**

| Change from November 2019 to November 2020 | |
|---|---|
| Downtown Hotels | -70% |
| University of Washington | -46% |
| All Other Education | -52% |
| Commercial – Shopping/Dining Center | -77% |
| Commercial - Industrial | -80% |
| Commercial - Heavy Industrial | -100% |

As the vaccine rollout allows for the resumption of unimpeded social and commercial activities, wastewater volumes are expected to recover but the patterns those activities take on in the new post-pandemic normal are unknown. The resumption of in-person education and residence hall occupancy at schools and universities is relatively known. The long-term impacts to on-site work, the cruise industry, business travel, and brick and mortar retail and dining are still unknown. This makes projecting wastewater volume for the next few years a product of conservative assumptions tied to a close monitoring of the early stages of recovery.

**Table 4-5: Wastewater Volume Forecast**




Wastewater volume projections assume a long-tailed recovery stretching into 2027 transitioning to slow growth into the long-term. This projection is based on a slowly emerging trend that seems to indicate that per-premise consumption is changing from falling to stable; however, this trend is the product of demand for new residential construction and the growth management, density, and zoning issues that the housing crisis will force the City to address, all of which are external, unknown, and politically sensitive. For the purposes of this rate study, volumes are projected to recover to 20.4 million CCF by the end of the rate period, a two percent decline.

# 5. DRAINAGE COST ALLOCATION / RATE DESIGN

Once the rate revenue requirement is set, it is assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. In the case of drainage, there is a unique cost of service associated with the management of stormwater run-off from different types of land cover found on customer properties. These land cover types essentially act as customer classes for drainage cost allocation purposes.

The steps required to allocate drainage system costs to land surface types and then to drainage customer rates can be summarized as follows:

- Drainage costs are grouped into two broad classifications: account-allocated expense and flow-allocated expense.
- Flow-related costs are further allocated between four surface type categories based on cost weighted average run-off.
- A unit rate for account costs and for each surface type is developed based on the total number of accounts and square footage of land surface by type citywide.
- Rates are developed for each customer class by applying the surface type unit rates to the typical surface type composition for each tier.

## Drainage Allocation Classifications

Drainage rates are composed of four distinct components, in addition to the account rate: impervious surface rate, managed grass rate, unmanaged grass rate, and good forest rate. Total flow-related expense is allocated based on the cost of managing the run-off from any given surface type.

The amount of run-off from any given parcel depends on the type of surface it contains. Impervious surface absorbs less run-off than pervious, or porous surface, and therefore generates more stormwater run-off during a given storm event. Likewise, pervious surface with significant ground and tree cover will generate less run-off than a highly managed pervious surface such as a lawn. The more intense the storm, the greater the run-off for all surface types.

Impervious surface is hard or compacted surface from which most water runs off when exposed to rainwater. Common impervious surfaces include roof tops, concrete or asphalt paving, compact gravel and packed earth.

Pervious managed grass is the most common type of pervious area in the City and includes such surfaces as lawns, landscaped parks, and golf courses. Managed grass absorbs nearly all rainwater during average storms but produces increasing amounts of run-off with more intense storm events due to its greater soil compaction.

The last two types of pervious area, woods and unmanaged grass and good forest, are vegetated surfaces of a specific types such as forests or non-forested land that are in the natural progression back to a forested state. This category includes large undeveloped areas in places such as Seward Park, Carkeek Park, and various greenbelts throughout the City. These surface types perform similarly to

managed grass during average storm events but infiltrate significantly more rainwater during more intense storms.

To determine the cost of managing the run-off from any given surface type, SPU looked at two factors:

- The expected volume of run-off from each surface type during differing intensities of storms
- The cost of O&M and infrastructure oriented towards the management of the run-off during each of these storm events

The revenue requirement for account and each surface type is derived by multiplying the cost weighted run-off percentages by the revenue requirement. See Appendix E for the step-by-step calculation underlying the cost share percentages. The cost class allocations are used in the development of drainage rates for each customer tier.

**Table 5-1: Revenue Requirement Allocation by Type**

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Account | $2.4 | $2.6 | $2.7 |
| Impervious | 144.8 | 153.7 | 162.9 |
| Pervious – Managed Grass | 27.6 | 29.3 | 31.1 |
| Pervious – Woods and Unmanaged Grass | 2.4 | 2.5 | 2.6 |
| Pervious – Good Forest | 0.8 | 0.8 | 0.9 |
| **Total Revenue Requirement** | **$177.9** | **$188.9** | **$200.2** |

*($ in millions)*

## Drainage Rate Design

Drainage customer bills are intended to recover the cost of service associated with managing the stormwater run-off from individual parcels. In the first part of this chapter, SPU defines the cost of service associated with managing the run-off from different land surface types and with account-related services. The following steps are required to develop drainage rates which assign these costs to individual customer parcels:

- Define customer classes and rate tiers for parcels with similar surface type characteristics (and therefore similar costs of service)
- Develop unit rates for each surface type and account classification
- Determine an average customer land composition profile for each rate tier
- Apply the surface type and account unit rates to applicable profile factors for each tier

**Customer Classes and Tiers**

Small Residential

Small residential customers with billable areas less than 10,000 square feet are homogeneous in terms of surface cover, which makes property size the key determinant of parcel stormwater flow contribution. Small residential customers are assigned to one of five size-based categories, each representing a range of total area (e.g., 3,000 to 4,999 square feet).

Large Residential and General Service

Large single family and duplex parcels 10,000 square feet or greater ("large residential") and general service parcels (all sizes), pay a unit rate (per 1,000 square feet of billable area) based on their actual property characteristics (percent impervious and parcel size) rather than category averages. There is too much variation between these properties in terms of parcel size and surface characteristics to be fairly captured by a flat rate structure like that applied to small residential customers. SPU has five impervious surface-based rate categories. Each category represents a range of impervious surface (e.g., 66-85% impervious).

General service and large residential parcels which contain significant amounts of highly pervious (absorbent) area, such as forested land or other unmanaged vegetated areas such as pasturelands and meadows, and which are composed of no more than 65% impervious area, may also qualify for discounted low impact rates. Parcels with these surface types generate significantly less stormwater run-off than parcels with similar amounts of impervious surface but whose pervious area is less absorbent (e.g., a highly managed lawn).

**Account and Surface Type Unit Rates**

Unit rates for each surface type and for account-allocated expense are calculated as described below.

Surface Type Rates

Unit rates are calculated by dividing the expense allocated to each surface type by the total citywide area for that surface type (as expressed in thousands of square feet). Area by surface type is collected from aerial photos in the City's Geographic Information System (GIS). This same data source is used to identify the area of each surface type for each city parcel, used for drainage billing purposes.

Table 5-3 presents the area units and calculated unit rates for each surface type.

**Table 5-2: Surface Type Unit Rates**

| | Area *(1,0000 sqft)* | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Impervious | 792,533 | $182.7 | $193.9 | $205.6 |
| Pervious - Managed Grass | 655,429 | $42.1 | $44.7 | $47.4 |
| Pervious - Woods and Unmanaged Grass | 105,430 | $22.3 | $23.7 | $25.1 |
| Pervious - Good Forest | 54,603 | $14.6 | $15.5 | $16.4 |

Account Rates

Account expense is driven by the number of customers rather than by the volume of run-off. To determine these rates, the account-allocated component of the revenue requirement is first assigned to small residential and general service/large residential customer groups based on an 80/20 split of the total number of parcels in each group and then divided by the billing units for each group.

**Table 5-4: Account Unit Rates**

| | Units | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| General Service | 847,256 sqft | $ 0.92 | $ 0.98 | $ 1.04 |
| Small Residential | 145,837 Parcels | $ 10.90 | $ 11.57 | $ 12.26 |

**Surface Type Profile by Tier**

Drainage bills for each customer are intended to reflect the cost of managing the run-off from that parcel. Each tier rate is composed of a flow and an account component. Both components reflect the average cost for a tier composed of properties with similar characteristics.

The flow component of each tier rate is based on the average percentage of total area attributable to each surface type, as calculated using GIS data for individual parcels assigned to a given tier. For small residential customers, averages are based on a random sample of properties assigned to each flat rate tier. For general service and large residential customers, the percentages are based on citywide GIS data for all parcels assigned to a given tier.

Table 5-5 presents the average land cover profile by tier used to calculate the flow component of the tier drainage rate.

**Table 5-5: Surface Type Average Profile by Tier (sq. ft)**

| | | Woods & Grass | Unmanaged Grass | Good Forest | Impervious | Total |
|---|---|---|---|---|---|---|
| **Small Residential** | | | | | | |
| < 2000 sq. ft. | | 5,663 | 0 | 0 | 16,119 | 21,783 |
| 2000-2999 sq. ft. | | 6,744 | 0 | 0 | 11,003 | 17,747 |
| 3000-4999 sq. ft | | 88,492 | 0 | 0 | 88,492 | 176,985 |
| 5000-7999 sq. ft | | 153,876 | 1,023 | 326 | 137,652 | 292,876 |
| 8000-9999 sq. ft. | | 127,008 | 3,040 | 1 | 86,700 | 216,749 |
| **General Service/Large Residential** | | | | | | |
| Undeveloped | Regular | 63,546 | 4,003 | 1,532 | 6,605 | 75,686 |
| | Low Impact | 31,392 | 66,976 | 46,339 | 5,746 | 150,452 |
| Light | Regular | 63,035 | 7,495 | 662 | 26,699 | 97,890 |
| | Low Impact | 11,291 | 11,906 | 4,145 | 7,121 | 34,463 |
| Moderate | Regular | 61,706 | 6,472 | 554 | 69,908 | 138,640 |
| | Low Impact | 3,774 | 3,067 | 1,007 | 5,049 | 12,896 |
| Heavy | | 28,873 | 1,338 | 37 | 93,886 | 124,134 |
| Very Heavy | | 10,030 | 111 | 0 | 237,554 | 247,694 |

**Rate Calculation by Tier**

The rate assigned to each customer tier is equal to the sum of a flow component and an account component.

For all customers, the flow component of the rate is calculated by multiplying the surface type rates (Table 5-4) by the average area assumptions for the tier found in Table 5-5. The formula for this calculation is as follows:

**Flow component = (IA/1,000 * I$) + (MGA/1,000 * MG$)**
**+ (UMGA/1,000 * UMG$) +(GF/1,000 * GF$)**

Where:

- IA=Tier average impervious area
- I$=Impervious surface rate per 1,000 sq. ft.
- MGA=Tier average managed grass area
- MG$=Managed grass surface rate per 1,000 sq. ft.
- UMGA=Tier average unmanaged grass area
- UMG$=Unmanaged grass surface rate per 1,000 sq. ft.
- GF=Tier average good forest area
- GF$=Good Forest surface rate per 1,000 sq. ft.

The account component for small residential customers is the same flat rate per customer. For general service and large residential customers, the account rate is multiplied by parcel area.

The proposed rates presented in Table 5-6 are equal to the sum of the flow component, for the system and treatment rates, and the account component, for the system rate only, for each tier. Small residential tiers are based on a flat rate per parcel; all other parcels are based on area.

## Table 5-6: Proposed Drainage Rates

| | 2022 | | | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Treatment | System | Rate | Treatment | System | Rate | Treatment | System | Rate |
| **Small Residential** | | | | | | | | | |
| < 2000 sq. ft. | $12.83 | $191.38 | $204.21 | $13.92 | $202.85 | $216.77 | $14.73 | $215.11 | $229.84 |
| 2000-2999 | $22.45 | $314.68 | $337.13 | $24.36 | $333.50 | $357.86 | $25.77 | $353.65 | $379.42 |
| 3000-4999 sq. ft | $31.47 | $434.44 | $465.91 | $34.15 | $460.41 | $494.56 | $36.12 | $488.24 | $524.36 |
| 5000-7999 sq. ft | $43.00 | $589.67 | $632.67 | $46.66 | $624.92 | $671.58 | $49.36 | $662.69 | $712.05 |
| 8000-9999 sq. ft. | $54.43 | $743.56 | $797.99 | $59.07 | $788.00 | $847.07 | $62.48 | $835.63 | $898.11 |
| **General Service** | | | | | | | | | |
| Undeveloped | $3.65 | $50.03 | $53.68 | $3.96 | $53.03 | $56.99 | $4.19 | $56.23 | $60.42 |
| Low Impact | $2.09 | $29.02 | $31.11 | $2.27 | $30.75 | $33.02 | $2.40 | $32.61 | $35.01 |
| Light | $5.44 | $74.22 | $79.66 | $5.91 | $78.65 | $84.56 | $6.25 | $83.40 | $89.65 |
| Low Impact | $4.22 | $57.70 | $61.92 | $4.58 | $61.15 | $65.73 | $4.84 | $64.85 | $69.69 |
| Moderate | $7.74 | $105.13 | $112.87 | $8.40 | $111.41 | $119.81 | $8.89 | $118.14 | $127.03 |
| Low Impact | $6.24 | $84.96 | $91.20 | $6.78 | $90.03 | $96.81 | $7.17 | $95.47 | $102.64 |
| Heavy | $10.25 | $138.87 | $149.12 | $11.12 | $147.17 | $158.29 | $11.76 | $156.07 | $167.83 |
| Very Heavy | $12.23 | $165.60 | $177.83 | $13.28 | $175.49 | $188.77 | $14.04 | $186.10 | $200.14 |

*King County Council has not adopted any rate increases beyond 2022; rates based on SPU internal projections of future increases*

## Other Drainage Credits and Discounts

Drainage bill discounts are available for property owners that help reduce the impact of stormwater on the City's system. Billing exemptions (which reduce the overall drainage bill) are also available for large natural areas that offer systemic benefits greater than those offered by other types of undeveloped lands or which clearly do not benefit from or impact the stormwater system.

*A. Low Impact Rates*

Discounts[2] of 19 to 41 percent are applied to the rate for undeveloped natural areas of 0.5 acres or greater containing sufficient amounts of qualifying "highly infiltrative" surface (i.e., forested areas, unmanaged grasslands, etc.). Certain athletic facilities with engineered designs that mimic the stormwater retention benefits of these large natural areas are also eligible for low impact rates.

*B. Stormwater Facility Credit Program (SFCP)*

This program offers credits of up to 50 percent for privately-owned systems that slow down stormwater flow and/or provide water quality treatment for run-off from impervious areas, thus lessening the impact to the City's stormwater system, creeks, lakes or Puget Sound.

[2] Relative to the rates for non-qualifying properties with like amounts of impervious surface.

Stormwater systems are structures such as vaults, rain gardens, permeable pavements and filtration systems. SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

*C. Rainwater Harvest Credit*

SPU offers a 10 percent discount for any new or remodeled commercial building that utilizes a rainwater harvesting system meeting credit requirements. Those systems that involve indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. Systems must meet the applicable stormwater and drainage code requirements for the building and site.

*D. Undeveloped Riparian Corridor Exemption*

Developed riparian corridors[3] with small buffers and bank armoring increase the risk of flooding and downstream property damage. In contrast, undeveloped riparian corridors with a sufficient buffer act as floodplains which allow creeks to expand during peak periods, mitigating downstream flood damage.

The discount assumes exemption of the entire 100-foot qualifying creek buffer from the parcel's billable area. Qualifying criteria for this exemption are found in SPU Director's Rule FIN-211.2.

*E. Wetlands Exemption*

Wetlands act like natural drainage systems, protecting and improving water quality and storing floodwaters which are slowly released over time. Wetlands also serve as an important habitat for fish and wildlife. Only wetlands of at least 1,000 square feet in area and with no development within the wetland area will be considered for this exemption.

An application is required to qualify for this exemption, including the provision of supporting documentation demonstrating that the wetland meets all required criteria, as defined in SPU Director's Rule FIN-211.3

*F. Undeveloped Islands Exemption*

This credit applies to undeveloped islands with less than ten percent impervious area. These islands do not benefit from, nor do they impact, the drainage system or surrounding receiving waters.

[3] Riparian corridor is defined in SMC 25.09.020.B.5.A.

## 6. UTILITY DISCOUNT PROGRAM

The City assists qualified customers with discounted utility services. Customers may receive their discount in one of three ways: 1) as a credit to their SPU wastewater bill; 2) where no wastewater bill is received, as a credit to the customer's City Light bill; or 3) in the form of a credit voucher. The latter two options are typically applicable to renters who pay drainage, wastewater, and water utility fees indirectly as part of their rental payment. For customers who do not receive a wastewater bill, a fixed credit is calculated which is equal to 50 percent of a typical residential bill for the class of customer receiving the credit. See Table 6-1 for proposed discounts. Proposed credits do not include projected changes in the King County treatment rate. Increases in the treatment rate will result in increases to credits through the pass-through mechanism established by SMC 21.28.040.

**Table 6-1: Utility Discount Program Credits**

| | Basis | Proposed 2022 | Proposed 2023 | Proposed 2024 |
|---|---|---|---|---|
| **Wastewater** | | | | |
| Customers Receiving | | | | |
| SPU Bills | | 50% discount off actual usage | | |
| SCL Bills Only | | 50% discount of 'typical' customer class consumption | | |
| Single-Family | 4.3 CCF | $ 36.57 | $ 38.01 | $ 39.11 |
| Multi-Family | 3.0 CCF | $ 25.52 | $ 26.52 | $ 27.29 |
| **Drainage (SPU and SCL)** | | | | |
| Typical Monthly Bill* | | $ 52.72 | $ 55.97 | $ 59.34 |
| Single-Family | *100%*** | $ 26.36 | $ 27.98 | $ 29.67 |
| Duplex | *50%*** | $ 13.18 | $ 13.99 | $ 14.83 |
| Multi-Family | *10.7%*** | $ 2.82 | $ 2.99 | $ 3.17 |

Note: Rates proposed in legislation do not include projected mid-term treatment rate adjustments

* 'Typical' residential parcel of 5,000 - 7,9999 sq. ft.

** Ratio of 'typical' bill for customers in each discount class to 'typical' single-family parcel bill

## APPENDIX A — FINANCIAL SUMMARY

### Table A-1: Drainage and Wastewater Fund Financial Summary

| | 2020 Actuals | 2021 Project | 2022 Proposed | 2023 Proposed | 2024 Proposed |
|---|---|---|---|---|---|
| **Operating Revenue** | | | | | |
| Wastewater | $ 300.7 | $ 311.4 | $ 334.1 | $ 351.2 | $ 363.4 |
| Drainage | $ 153.4 | $ 164.7 | $ 174.5 | $ 185.0 | $ 196.1 |
| Other | $ 6.2 | $ 6.3 | $ 10.1 | $ 10.4 | $ 10.7 |
| **Total Operating Revenue** | **$ 460.3** | **$ 482.4** | **$ 518.7** | **$ 546.7** | **$ 570.2** |
| | | | | | |
| **Operating Expenses** | | | | | |
| Treatment | $ 166.6 | $ 165.5 | $ 171.7 | $ 186.0 | $ 196.6 |
| O&M | $ 158.5 | $ 137.8 | $ 147.2 | $ 153.5 | $ 161.8 |
| City Taxes | $ 54.3 | $ 57.8 | $ 62.5 | $ 65.9 | $ 68.7 |
| State Taxes | $ 6.5 | $ 6.7 | $ 7.3 | $ 7.6 | $ 7.8 |
| Depreciation | $ 33..7 | $ 34.5 | $ 39.2 | $ 39.1 | $ 39.3 |
| **Total Operating Expenses** | **$ 385.9** | **$ 402.3** | **$ 428.0** | **$ 452.1** | **$ 474.3** |
| | | | | | |
| **Net Operating Income** | **$ 74.4** | **$ 80.1** | **$ 90.7** | **$ 94.6** | **$ 95.9** |
| | | | | | |
| **Other Income (Expenses)** | | | | | |
| Net Interest Expense | $ -22.1 | $ (34.5) | $ (32.9) | $ (37.4) | $ (40.3) |
| Other Non-Operating | $ 9.9 | $ 5.6 | $ 3.8 | $ 3.0 | $ 2.6 |
| **Total Other Income (Expenses)** | **$ -12.2** | **$ (29.0)** | **$ (29.1)** | **$ (34.4)** | **$ (37.7)** |
| | | | | | |
| Grants and Contributions | $ 21.7 | $ 15.7 | $ 0.8 | $ 0.8 | $ 0.8 |
| | | | | | |
| **Net Income (Loss)** | **$ 83.9** | **$ 66.9** | **$ 62.4** | **$ 60.9** | **$ 59.0** |

*($ millions)*

# APPENDIX B — DWF COST ASSIGNMENT DETAIL

**Drainage and Wastewater Cost Assignment Methodology**

SPU conducted its last review of DWF cost assignment factors in 2021, using 2020 actual data. Those factors were used to determine the 2022-2024 drainage and wastewater system cost of service.

This rate study uses the methodology described below for assigning operating expenses between drainage and wastewater lines of business. The cost assignment methodology is consistent with that of the rate studies used to propose rates for 2004 through 2021. The current rate study uses 2020 actual labor expense as the basis for labor related cost splits. Consistent use of actual expense over time helps to minimize errors in cost assignment resulting from variations between actual and budgeted spending.

DWF Operating Expenses are grouped into three categories:

Direct Operating Expense

Some expenses are assigned 100 percent to the applicable line of business (e.g., drainage billing administration). The majority of shared direct operating expenses are assigned based on actual direct labor expenses of an identified proxy. For example, most regulatory direct operating expense is related to water quality and combined sewer overflow (CSO) issues. Therefore, these activities are assigned based on actual direct labor expense for a subset of water quality and CSO-related capital and operating activities. The use of a programmatic proxy is useful in capturing any shifts in the focus of regulatory support over time.

Management estimates are used to identify the cost assignment factors for a limited number of activities. The bulk of activities using management estimates are related to billing and customer service activities. SPU is responsible for wastewater billing and for drainage and wastewater customer service.[4] Management estimates are used to identify labor effort associated with the support of each line of business for a targeted subset of customer service budgeted activities.

Administration

Except for Project Delivery and Engineering (PDE), the cost assignment of all general management expense is based on the sum of actual direct labor expenses for direct operating activities. Administrative expense for PDE is assigned based on actual direct labor expense charged to capital projects by each division.

This methodology creates a direct link between administrative functions and the activities they support. In addition, this methodology provides a consistent mechanism for updating administration cost assignment from year to year in case the programmatic focus changes.

[4] King County administers billing for drainage.

General and Administrative Expense

Finance, Accounting, and Risk Management (FARS) expense is assigned based on the sum of actual direct labor expense for all direct operating and administrative activities which charge to the DWF budget.

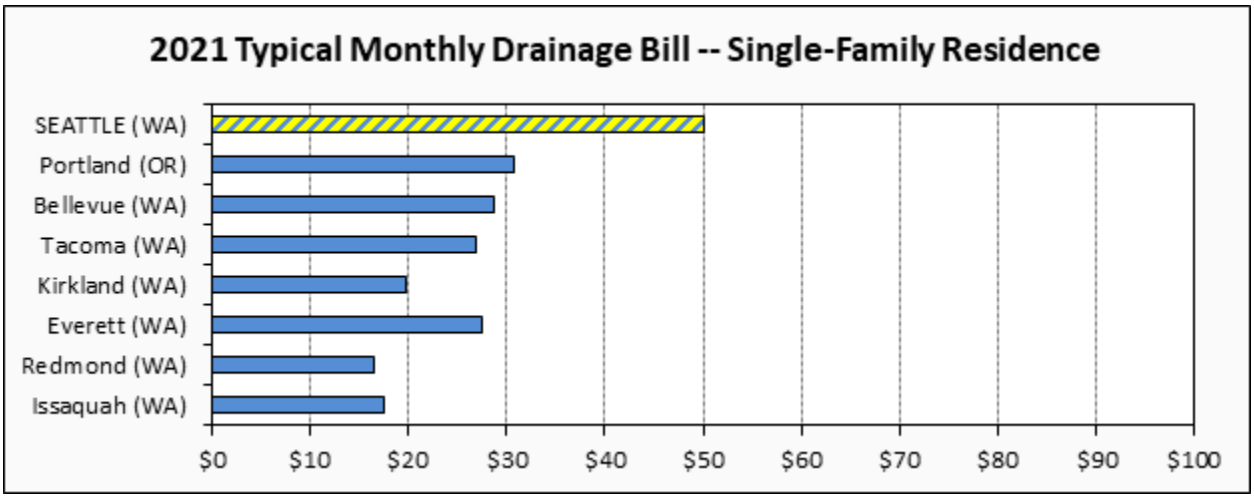
**Cost Assignment Factor**

The DWF total operating budget for each operating activity is divided between the wastewater and drainage lines of business using cost assignment factors These factors represent the typical amount of support provided to each line of business in carrying out a specific type of activity. Therefore, drainage and wastewater each receive their proportional shares of activities.

## APPENDIX C — COMPARATIVE RATES

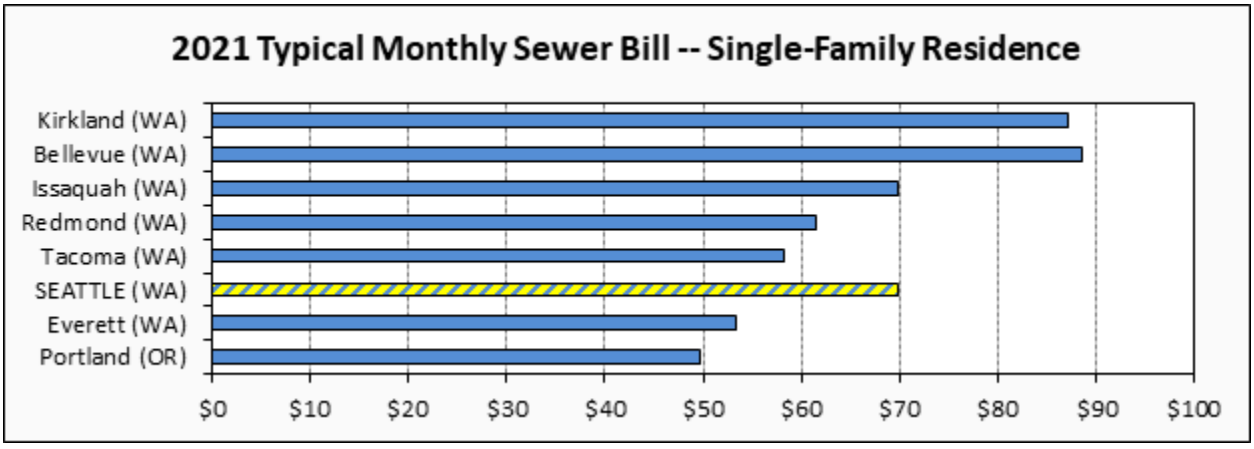
The following tables compare 2021 City of Seattle drainage and wastewater fees to those of other regional utilities.

**Figure C-1: Monthly Drainage Bill Comparison - Typical Single-Family Residence**



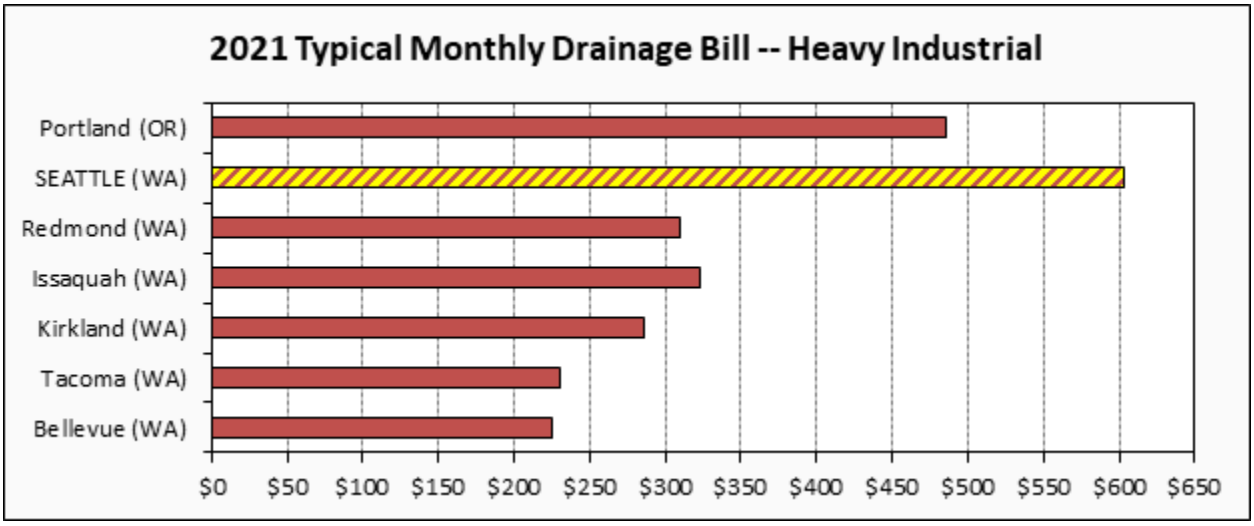

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-2: Monthly Wastewater Bill Comparison - Typical Single-Family Residence**



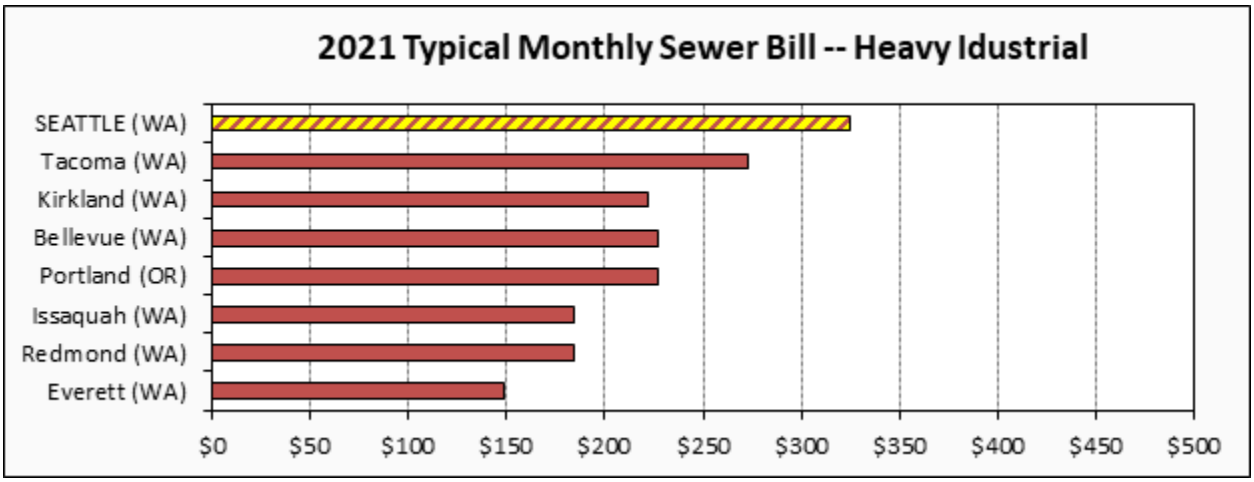

Note: Based on actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-3: Monthly Drainage Bill Comparison - Commercial**




Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

**Figure C-4: Monthly Wastewater Bill Comparison - Commercial**




Note: Actual bills from respective cities, except Issaquah and Kirkland are estimated.

## APPENDIX D— DRAINAGE COST ALLOCATION DETAIL

Run-off is a factor of area and run-off coefficients. Run-off coefficients, or flow factors, represent a mathematical calculation of the portion of rainfall that becomes direct run-off during a storm event. For example, a 0.35 co-efficient means that 35 percent of the rain falling on a particular surface ends up as run-off, while 65 percent is infiltrated.

Flow factors for a particular surface type will vary depending on the underlying storm assumptions. Storms are classified by intensity (how many inches of rain fall in a given time), duration (how long the storm lasts), and recurrence interval. Storms which occur more frequently (e.g., once 2 years) are considered to be less severe than storms with higher recurrence intervals (e.g., a 25-year storm).

The infrastructure and operation and maintenance expenses of the drainage system are oriented to the frequency of storm events, as noted below.

- **25-year events.** The flood management service goal is to prevent flooding of private property in 25-year storm events, defined as the maximum rainfall received in 24 hours for the largest storm expected over a 25-year period. This means that pipes and some other portions of the drainage system designed for peak storm events must be sized to manage these 25-year volumes.
- **2-year events.** The regulatory goal for combined sewer overflows is an average of not more than one overflow per site per year. In practice, this means controlling CSOs in a 2-year event, defined as the rainfall that would be received in a recurrence of the second-largest storm in one year during the period of record. Both the King County treatment system and Seattle's Drainage and Wastewater Utility have incurred substantial CSO control costs and expect to continue to incur them in the future.
- **6-month events.** Water quality infrastructure focuses on high-frequency events, defined as storms that occur on average twice per year. These investments are an increasingly significant portion of infrastructure costs as water quality regulations become more stringent and Seattle moves to reduce impacts on creeks and other receiving waters.
- **Average storm events.** A variety of the remaining SPU drainage assets and activities, ranging from Customer Service to general operations, are not associated with any of the preceding significant storm events, but are designed to serve the overall needs of the drainage system and its customers. These are assigned based on average storm events, defined as the average of all storm events over the course of a year.

Surface Type Cost Share Definition Methodology

The following steps are used to determine the percentage of total flow related expense to be allocated to each surface area type.

**Step 1:** Identify run-off coefficients and area for each surface type city wide.

Run-off coefficients and surface type area are the inputs used to calculate total run-off by surface type for each storm event.

Table D-1 presents the run-off coefficients assumed for the four storm events underlying surface type flow calculation.

**Table D-1: Run-off Coefficients by Surface Type and Storm Event**

| Surface Type | 25-Year Storm | 2-Year Storm | 6-Month Storm | Average Storm |
|---|---|---|---|---|
| Impervious | 0.925 | 0.890 | 0.848 | 0.613 |
| Pervious - Managed Grass | 0.564 | 0.433 | 0.314 | 0.022 |
| Pervious - Woods and Unmanaged Grass | 0.349 | 0.214 | 0.114 | 0.021 |
| Pervious - Good Forest | 0.249 | 0.127 | 0.048 | 0.020 |

Run-off coefficients represent the percentage of rainfall which results in stormwater run-off. A run-off coefficient of 0.56 means that 56 percent of the rainfall landing on a surface ends up as run-off while the remaining 44 percent is infiltrated into the ground or cracks. The table above demonstrates that impervious surface has the most amount of run-off under all storm events, but that run-off increases for ALL surface types with an increase in the intensity of the storm.

Table D-2 provides a summary of area by surface type for the City of Seattle. These area calculations were derived from aerial photos present in the City's GIS system.

**Table D-2: Square Footage by Surface Type (City of Seattle)**

| Surface Type | Sq. Ft | % of Total |
|---|---|---|
| Impervious | 792,533,331 | 49% |
| Pervious - Managed Grass | 655,429,445 | 41% |
| Pervious - Woods and Unmanaged Grass | 105,430,165 | 7% |
| Pervious - Good Forest | 54,602,936 | 3% |
| Total | 1,607,995,877 | 100% |

**Step 2: Calculate run-off for each surface type for each storm event**

In Table D-3, the run-off coefficients found in Table D-1 are multiplied by the applicable surface type square footage to calculate total run-off by surface type and storm event. Table D-3 presents this data in both flow-units and as a percentage of total flow for each storm event.

**Table D-3: Run-off Volumes by Surface Type**

| | 25-Year Storm | | 2-Year Storm | | 6-Month Storm | | Average Storm | |
|---|---|---|---|---|---|---|---|---|
| Surface Type | Flow Units | % of Flow | Flow Units | % | Flow Units | % | Flow Units | % |
| Impervious | 733,093,331 | 64% | 705,354,664 | 69% | 672,068,264 | 75% | 485,822,932 | 96% |
| Pervious - Managed Grass | 369,662,207 | 32% | 283,800,950 | 28% | 205,804,846 | 23% | 14,419,448 | 3% |
| Pervious - Woods & Grass | 36,795,128 | 3% | 22,562,055 | 2% | 12,019,039 | 1% | 2,214,033 | 0% |
| Pervious - Good Forest | 13,596,131 | 1% | 6,934,573 | 1% | 2,620,941 | 0% | 1,092,059 | 0% |
| **Total** | **1,153,146,797** | **100%** | **1,018,652,242** | **100%** | **892,513,090** | **100%** | **503,548,472** | **100%** |

**Step 3: Determine Cost Weights for Each Storm Event**

To develop a single percentage of total cost represented by each storm event, the total flow percentages for each storm event found in Table D-3 are weighted by the percent of total drainage system expense associated with managing each storm event.

The first step in determining cost weights by storm event is to assign pre-tax flow expense to storm event categories. Most capital expense and O&M infrastructure maintenance expense is allocated to the storm event(s) which the associated infrastructure is designed to manage, except for pipe expense which is allocated between storm events using an incremental cost approach. Flow allocated expenses not directly related to a specific type of infrastructure are typically assigned to the Average Storm event.

Table D-4 presents actual pre-tax flow expense by category. The cost weights by storm event found at the bottom of the table represent the percent of total expense associated with each storm event.

**Table D-4: Pre-Tax Flow Expense by Storm Event**

| | 25 Year | 2 Year | 6 Month | Avg Storm | Total |
|---|---|---|---|---|---|
| **Category** | | | | | |
| SPU CSOs Assets | $0 | $0 | $0 | $0 | $0 |
| Pipe Assets | $0 | $0 | $0 | $0 | $0 |
| WQ Assets | $0 | $0 | $0 | $0 | $0 |
| Other Assets | $40,057 | $67,366 | $67,159 | $73,602 | $248,184 |
| **TOTAL CAPITAL** | **$40,057** | **$67,366** | **$67,159** | **$73,602** | **$248,184** |
| O&M-Treatment | $0 | $32,974 | $0 | $0 | $32,974 |
| O&M Other | $15,215 | $11,016 | $14,313 | $148,305 | $188,850 |
| **TOTAL O&M** | **$15,215** | **$43,990** | **$14,313** | **$148,305** | **$221,824** |
| **TOTAL PRE-TAX EXPENSE** | **$55,272** | **$111,356** | **$81,472** | **$221,908** | **$470,008** |
| **Cost Weight by Storm Event** | 11.8% | 23.7% | 17.3% | 47.2% | 100.0% |

**Step 4: Determine Flow-Based Cost Shares by Surface Type**

By applying the applicable storm event cost weight from Table D-4 to the percentage of flow represented by each surface type under each design storm scenario (found in Table D-3), SPU can calculate a cost weighted run-off share for each surface type. These shares are used to allocate the flow-based revenue requirement between different surface types in the development of surface type rates, as further described in the chapter “Drainage Cost Allocation.”

**Table D-5: Flow-Based Cost Share by Surface Type**

| Surface Type | Cost Share |
|---|---|
| Impervious | 82.5% |
| Pervious - Managed Grass | 15.7% |
| Pervious - Woods and Unmanaged Grass | 1.3% |
| Pervious - Good Forest | 0.5% |

SEATTLE CITY COUNCIL
CENTRAL STAFF

August 13, 2021

**M E M O R A N D U M**

| | |
|---|---|
| **To:** | Transportation and Utilities Committee |
| **From:** | Brian Goodnight, Analyst |
| **Subject:** | Council Bill 120128: 2022-2024 Drainage Rates<br>Council Bill 120129: 2022-2024 Wastewater Rates<br>Council Bill 120130: 2022-2023 Water Rates |

On August 18, 2021, the Transportation and Utilities Committee will continue its consideration of three Council Bills (CBs) that would revise Seattle Public Utilities' (SPU's) drainage rates (CB 120128), wastewater rates (CB 120129), and retail water rates (CB 120130). SPU provided a presentation on the proposed bills at the committee's July 21, 2021, meeting. This memorandum provides background information on prior Council actions, describes the proposed rate increases and compares them to the rates adopted in the 2021–2026 Strategic Business Plan, summarizes the impact to customers, and describes potential technical amendments.

**Background**

SPU operates three distinct utilities: Drainage and Wastewater, Solid Waste, and Water. The Council typically considers rate-setting legislation for one of the utilities each year, with rates being set for a three-year period. Due to the COVID-19 pandemic and its economic impacts, however, in 2020 the Executive did not propose an increase to water rates for 2021 according to the regular schedule. Therefore, the 2020 adopted water rates continued unchanged into 2021. In order to get back on the regular schedule, the Executive has now proposed water rate legislation covering a two-year period (2022–2023) in addition to the regularly scheduled update to drainage and wastewater rates covering a three-year period (2022–2024).

The most recent updates to water rates occurred in November 2017 when the Council passed Ordinance 125444, establishing retail water rates for 2018–2020, and Ordinance 125445, establishing wholesale water rates for 2018–2020. Additionally, the Council revised the wholesale water rate surcharge for one specific subregion, via Ordinance 125662, in September 2018.

In October 2018, the Council passed two ordinances establishing drainage and wastewater rates for 2019–2021: Ordinance 125686 for drainage, and Ordinance 125685 for wastewater. In addition, the Council periodically adjusts the drainage and wastewater rates in response to changes in the King County wastewater treatment rate that the City pays to the County. The Council approved this type of rate change most recently in November 2020 via Ordinance 126215 for drainage and Ordinance 126216 for wastewater.

The Council also recently adopted, via Resolution 32000, an updated Strategic Business Plan (SBP) for SPU covering 2021–2026. The updated SBP contains a new mission and vision for SPU, identifies the department's focus areas, describes its long-term goals and short-term strategies, and specifies a three-year rate path (2021 to 2023) and a three-year rate forecast (2024 to 2026) for all three of SPU's distinct utilities.

**Retail Water: Proposed 2022–2023 Rates and SBP Comparison**

SPU manages and operates a water system that supplies drinking water to retail customers inside and outside of the city boundaries and to wholesale customers, which includes nearby cities, water districts, and the Cascade Water Alliance. CB 120130 would establish retail water rates for residential, general service (e.g., multifamily residential and commercial), and public fire customers. The bill would also revise the low-income assistance credits for qualifying water customers and would create new rate schedules for customers in Burien and Mercer Island to account for new utility taxes in those jurisdictions.

The proposed water rate increases for 2022 and 2023 are shown in Table 1, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected between 2024–2026.

*Table 1. Comparison of Proposed Water Rates vs SBP*

| | | **Proposed** | | *Forecast* | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | *2024* | *2025* | *2026* | *6-Year Avg* |
| **Water** | | | | | | | |
| Proposed Rates | 0.0% | **2.6%** | **3.6%** | *4.0%* | *4.7%* | *3.6%* | *3.1%* |
| Adopted SBP | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | 3.4% |

*Note: The proposed legislation would only establish rates for 2022 and 2023. The rates for additional years are included for reference purposes only.*

As shown in Table 1, the proposed water rate increases are lower in 2022 and 2023 than the rate increases endorsed in the SBP. Additionally, SPU's updated forecast predicts that the six-year average rate increase will also be below the average in the SBP. The differences between the adopted SBP and the proposed rate increases are due to the updating of key assumptions in the intervening period.

SPU prepared the SBP and its associated materials during 2020, but the Executive chose to delay the submittal of the plan as a result of the pandemic. Therefore, although the Council adopted the SBP in May 2021, some of the underlying analysis was performed almost a year before the water rate study that is the basis for the current proposal. This detailed rate study (attached as Exhibit A to the Summary and Fiscal Note) revises several assumptions, determines the level of resources required for the department to meet its financial policies, and calculates the revenue requirement for the retail system.

According to the rate study, the two most impactful updates are related to wholesale revenues and the financing plan for capital projects. The SBP included an assumption that wholesale revenues would decrease as wholesale rates were lowered to account for overpayments in previous years. SPU is currently in discussions with wholesale customers over a variety of topics however, including future rates, and the current rate study assumes a higher level of wholesale revenues than the SBP. Increasing wholesale revenues reduces the amount of revenue required from retail customers, thus lowering retail rate increases.

The current rate study also updates the capital financing plan for water projects. Cash balances for the Water Fund are at an all-time high and, given the low-interest rate environment, SPU is planning to use some of that cash balance to defease existing high-interest debt. This action, along with the refunding of other bonds, is expected to generate substantial debt service savings in future years.

The proposed rates are also impacted by revised assumptions regarding customer consumption (small increase in system connections, spreading costs among more customers), participation in the Utility Discount Program (continued growth as the economic impacts of the pandemic continue), and an effort to smooth the rate path by increasing revenue collections in early years to ease the impact of predicted cost increases in later years.

Overall, the proposed water rates would increase SPU revenues by almost $7.0 million in 2022 (relative to 2021) and approximately $9.1 million in 2023 (relative to 2022). Due to the City's imposition of a utility tax on retail water revenue, approximately $1.1 million and $1.4 million of that additional revenue would be paid to the City's General Fund in 2022 and 2023, respectively.

**Drainage and Wastewater: Proposed 2022–2024 Rates and SBP Comparison**

Drainage and wastewater fees work in tandem to provide SPU sufficient revenue to manage the stormwater and wastewater collection and treatment systems. The systems are physically interconnected in parts of the city through combined pipes that handle both stormwater and wastewater. CB 120128 and CB 120129 would establish drainage and wastewater rates for 2022–2024 and would revise the low-income assistance credits for qualifying utility customers.

The proposed drainage and wastewater rate increases for 2022–2024 are shown in Table 2, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected in 2025 and 2026.

*Table 2. Comparison of Proposed Drainage and Wastewater Rates vs SBP*

| | | Proposed | | | Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | **2024** | *2025* | *2026* | *6-Year Avg* |
| **Drainage** | | | | | | | |
| Proposed Rates | 7.4% | **6.0%** | **6.2%** | **6.0%** | *6.2%* | *6.2%* | *6.3%* |
| Adopted SBP | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | 6.7% |
| **Wastewater** | | | | | | | |
| Proposed Rates | 7.3% | **2.0%** | **3.9%** | **2.9%** | *4.5%* | *4.5%* | *4.2%* |
| Adopted SBP | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | 4.7% |

*Note: The proposed legislation would only establish rates for 2022–2024. The rates for additional years are included for reference purposes only. Additionally, the tables in this memorandum include projections for future increases to King County's wastewater treatment rate.*

As shown in Table 2, the proposed increases for both drainage and wastewater are lower than the rate increases endorsed in the SBP for 2022 and 2023 but are higher than the SBP-endorsed rates for 2024. SPU's updated forecast for 2025 and 2026, if accurate, would result in the six-year average rate increases being below the averages in the SBP. Similar to the water rate discussion above, the differences between the SBP and the proposed drainage and wastewater rates are largely due to changing assumptions between the time when the SBP analysis was performed and the current analysis.

According to the rate study, the most impactful change to the rate paths came from recognizing the decrease in wastewater system usage that resulted from the pandemic. Similar to water, wastewater rates are volume based and revenues are negatively impacted by decreased consumption. System expenses, however, are largely fixed and do not experience decreases in tandem with decreasing volumes. The rate study projects that wastewater volumes will rebound over time, although slowly, with the recovery stretching into 2027.

Counteracting that decrease in wastewater volumes and contributing to the reduced rate increases for drainage are savings achieved by taking advantage of the low-interest rate environment and a cash balance in excess of internal financial targets. SPU intends to defease and refund existing high-interest debt and use some of its cash balance to increase the cash financing of capital projects. SPU financial policies require that at least 25 percent of the capital improvement plan over a four-year average be funded with cash. The rate study assumes an average of 45 percent cash funding during the next three years, with an additional 25 percent financed with low-interest loans.

Another factor influencing the difference in proposed rates relative to the SBP is a change in the assumption regarding King County wastewater treatment charges, which is the largest operating expense for wastewater and the Drainage and Wastewater Fund. King County has recently modified its approach to instituting treatment rate increases, switching from a biennial cycle to an annual cycle. The rate study incorporates this adjustment and assumes annual

treatment rate increases of 4 -5 percent, rather than the assumptions in the SBP of 10.3 percent increases in 2023 and 2025 and no increases in 2024 and 2026. Please see the Potential Amendments section below for additional information on the treatment rate increases included in the proposed legislation.

Overall, the proposed drainage rates would increase SPU revenues by approximately $10.1 million in 2022 (relative to 2021), $10.9 million in 2023 (relative to 2022), and $11.4 million in 2024 (relative to 2023). Due to the City's imposition of a utility tax on drainage revenue, an average of approximately $1.2 million of the additional revenue each year would be paid to the City's General Fund.

With respect to wastewater, the proposed rates and changes in demand would increase SPU revenues by approximately $24.4 million in 2022 (relative to 2021), $18.8 million in 2023 (relative to 2022), and $12.9 million in 2024 (relative to 2023). The City's utility tax on wastewater revenues would direct an average of approximately $2.2 million of the additional revenue each year to the General Fund.

**Customer Impact**

Table 3 shows the impact of the proposed drainage, wastewater, and water rate increases on the monthly bills for a typical residential customer and for a typical small store, such as a convenience store. The table shows the expected monthly bills for those typical customers and provides the dollar and percentage increases from the previous year.

Although the annual percentage increases in Table 3 come close to matching the overall proposed rate increases shown in Tables 1 and 2, the annual increases do not match exactly. The rate increases in the previous tables show the average increase for all customer types and tiers, but do not represent the specific increase that every customer will experience.

*Table 3. Monthly Impact of Proposed Rate Increases to Customers*

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Drainage** | | | | |
| **Residential [a]** | **$50.00** | **$52.72** | **$55.97** | **$59.34** |
| *$ Change from Prior Year* | -- | *$2.73* | *$3.24* | *$3.37* |
| *% Change from Prior Year* | -- | *5.5%* | *6.2%* | *6.0%* |
| **Convenience Store [b]** | **$120.43** | **$128.93** | **$136.86** | **$145.10** |
| *$ Change from Prior Year* | -- | *$8.50* | *$7.93* | *$8.24* |
| *% Change from Prior Year* | -- | *7.1%* | *6.2%* | *6.0%* |
| **Wastewater** | | | | |
| **Residential [c]** | **$71.68** | **$73.14** | **$76.02** | **$78.22** |
| *$ Change from Prior Year* | -- | *$1.46* | *$2.88* | *$2.19* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Convenience Store [d]** | **$250.05** | **$255.15** | **$265.20** | **$272.85** |
| *$ Change from Prior Year* | -- | *$5.10* | *$10.05* | *$7.65* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Water** | | | | |
| **Residential [e]** | **$45.69** | **$47.04** | **$48.66** | |
| *$ Change from Prior Year* | -- | *$1.35* | *$1.62* | |
| *% Change from Prior Year* | -- | *3.0%* | *3.4%* | |
| **Convenience Store [f]** | **$107.30** | **$109.70** | **$113.70** | |
| *$ Change from Prior Year* | -- | *$2.40* | *$4.00* | |
| *% Change from Prior Year* | -- | *2.2%* | *3.6%* | |

a – Typical monthly single-family drainage fee based on 1/12 of annual fee for 5,000–7,999 sq. ft. rate tier
b – Based on 1/12 of annual fee for 8,700 sq. ft. in the "Very Heavy" category
c – Based on monthly wastewater consumption of 4.3 CCF ("hundred cubic feet"; 1 CCF = 748 gallons)
d – Based on monthly wastewater consumption of 15 CCF
e – Based on monthly water consumption of 5 CCF
f – Based on monthly water consumption of 15 CCF

**Potential Amendments**

CB 120128 (Drainage Rates) and CB 120129 (Wastewater Rates), require amendments to correct errors in the transmitted versions of the bills. Both bills contained similar errors and staff have prepared substitute versions of the bills, attached to this memorandum, for the committee's consideration on August 18.

The substitute bills would replace incorrect drainage and wastewater rates for 2023 and 2024 with corrected values. In the Drainage and Wastewater Rate Study accompanying the bills, SPU makes assumptions regarding future increases to King County's wastewater treatment rate. At this time, King County has only approved a wastewater treatment rate increase for 2022. Therefore, the bills should only include a treatment rate increase for 2022, but not for 2023 and

2024. The bills transmitted by the Executive, however, inadvertently included the treatment rate increase assumptions for 2023 and 2024. The substitute bills would correct those errors.

When King County does adopt treatment rate increases for future years, SPU will need to transmit new legislation amending the City's drainage and wastewater rates at that time.

The substitute bills would also correct an omission in section numbering, as the transmitted bills omit a Section 2.

**Attachments:**

1. CB 120128 Proposed Substitute
2. CB 120129 Proposed Substitute

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

Vas Duggirala/Brian Goodnight
SPU 2022-2024 Drainage Rates ORD
D2a~~1a~~

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

**21.33.030 Drainage service charges and drainage rates—Schedule—Exemptions**

* * *

D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((~~117.4 percent~~)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.

3. ((~~The rate categories and the corresponding annual drainage rates~~)) Annual drainage treatment rates and dates effective are as follows:

((~~Effective January 1, 2020~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$12.88~~ | ~~$170.59~~ | ~~$183.47~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$22.29~~ | ~~$276.46~~ | ~~$298.75~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.74~~ | ~~$383.52~~ | ~~$414.26~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.85~~ | ~~$516.42~~ | ~~$558.27~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$53.16~~ | ~~$651.93~~ | ~~$705.09~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.50~~ | ~~$42.55~~ | ~~$46.05~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.06~~ | ~~$25.34~~ | ~~$27.40~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.25~~ | ~~$63.50~~ | ~~$68.75~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.10~~ | ~~$49.75~~ | ~~$53.85~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.49~~ | ~~$90.37~~ | ~~$97.86~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$6.06~~ | ~~$73.15~~ | ~~$79.21~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.93~~ | ~~$119.57~~ | ~~$129.50~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.87~~ | ~~$142.73~~ | ~~$154.60~~ | ~~per 1,000 sq. ft.~~ |

~~Effective January 1, 2021~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$10.97~~ | ~~$184.60~~ | ~~$195.57~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$21.36~~ | ~~$299.22~~ | ~~$320.58~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.16~~ | ~~$415.09~~ | ~~$445.25~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.00~~ | ~~$558.94~~ | ~~$599.94~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$52.09~~ | ~~$705.60~~ | ~~$757.69~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.44~~ | ~~$46.05~~ | ~~$49.49~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.02~~ | ~~$27.43~~ | ~~$29.45~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.19~~ | ~~$68.73~~ | ~~$73.92~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.02~~ | ~~$53.85~~ | ~~$57.87~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.34~~ | ~~$97.81~~ | ~~$105.15~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$5.82~~ | ~~$79.18~~ | ~~$85.00~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.75~~ | ~~$129.42~~ | ~~$139.17~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.62~~ | ~~$154.49~~ | ~~$165.81~~ | ~~per 1,000 sq. ft.~~)) |

For small residential parcels, per parcel:

| Small Residential Parcels | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $10.97 | $12.83 | ~~$13.92~~<br>$12.83 | ~~$14.73~~<br>$12.83 |
| 2,000–2,999 sq. ft. | $21.36 | $22.45 | ~~$24.36~~<br>$22.45 | ~~$25.77~~<br>$22.45 |
| 3,000–4,999 sq. ft | $30.16 | $31.47 | ~~$34.15~~<br>$31.47 | ~~$36.12~~<br>$31.47 |
| 5,000–7,999 sq. ft | $41.00 | $43.00 | ~~$46.66~~<br>$43.00 | ~~$49.36~~<br>$43.00 |
| 8,000–9,999 sq. ft. | $52.09 | $54.43 | ~~$59.07~~<br>$54.43 | ~~$62.48~~<br>$54.43 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $3.44 | $3.65 | ~~$3.96~~ $3.65 | ~~$4.19~~ $3.65 |
| Undeveloped (Low Impact) | $2.02 | $2.09 | ~~$2.27~~ $2.09 | ~~$2.40~~ $2.09 |
| Light (16% to 35% impervious) | $5.19 | $5.44 | ~~$5.91~~ $5.44 | ~~$6.25~~ $5.44 |
| Light (Low Impact) | $4.02 | $4.22 | ~~$4.58~~ $4.22 | ~~$4.84~~ $4.22 |
| Moderate (36% to 65% impervious) | $7.34 | $7.74 | ~~$8.40~~ $7.74 | ~~$8.89~~ $7.74 |
| Moderate (Low Impact) | $5.82 | $6.24 | ~~$6.78~~ $6.24 | ~~$7.17~~ $6.24 |
| Heavy (66% to 85% impervious) | $9.75 | $10.25 | ~~$11.12~~ $10.25 | ~~$11.76~~ $10.25 |
| Very Heavy (86% to 100% impervious) | $11.62 | $12.23 | ~~$13.28~~ $12.23 | ~~$14.04~~ $12.23 |

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $184.60 | $191.38 | $202.85 | $215.11 |
| 2,000–2,999 sq. ft. | $299.22 | $314.68 | $333.50 | $353.65 |
| 3,000–4,999 sq. ft | $415.09 | $434.44 | $460.41 | $488.24 |
| 5,000–7,999 sq. ft | $558.94 | $589.67 | $624.92 | $662.69 |
| 8,000–9,999 sq. ft. | $705.60 | $743.56 | $788.00 | $835.63 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $46.05 | $50.03 | $53.03 | $56.23 |
| Undeveloped (Low Impact) | $27.43 | $29.02 | $30.75 | $32.61 |
| Light (16% to 35% impervious) | $68.73 | $74.22 | $78.65 | $83.40 |
| Light (Low Impact) | $53.85 | $57.70 | $61.15 | $64.85 |
| Moderate (36% to 65% impervious) | $97.81 | $105.13 | $111.41 | $118.14 |
| Moderate (Low Impact) | $79.18 | $84.96 | $90.03 | $95.47 |

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Heavy (66% to 85% impervious) | $129.42 | $138.87 | $147.17 | $156.07 |
| Very Heavy (86% to 100% impervious) | $154.49 | $165.60 | $175.49 | $186.10 |

((~~4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.~~))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((~~5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.~~))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The

rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers ((~~residing inside The City of Seattle~~)) shall receive the following rate credits for drainage services based on dwelling type:

| ((~~Effective Date~~ | ~~Single-Family~~ | ~~Duplex~~ | ~~Multifamily~~ |
|---|---|---|---|
| ~~January 1, 2020~~ | ~~$23.24 per month~~ | ~~$11.62 per month~~ | ~~$2.49 per month~~ |
| ~~January 1, 2021~~ | ~~$25.00 per month~~ | ~~$12.50 per month~~ | ~~$2.68 per month~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Single-Family | $25.00 | $26.36 | ~~$27.98~~ $27.83 | ~~$29.67~~ $29.40 |
| Duplex | $12.50 | $13.18 | ~~$13.99~~ $13.92 | ~~$14.83~~ $14.70 |
| Multifamily | $2.68 | $2.82 | ~~$2.99~~ $2.98 | ~~$3.17~~ $3.15 |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 3~~4~~. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.28.040 Wastewater volume charge**

* * *

B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((~~118.7 percent in 2020 and 116.4 percent in 2021~~)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

| | ((Effective Jan. 1, 2020 | Effective Jan. 1, 2021 |
|---|---|---|
| Treatment Rate | $8.84 | $9.25 |
| System Rate | $6.71 | $7.42 |
| Wastewater Volume Rate | $15.55 | $16.67)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Treatment Rate | $9.25 | $9.34 | $10.01<br>$9.34 | $10.52<br>$9.34 |
| System Rate | $7.42 | $7.67 | $7.67 | $7.67 |
| Wastewater Volume Rate | $16.67 | $17.01 | $17.68<br>$17.01 | $18.19<br>$17.01 |

* * *

Section 23. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. ((Certified low-income residential utility customers ("Certified customers"))) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater

volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| ~~((Effective date~~ | ~~Single-family and duplex dwellings~~ | ~~Multifamily dwellings~~ |
|---|---|---|
| ~~January 1, 2020~~ | ~~$33.43 per month~~ | ~~$23.32 per month~~ |
| ~~January 1, 2021~~ | ~~$35.85 per month~~ | ~~$25.01 per month~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Single-Family | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| Duplex | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| ~~Multi-Family~~ Multifamily | $25.01 | $25.52 | ~~$26.52~~ $25.52 | ~~$27.29~~ $25.52 |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| **Effective Date** | **Single-Family** | **Duplex** | **Multifamily** |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base

service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 34. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# Water Rate Study 2022-2023
# Drainage and Wastewater Rate Study 2022-2024

Updating Water, Drainage, and Wastewater Rates

July 21, 2021

Seattle Public Utilities

City of Seattle

# Agenda

- Strategic Business Plan (SBP) Update
- Water
  - Updates to Strategic Business Plan
  - Rate Proposal Changes
- Wastewater & Drainage
  - Updates to Strategic Business Plan
  - Rate Proposal Changes

# Endorsed Rate Path - Strategic Business Plan

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Wastewater | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Drainage | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.9%** | **5.0%** | **2.2%** | **5.4%** | **4.2%** | **4.2%** |

Approved rate legislation currently in effect

# Strategic Business Plan - Proposed Rates

## Six-year average rate path lowered from 4.2% to 3.9%.

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation

# Single Family Residential Bill Comparison

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Strategic Business Plan | $222.62 | $232.03 | $243.79 | $249.50 | $262.96 | $274.51 |
| Proposed Rate Update | $222.62 | $229.47 | $238.49 | $247.34 | $258.16 | $268.92 |
| **Savings** | **$0** | **-$2.56** | **-$5.30** | **-$2.16** | **-$4.80** | **-$5.59** |

# Water Rate Proposal

# Proposed Water Rates

| | Proposed Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| SBP Rate Path | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Rate Proposal | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |

# Water Rates – Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

# Drainage & Wastewater Rate Proposal

# Proposed Drainage & Wastewater Rates

| | Proposed Rate Path | | | | Rate Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Wastewater SBP Rate Path | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Wastewater Rate Proposal | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| | | | | | | | |
| Drainage SBP Rate Path | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Drainage Rate Proposal | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |

# Drainage & Wastewater Rates - Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

## King County Wastewater Treatment Rate

- Updated for adopted and projected rate schedule

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **SBP** | 4.5% | 0% | 10.25% | 0% | 10.25% |
| **Proposed** | 4.0% | 4.0% | 4.0% | 5.0% | 5.0% |

# Regulatory Drivers – Ship Canal Project

- As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

| | Proposed Rate Path | | |
|---|---|---|---|
| **Wastewater** | 2022 | 2023 | 2024 |
| Consent Decree-Related | 0.5% | 0.5% | 0.5% |
| Remaining | 1.5% | 3.4% | 2.4% |
| Rate Proposal | 2.0% | 3.9% | 2.9% |
| **Drainage** | | | |
| Consent Decree-Related | 2.0% | 2.0% | 2.0% |
| Remaining | 4.0% | 4.2% | 4.0% |
| Rate Proposal | 6.0% | 6.2% | 6.0% |

# Strategic Business Plan – Proposed Rates

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation

Vas Duggirala/Brian Goodnight
SPU 2022-2024 Wastewater Rates ORD
D2a~~1a~~

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.28.040 Wastewater volume charge**

* * *

B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((~~118.7 percent in 2020 and 116.4 percent in 2021~~)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

| | ~~((Effective Jan. 1, 2020~~ | ~~Effective Jan. 1, 2021~~ |
|---|---|---|
| ~~Treatment Rate~~ | ~~$8.84~~ | ~~$9.25~~ |
| ~~System Rate~~ | ~~$6.71~~ | ~~$7.42~~ |
| ~~Wastewater Volume Rate~~ | ~~$15.55~~ | ~~$16.67~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Treatment Rate | $9.25 | $9.34 | ~~$10.01~~ $9.34 | ~~$10.52~~ $9.34 |
| System Rate | $7.42 | $7.67 | $7.67 | $7.67 |
| Wastewater Volume Rate | $16.67 | $17.01 | ~~$17.68~~ $17.01 | ~~$18.19~~ $17.01 |

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. ((~~Certified low-income residential utility customers ("Certified customers")~~)) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater

volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| ~~((Effective date~~ | ~~Single-family and duplex dwellings~~ | ~~Multifamily dwellings~~ |
|---|---|---|
| ~~January 1, 2020~~ | ~~$33.43 per month~~ | ~~$23.32 per month~~ |
| ~~January 1, 2021~~ | ~~$35.85 per month~~ | ~~$25.01 per month~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Single-Family | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| Duplex | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| ~~Multi-Family~~ Multifamily | $25.01 | $25.52 | ~~$26.52~~ $25.52 | ~~$27.29~~ $25.52 |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| **Effective Date** | **Single-Family** | **Duplex** | **Multifamily** |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base

service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 34. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

**File #:** CB 120130, **Version:** 1

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

AN ORDINANCE relating to rates and charges for water services of Seattle Public Utilities; revising water rates and charges, and credits to low-income customers; and amending Sections 21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.

WHEREAS, Seattle Public Utilities recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, Seattle City Council adopted the 2021-2026 Strategic Business Plan in Resolution 32000; and

WHEREAS, the Cities of Burien and Mercer Island have imposed revenue taxes on water utilities; and

WHEREAS, the water rates authorized by this ordinance are consistent with the general rate-making policies set forth in Resolution 30742, adopted March 28, 2005; and

WHEREAS, credits for qualified low-income customers should be revised when water rates change; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 21.04.430 of the Seattle Municipal Code, last amended by Ordinance 125444, is amended as follows:

**21.04.430 Rates inside The City of Seattle**

All water used inside the City for domestic and commercial purposes shall be supplied by meter only at the following rates and charges. Seasonal rates shall be prorated. For usage representing fractional parts of a month, the base service charge and all components of the commodity charge shall be prorated using a 30-day month. The additional cost of funding the Revenue Stabilization Subfund shall be specifically indicated in the billings.

Seattle Public Utilities shall continue to incorporate arts funding into its capital projects constructed within the municipal boundaries of the City at the one percent level; however, the department shall not be permitted to fund any such program from the Water Fund on any capital project outside the City limits.

A. Residential. The rates for metered water supplied to single-family and duplex residences within the City in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

**Schedule WIR.** Schedule WIR is for all single-family and duplex residences within the city except those billed on Schedule WIRM.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$5.29~~ | ~~$5.33~~ | ~~$5.41~~)) | $5.55 | $5.71 | $5.92 |
| Next 1,300 cubic feet per residence | ((~~$6.54~~ | ~~$6.59~~ | ~~$6.69~~)) | $6.86 | $7.06 | $7.32 |
| All over 1,800 cubic feet per residence | ((~~$11.80~~ | ~~$11.80~~ | ~~$11.80~~)) | $11.80 | $11.80 | $11.80 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.15~~ | ~~$5.20~~ | ~~$5.27~~)) | $5.40 | $5.56 | $5.76 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$15.15~~ | ~~$16.10~~ | ~~$17.15~~)) | $18.45 | $19.00 | $19.60 |
| 1 inch | ((~~$15.60~~ | ~~$16.60~~ | ~~$17.70~~)) | $19.00 | $19.60 | $20.20 |
| 1 1/2 inch | ((~~$24.10~~ | ~~$25.60~~ | ~~$27.25~~)) | $29.35 | $30.20 | $31.15 |
| 2 inch | ((~~$26.65~~ | ~~$28.35~~ | ~~$30.20~~)) | $32.50 | $33.45 | $34.50 |
| 3 inch | ((~~$98.80~~ | ~~$104.95~~ | ~~$111.80~~)) | $120.30 | $123.90 | $127.80 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 inch and larger | ((~~$141.50~~ | ~~$150.40~~ | ~~$160.20~~)) | $172.35 | $177.45 | $183.05 |

**Schedule WIRM.** Schedule WIRM is for single-family and duplex residences within the City in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore or supplant a vital function, and which uses a disproportionate amount of water.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective Jan 2018~~** | **~~Effective Jan 2019~~))** | **Effective Jan 2020** | **Effective Jan 2022** | **Effective Jan** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$5.29~~ | ~~$5.33~~ | ~~$5.41~~)) | $5.55 | $5.71 | $5.92 |
| All over 500 cubic feet per residence | ((~~$6.54~~ | ~~$6.59~~ | ~~$6.69~~)) | $6.86 | $7.06 | $7.32 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.15~~ | ~~$5.20~~ | ~~$5.27~~)) | $5.40 | $5.56 | $5.76 |

**Base Service Charge Per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$15.15~~ | ~~$16.10~~ | ~~$17.15~~)) | $18.45 | $19.00 | $19.60 |
| 1 inch | ((~~$15.60~~ | ~~$16.60~~ | ~~$17.70~~)) | $19.00 | $19.60 | $20.20 |
| 1 1/2 inch | ((~~$24.10~~ | ~~$25.60~~ | ~~$27.25~~)) | $29.35 | $30.20 | $31.15 |
| 2 inch | ((~~$26.65~~ | ~~$28.35~~ | ~~$30.20~~)) | $32.50 | $33.45 | $34.50 |
| 3 inch | ((~~$98.80~~ | ~~$104.95~~ | ~~$111.80~~)) | $120.30 | $123.90 | $127.80 |
| 4 inch and larger | ((~~$141.50~~ | ~~$150.40~~ | ~~$160.20~~)) | $172.35 | $177.45 | $183.05 |

1. Master ((~~Metered Residential Development: Multiple Parcels~~)) metered residential development: multiple parcels. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and which use water

primarily to serve single-family, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$5.29~~ | ~~$5.33~~ | ~~$5.41~~)) | $5.55 | $5.71 | $5.92 |
| Next 1,300 cubic feet per residence | ((~~$6.54~~ | ~~$6.59~~ | ~~$6.69~~)) | $6.86 | $7.06 | $7.32 |
| All over 1,800 cubic feet per residence | ((~~$11.80~~ | ~~$11.80~~ | ~~$11.80~~)) | $11.80 | $11.80 | $11.80 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.15~~ | ~~$5.20~~ | ~~$5.27~~)) | $5.40 | $5.56 | $5.76 |

**Base Service Charge Per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 1 1/2 inch | ((~~$24.10~~ | ~~$25.60~~ | ~~$27.25~~)) | $29.35 | $30.20 | $31.15 |
| 2 inch | ((~~$26.65~~ | ~~$28.35~~ | ~~$30.20~~)) | $32.50 | $33.45 | $34.50 |
| 3 inch | ((~~$98.80~~ | ~~$104.95~~ | ~~$111.80~~)) | $120.30 | $123.90 | $127.80 |
| 4 inch | ((~~$141.50~~ | ~~$150.40~~ | ~~$160.20~~)) | $172.35 | $177.45 | $183.05 |
| 6 inch | ((~~$174.10~~ | ~~$185.05~~ | ~~$197.10~~)) | $212.00 | $218.00 | $225.00 |
| 8 inch | ((~~$205.00~~ | ~~$218.00~~ | ~~$232.00~~)) | $250.00 | $257.00 | $265.00 |
| 10 inch | ((~~$297.00~~ | ~~$297.00~~ | ~~$297.00~~)) | $305.00 | $314.00 | $324.00 |
| 12 inch | ((~~$402.00~~ | ~~$402.00~~ | ~~$402.00~~)) | $412.00 | $424.00 | $437.00 |
| 16 inch | ((~~$477.00~~ | ~~$477.00~~ | ~~$477.00~~)) | $477.00 | $477.00 | $491.00 |
| 20 inch | ((~~$614.00~~ | ~~$614.00~~ | ~~$614.00~~)) | $614.00 | $614.00 | $614.00 |
| 24 inch | ((~~$771.00~~ | ~~$771.00~~ | ~~$771.00~~)) | $771.00 | $771.00 | $771.00 |

B. General ((~~Service~~)) service. The rates for metered water supplied to houseboats and premises other than single-family, duplex residences, and master-metered residential developments within the City in one

month, or fractional part thereof, shall be based on a commodity charge and a base service charge in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| All usage | ((~~$6.54~~ | ~~$6.59~~ | ~~$6.69~~)) | $6.86 | $7.01 | $7.27 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.15~~ | ~~$5.20~~ | ~~$5.27~~)) | $5.40 | $5.52 | $5.72 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$15.15~~ | ~~$16.10~~ | ~~$17.15~~)) | $18.45 | $18.85 | $19.55 |
| 1 inch | ((~~$15.60~~ | ~~$16.60~~ | ~~$17.70~~)) | $19.00 | $19.45 | $20.15 |
| 1 1/2 inch | ((~~$24.10~~ | ~~$25.60~~ | ~~$27.25~~)) | $29.35 | $29.95 | $31.10 |
| 2 inch | ((~~$26.65~~ | ~~$28.35~~ | ~~$30.20~~)) | $32.50 | $33.20 | $34.40 |
| 3 inch | ((~~$98.80~~ | ~~$104.95~~ | ~~$111.80~~)) | $120.30 | $122.90 | $127.45 |
| 4 inch | ((~~$141.50~~ | ~~$150.40~~ | ~~$160.20~~)) | $172.35 | $176.05 | $182.60 |
| 6 inch | ((~~$174.10~~ | ~~$185.05~~ | ~~$197.10~~)) | $212.00 | $217.00 | $225.00 |
| 8 inch | ((~~$205.00~~ | ~~$218.00~~ | ~~$232.00~~)) | $250.00 | $255.00 | $264.00 |
| 10 inch | ((~~$297.00~~ | ~~$297.00~~ | ~~$297.00~~)) | $305.00 | $312.00 | $323.00 |
| 12 inch | ((~~$402.00~~ | ~~$402.00~~ | ~~$402.00~~)) | $412.00 | $421.00 | $436.00 |
| 16 inch | ((~~$477.00~~ | ~~$477.00~~ | ~~$477.00~~)) | $477.00 | $477.00 | $490.00 |
| 20 inch | ((~~$614.00~~ | ~~$614.00~~ | ~~$614.00~~)) | $614.00 | $614.00 | $614.00 |
| 24 inch | ((~~$771.00~~ | ~~$771.00~~ | ~~$771.00~~)) | $771.00 | $771.00 | $771.00 |

C. Fire ((~~Service~~)) service

1. Fire ((~~Hydrants~~)) hydrants. The rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as

follows:

| **Hydrant Type** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Hydrants on 4 inch or smaller mains | ((~~$202.43~~ | ~~$304.52~~ | ~~$310.68~~)) | $321.20 | $503.95 | $521.70 |
| Hydrants on 6 inch or larger mains | ((~~$491.53~~ | ~~$548.49~~ | ~~$559.59~~)) | $578.53 | $669.04 | $692.60 |

2. Metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

**Service Charge per Month**

| **Service Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** |
|---|---|---|---|---|
| 2 inch and less | ((~~$16.25~~ | ~~$16.25~~ | ~~$17.25~~)) | $17.75 |
| 3 inch | ((~~$21.00~~ | ~~$21.00~~ | ~~$22.00~~)) | $23.00 |
| 4 inch | ((~~$39.00~~ | ~~$39.00~~ | ~~$41.00~~)) | $43.00 |
| 6 inch | ((~~$66.00~~ | ~~$66.00~~ | ~~$71.00~~)) | $73.00 |
| 8 inch | ((~~$105.00~~ | ~~$105.00~~ | ~~$112.00~~)) | $115.00 |
| 10 inch | ((~~$152.00~~ | ~~$152.00~~ | ~~$161.00~~)) | $166.00 |
| 12 inch | ((~~$222.00~~ | ~~$222.00~~ | ~~$235.00~~)) | $242.00 |

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional $20((~~.00~~)).

| **Size of Service** | **Monthly Allowance** |
|---|---|
| 2 inch and less | 100 cubic feet |
| 3 inch | 500 cubic feet |
| 4 inch | 500 cubic feet |
| 6 inch | 500 cubic feet |

| | |
|---|---|
| 8 inch | 1,000 cubic feet |
| 10 inch | 1,000 cubic feet |
| 12 inch | 1,000 cubic feet |

Section 2. Section 21.04.440 of the Seattle Municipal Code, last amended by Ordinance 125662, is amended as follows:

**21.04.440 Rates outside The City of Seattle**

Except as otherwise provided in this Chapter 21.04, the rates and charges for water supplied to customers located outside The City of Seattle shall be as specified in this Section 21.04.440. Seasonal rates shall be prorated. For usage representing fractional parts of a month, the base service charge and all components of the commodity charge shall be prorated using a 30-day month.

A. Residential. The rates for metered water supplied to single-family and duplex residences except for those located in the cities of Shoreline and Lake Forest Park and those served under the terms of a wholesale contract, in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

**Schedule WOR.** Schedule WOR is for all single-family and duplex residences except those billed on Schedule WORM.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$6.03~~ | ~~$6.08~~ | ~~$6.17~~)) | $6.33 | $6.51 | $6.75 |
| Next 1,300 cubic feet per residence | ((~~$7.46~~ | ~~$7.51~~ | ~~$7.63~~)) | $7.82 | $8.05 | $8.34 |
| All over 1,800 cubic feet per residence | ((~~$13.45~~ | ~~$13.45~~ | ~~$13.45~~)) | $13.45 | $13.45 | $13.45 |
| Winter (September 16th-May 15th) | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| All usage | ((~~$5.87~~ | ~~$5.93~~ | ~~$6.01~~)) | $6.16 | $6.34 | $6.57 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$17.25~~ | ~~$18.35~~ | ~~$19.55~~)) | $21.05 | $21.65 | $22.35 |
| 1 inch | ((~~$17.80~~ | ~~$18.90~~ | ~~$20.20~~)) | $21.65 | $22.35 | $23.05 |
| 1 1/2 inch | ((~~$27.45~~ | ~~$29.20~~ | ~~$31.05~~)) | $33.45 | $34.45 | $35.50 |
| 2 inch | ((~~$30.40~~ | ~~$32.30~~ | ~~$34.45~~)) | $37.05 | $38.15 | $39.35 |
| 3 inch | ((~~$112.65~~ | ~~$119.65~~ | ~~$127.45~~)) | $137.15 | $141.25 | $145.70 |
| 4 inch and larger | ((~~$161.30~~ | ~~$171.45~~ | ~~$182.65~~)) | $196.50 | $202.30 | $208.70 |

**Schedule WORM.** Schedule WORM is for single-family and duplex residences in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore, or supplant a vital function, and which uses a disproportionate amount of water.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$6.03~~ | ~~$6.08~~ | ~~$6.17~~)) | $6.33 | $6.51 | $6.75 |
| All over 500 cubic feet per residence | ((~~$7.46~~ | ~~$7.51~~ | ~~$7.63~~)) | $7.82 | $8.05 | $8.34 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.87~~ | ~~$5.93~~ | ~~$6.01~~)) | $6.16 | $6.34 | $6.57 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$17.25~~ | ~~$18.35~~ | ~~$19.55~~)) | $21.05 | $21.65 | $22.35 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 inch | ((~~$17.80~~ | ~~$18.90~~ | ~~$20.20~~)) | $21.65 | $22.35 | $23.05 |
| 1 1/2 inch | ((~~$27.45~~ | ~~$29.20~~ | ~~$31.05~~)) | $33.45 | $34.45 | $35.50 |
| 2 inch | ((~~$30.40~~ | ~~$32.30~~ | ~~$34.45~~)) | $37.05 | $38.15 | $39.35 |
| 3 inch | ((~~$112.65~~ | ~~$119.65~~ | ~~$127.45~~)) | $137.15 | $141.25 | $145.70 |
| 4 inch and larger | ((~~$161.30~~ | ~~$171.45~~ | ~~$182.65~~)) | $196.50 | $202.30 | $208.70 |

1. Master metered residential developments. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and which use water primarily to serve single-family, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$6.03~~ | ~~$6.08~~ | ~~$6.17~~)) | $6.33 | $6.51 | $6.75 |
| Next 1,300 cubic feet per residence | ((~~$7.46~~ | ~~$7.51~~ | ~~$7.63~~)) | $7.82 | $8.05 | $8.34 |
| All over 1,800 cubic feet per residence | ((~~$13.45~~ | ~~$13.45~~ | ~~$13.45~~)) | $13.45 | $13.45 | $13.45 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.87~~ | ~~$5.93~~ | ~~$6.01~~)) | $6.16 | $6.34 | $6.57 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 1 1/2 inch | ((~~$27.45~~ | ~~$29.20~~ | ~~$31.05~~)) | $33.45 | $34.45 | $35.50 |
| 2 inch | ((~~$30.40~~ | ~~$32.30~~ | ~~$34.45~~)) | $37.05 | $38.15 | $39.35 |
| 3 inch | ((~~$112.65~~ | ~~$119.65~~ | ~~$127.45~~)) | $137.15 | $141.25 | $145.70 |
| 4 inch | ((~~$161.30~~ | ~~$171.45~~ | ~~$182.65~~)) | $196.50 | $202.30 | $208.70 |
| 6 inch | ((~~$198.45~~ | ~~$210.95~~ | ~~$224.70~~)) | $242.00 | $249.00 | $257.00 |
| 8 inch | ((~~$234.00~~ | ~~$249.00~~ | ~~$264.00~~)) | $285.00 | $293.00 | $302.00 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 10 inch | ((~~$339.00~~ | ~~$339.00~~ | ~~$339.00~~)) | $348.00 | $358.00 | $369.00 |
| 12 inch | ((~~$458.00~~ | ~~$458.00~~ | ~~$458.00~~)) | $470.00 | $483.00 | $498.00 |
| 16 inch | ((~~$544.00~~ | ~~$544.00~~ | ~~$544.00~~)) | $544.00 | $544.00 | $560.00 |
| 20 inch | ((~~$700.00~~ | ~~$700.00~~ | ~~$700.00~~)) | $700.00 | $700.00 | $700.00 |
| 24 inch | ((~~$879.00~~ | ~~$879.00~~ | ~~$879.00~~)) | $879.00 | $879.00 | $879.00 |

B. General service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments (except for those located in the cities of Shoreline and Lake Forest Park and those served under the terms of a wholesale contract) in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| All usage | ((~~$7.46~~ | ~~$7.51~~ | ~~$7.63~~)) | $7.82 | $7.99 | $8.29 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.87~~ | ~~$5.93~~ | ~~$6.01~~)) | $6.16 | $6.29 | $6.52 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$17.25~~ | ~~$18.35~~ | ~~$19.55~~)) | $21.05 | $21.50 | $22.30 |
| 1 inch | ((~~$17.80~~ | ~~$18.90~~ | ~~$20.20~~)) | $21.65 | $22.15 | $22.95 |
| 1 1/2 inch | ((~~$27.45~~ | ~~$29.20~~ | ~~$31.05~~)) | $33.45 | $34.15 | $35.45 |
| 2 inch | ((~~$30.40~~ | ~~$32.30~~ | ~~$34.45~~)) | $37.05 | $37.85 | $39.20 |
| 3 inch | ((~~$112.65~~ | ~~$119.65~~ | ~~$127.45~~)) | $137.15 | $140.10 | $145.30 |
| 4 inch | ((~~$161.30~~ | ~~$171.45~~ | ~~$182.65~~)) | $196.50 | $200.70 | $208.15 |
| 6 inch | ((~~$198.45~~ | ~~$210.95~~ | ~~$224.70~~)) | $242.00 | $247.00 | $257.00 |
| 8 inch | ((~~$234.00~~ | ~~$249.00~~ | ~~$264.00~~)) | $285.00 | $291.00 | $301.00 |
| 10 inch | ((~~$339.00~~ | ~~$339.00~~ | ~~$339.00~~)) | $348.00 | $356.00 | $368.00 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 12 inch | ((~~$458.00~~ | ~~$458.00~~ | ~~$458.00~~)) | $470.00 | $480.00 | $497.00 |
| 16 inch | ((~~$544.00~~ | ~~$544.00~~ | ~~$544.00~~)) | $544.00 | $544.00 | $559.00 |
| 20 inch | ((~~$700.00~~ | ~~$700.00~~ | ~~$700.00~~)) | $700.00 | $700.00 | $700.00 |
| 24 inch | ((~~$879.00~~ | ~~$879.00~~ | ~~$879.00~~)) | $879.00 | $879.00 | $879.00 |

C. Fire service

1. Fire hydrants. Except for as provided in subsection 21.04.440.D, the rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as follows:

| **Hydrant Type** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Hydrants on 4 inch or smaller mains | ((~~$202.43~~ | ~~$304.52~~ | ~~$310.68~~)) | $321.20 | $503.95 | $521.70 |
| Hydrants on 6 inch or larger mains | ((~~$491.53~~ | ~~$548.49~~ | ~~$559.59~~)) | $578.53 | $670.88 | $694.51 |

2. Metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

**Service Charge per Month**

| **Service Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** |
|---|---|---|---|---|
| 2 inch and less | ((~~$19.00~~ | ~~$19.00~~ | ~~$20.00~~)) | $20.00 |
| 3 inch | ((~~$24.00~~ | ~~$24.00~~ | ~~$25.00~~)) | $26.00 |
| 4 inch | ((~~$44.00~~ | ~~$44.00~~ | ~~$47.00~~)) | $49.00 |
| 6 inch | ((~~$75.00~~ | ~~$75.00~~ | ~~$81.00~~)) | $83.00 |
| 8 inch | ((~~$120.00~~ | ~~$120.00~~ | ~~$128.00~~)) | $131.00 |
| 10 inch | ((~~$173.00~~ | ~~$173.00~~ | ~~$184.00~~)) | $189.00 |
| 12 inch | ((~~$253.00~~ | ~~$253.00~~ | ~~$268.00~~)) | $276.00 |

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional $22.80.

| **Service Size** | **Monthly Allowance** |
|---|---|
| 2 inch and less | 100 cubic feet |
| 3 inch | 500 cubic feet |
| 4 inch | 500 cubic feet |
| 6 inch | 500 cubic feet |
| 8 inch | 1,000 cubic feet |
| 10 inch | 1,000 cubic feet |
| 12 inch | 1,000 cubic feet |

D. Rates inside the cities of Shoreline, ((~~and~~)) Lake Forest Park, Burien, and Mercer Island. Rates and charges in this subsection 21.04.440.D apply to retail customers of Seattle Public Utilities located within the cities of Shoreline, ((~~and~~)) Lake Forest Park, Burien, and Mercer Island who are not served under the terms of a wholesale contract. Seasonal rates shall be prorated. For usage representing fractional parts of a month, the base service charge and all components of the commodity charge shall be prorated using a 30-day month. Except as otherwise provided in this Chapter 21.04, the rates and charges for water supplied shall be as follows:

1. Shoreline and Lake Forest Park residential. Except for Shoreline and Lake Forest Park master metered residential developments, the rates for metered water supplied to single-family and duplex residences in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

**Schedules WARSL and Schedule WARLF.** Schedules WARSL and WARLF are for all single-family and duplex residences except those billed on Schedules WARMSL and WARMLF.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| First 500 cubic feet per residence | ((~~$6.42~~ | ~~$6.46~~ | ~~$6.56~~)) | $6.73 | $6.92 | $7.18 |
| Next 1,300 cubic feet per residence | ((~~$7.93~~ | ~~$7.99~~ | ~~$8.11~~)) | $8.32 | $8.56 | $8.88 |
| All over 1,800 cubic feet per residence | ((~~$14.31~~ | ~~$14.31~~ | ~~$14.31~~)) | $14.31 | $14.31 | $14.31 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$6.25~~ | ~~$6.31~~ | ~~$6.39~~)) | $6.55 | $6.74 | $6.99 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$18.35~~ | ~~$19.55~~ | ~~$20.80~~)) | $22.40 | $23.05 | $23.75 |
| 1 inch | ((~~$18.90~~ | ~~$20.15~~ | ~~$21.45~~)) | $23.05 | $23.75 | $24.50 |
| 1 1/2 inch | ((~~$29.25~~ | ~~$31.05~~ | ~~$33.05~~)) | $35.60 | $36.65 | $37.80 |
| 2 inch | ((~~$32.30~~ | ~~$34.40~~ | ~~$36.65~~)) | $39.40 | $40.55 | $41.85 |
| 3 inch | ((~~$119.80~~ | ~~$127.30~~ | ~~$135.60~~)) | $145.90 | $150.25 | $155.00 |
| 4 inch and larger | ((~~$171.60~~ | ~~$182.40~~ | ~~$194.30~~)) | $209.00 | $215.20 | $222.00 |

**Schedules WARMSL and WARMLF.** Schedules WARMSL and WARMLF are for single-family and duplex residences in which one or more persons require medical life support equipment that uses mechanical or artificial means to sustain, restore, or supplant a vital function, and which uses a disproportionate amount of water.

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$6.42~~ | ~~$6.46~~ | ~~$6.56~~)) | $6.73 | $6.92 | $7.18 |
| All over 500 cubic feet per residence | ((~~$7.93~~ | ~~$7.99~~ | ~~$8.11~~)) | $8.32 | $8.56 | $8.88 |
| Winter (September 16th-May 15th) | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| All usage | ((~~$6.25~~ | ~~$6.31~~ | ~~$6.39~~)) | $6.55 | $6.74 | $6.99 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$18.35~~ | ~~$19.55~~ | ~~$20.80~~)) | $22.40 | $23.05 | $23.75 |
| 1 inch | ((~~$18.90~~ | ~~$20.15~~ | ~~$21.45~~)) | $23.05 | $23.75 | $24.50 |
| 1 1/2 inch | ((~~$29.25~~ | ~~$31.05~~ | ~~$33.05~~)) | $35.60 | $36.65 | $37.80 |
| 2 inch | ((~~$32.30~~ | ~~$34.40~~ | ~~$36.65~~)) | $39.40 | $40.55 | $41.85 |
| 3 inch | ((~~$119.80~~ | ~~$127.30~~ | ~~$135.60~~)) | $145.90 | $150.25 | $155.00 |
| 4 inch and larger | ((~~$171.60~~ | ~~$182.40~~ | ~~$194.30~~)) | $209.00 | $215.20 | $222.00 |

2. Shoreline and Lake Forest Park master metered residential developments

a. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property, which use water primarily to serve single-family, detached residences on at least two separate legal parcels, and that do not pay public utility taxes under chapter 82.16 RCW directly to the State of Washington, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | ((~~$6.42~~ | ~~$6.46~~ | ~~$6.56~~)) | $6.73 | $6.92 | $7.18 |
| Next 1,300 cubic feet per residence | ((~~$7.93~~ | ~~$7.99~~ | ~~$8.11~~)) | $8.32 | $8.56 | $8.88 |
| All over 1,800 cubic feet per residence | ((~~$14.31~~ | ~~$14.31~~ | ~~$14.31~~)) | $14.31 | $14.31 | $14.31 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$6.25~~ | ~~$6.31~~ | ~~$6.39~~)) | $6.55 | $6.74 | $6.99 |

**Base Service Charge per Month**

| Meter Size | ((~~Effective January 1, 2017~~ | ~~Effective January 1, 2018~~ | ~~Effective January 1, 2019~~)) | Effective January 1, 2020 | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|---|---|---|---|
| 1 1/2 inch | (($~~29.25~~ | $~~31.05~~ | $~~33.05~~)) | $35.60 | $36.65 | $37.80 |
| 2 inch | (($~~32.30~~ | $~~34.40~~ | $~~36.65~~)) | $39.40 | $40.55 | $41.85 |
| 3 inch | (($~~119.80~~ | $~~127.30~~ | $~~135.60~~)) | $145.90 | $150.25 | $155.00 |
| 4 inch | (($~~171.60~~ | $~~182.40~~ | $~~194.30~~)) | $209.00 | $215.20 | $222.00 |
| 6 inch | (($~~211.15~~ | $~~224.40~~ | $~~239.05~~)) | $257.00 | $264.00 | $273.00 |
| 8 inch | (($~~249.00~~ | $~~264.00~~ | $~~281.00~~)) | $303.00 | $312.00 | $321.00 |
| 10 inch | (($~~360.00~~ | $~~360.00~~ | $~~360.00~~)) | $370.00 | $381.00 | $393.00 |
| 12 inch | (($~~488.00~~ | $~~488.00~~ | $~~488.00~~)) | $500.00 | $514.00 | $530.00 |
| 16 inch | (($~~579.00~~ | $~~579.00~~ | $~~579.00~~)) | $579.00 | $578.00 | $595.00 |
| 20 inch | (($~~745.00~~ | $~~745.00~~ | $~~745.00~~)) | $745.00 | $745.00 | $745.00 |
| 24 inch | (($~~935.00~~ | $~~935.00~~ | $~~935.00~~)) | $935.00 | $935.00 | $935.00 |

b. The rates for residential developments with master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property, which use water primarily to serve single-family, detached residences on at least two separate legal parcels, and that do pay public utility taxes under chapter 82.16 RCW directly to the State of Washington, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | ((~~Effective January 1, 2017~~ | ~~Effective January 1, 2018~~ | ~~Effective January 1, 2019~~)) | Effective January 1, 2020 | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| First 500 cubic feet per residence | (($~~6.01~~ | $~~6.05~~ | $~~6.14~~)) | $6.30 | $6.48 | $6.72 |
| Next 1,300 cubic feet per residence | (($~~7.42~~ | $~~7.48~~ | $~~7.59~~)) | $7.79 | $8.01 | $8.31 |
| All over 1,800 cubic feet per residence | (($~~13.39~~ | $~~13.39~~ | $~~13.39~~)) | $13.39 | $13.39 | $13.39 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$5.85~~ | ~~$5.91~~ | ~~$5.98~~)) | $6.13 | $6.31 | $6.54 |

**Base Service Charge per Month**

| **Meter Size** | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| 1 1/2 inch | ((~~$27.40~~ | ~~$29.05~~ | ~~$30.95~~)) | $33.30 | $34.30 | $35.40 |
| 2 inch | ((~~$30.25~~ | ~~$32.20~~ | ~~$34.30~~)) | $36.85 | $37.95 | $39.15 |
| 3 inch | ((~~$112.10~~ | ~~$119.15~~ | ~~$126.90~~)) | $136.55 | $140.60 | $145.05 |
| 4 inch | ((~~$160.60~~ | ~~$170.70~~ | ~~$181.85~~)) | $195.60 | $201.40 | $207.75 |
| 6 inch | ((~~$197.60~~ | ~~$210.00~~ | ~~$224.00~~)) | $241.00 | $247.10 | $255.50 |
| 8 inch | ((~~$233.05~~ | ~~$247.00~~ | ~~$263.00~~)) | $284.00 | $292.00 | $300.00 |
| 10 inch | ((~~$336.90~~ | ~~$337.00~~ | ~~$337.00~~)) | $346.00 | $357.00 | $368.00 |
| 12 inch | ((~~$456.70~~ | ~~$457.00~~ | ~~$457.00~~)) | $468.00 | $481.00 | $496.00 |
| 16 inch | ((~~$541.90~~ | ~~$542.00~~ | ~~$542.00~~)) | $542.00 | $541.00 | $557.00 |
| 20 inch | ((~~$697.25~~ | ~~$697.00~~ | ~~$697.00~~)) | $697.00 | $697.00 | $697.00 |
| 24 inch | ((~~$875.05~~ | ~~$875.00~~ | ~~$875.00~~)) | $875.00 | $875.00 | $875.00 |

3. Shoreline and Lake Forest Park general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within the ((~~city~~)) cities of Shoreline and Lake Forest Park in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **((~~Effective January 1, 2017~~** | **~~Effective January 1, 2018~~** | **~~Effective January 1, 2019~~))** | **Effective January 1, 2020** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|---|---|---|---|
| Summer (May 16th-September 15th) | | | | | | |
| All usage | ((~~$7.93~~ | ~~$7.99~~ | ~~$8.11~~)) | $8.32 | $8.50 | $8.82 |
| Winter (September 16th-May 15th) | | | | | | |
| All usage | ((~~$6.25~~ | ~~$6.31~~ | ~~$6.39~~)) | $6.55 | $6.69 | $6.94 |

**Base Service Charge per Month**

| Meter Size | ((~~Effective January 1, 2017~~ | ~~Effective January 1, 2018~~ | ~~Effective January 1, 2019~~)) | Effective January 1, 2020 | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|---|---|---|---|
| 3/4 inch and less | ((~~$18.35~~ | ~~$19.55~~ | ~~$20.80~~)) | $22.40 | $22.85 | $23.70 |
| 1 inch | ((~~$18.90~~ | ~~$20.15~~ | ~~$21.45~~)) | $23.05 | $23.60 | $24.45 |
| 1 1/2 inch | ((~~$29.25~~ | ~~$31.05~~ | ~~$33.05~~)) | $35.60 | $36.30 | $37.70 |
| 2 inch | ((~~$32.30~~ | ~~$34.40~~ | ~~$36.65~~)) | $39.40 | $40.25 | $41.70 |
| 3 inch | ((~~$119.80~~ | ~~$127.30~~ | ~~$135.60~~)) | $145.90 | $149.05 | $154.55 |
| 4 inch | ((~~$171.60~~ | ~~$182.40~~ | ~~$194.30~~)) | $209.00 | $213.50 | $221.45 |
| 6 inch | ((~~$211.15~~ | ~~$224.40~~ | ~~$239.05~~)) | $257.00 | $263.00 | $273.00 |
| 8 inch | ((~~$249.00~~ | ~~$264.00~~ | ~~$281.00~~)) | $303.00 | $309.00 | $320.00 |
| 10 inch | ((~~$360.00~~ | ~~$360.00~~ | ~~$360.00~~)) | $370.00 | $378.00 | $392.00 |
| 12 inch | ((~~$488.00~~ | ~~$488.00~~ | ~~$488.00~~)) | $500.00 | $511.00 | $529.00 |
| 16 inch | ((~~$579.00~~ | ~~$579.00~~ | ~~$579.00~~)) | $579.00 | $578.00 | $594.00 |
| 20 inch | ((~~$745.00~~ | ~~$745.00~~ | ~~$745.00~~)) | $745.00 | $745.00 | $745.00 |
| 24 inch | ((~~$935.00~~ | ~~$935.00~~ | ~~$935.00~~)) | $935.00 | $935.00 | $935.00 |

4. Shoreline and Lake Forest Park metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

**Service Charge per Month**

| Service Size | ((~~Effective January 1, 2017~~ | ~~Effective January 1, 2018~~ | ~~Effective January 1, 2019~~)) | Effective January 1, 2020 |
|---|---|---|---|---|
| 2 inch and less | ((~~$20.00~~ | ~~$20.00~~ | ~~$21.00~~)) | $22.00 |
| 3 inch | ((~~$25.00~~ | ~~$25.00~~ | ~~$27.00~~)) | $28.00 |
| 4 inch | ((~~$47.00~~ | ~~$47.00~~ | ~~$50.00~~)) | $52.00 |
| 6 inch | ((~~$80.00~~ | ~~$80.00~~ | ~~$86.00~~)) | $89.00 |
| 8 inch | ((~~$127.00~~ | ~~$127.00~~ | ~~$136.00~~)) | $139.00 |
| 10 inch | ((~~$184.00~~ | ~~$184.00~~ | ~~$195.00~~)) | $201.00 |
| 12 inch | ((~~$269.00~~ | ~~$269.00~~ | ~~$285.00~~)) | $293.00 |

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional $24.30.

| **Service Size** | **Monthly Allowance** |
|---|---|
| 2 inch and less | 100 cubic feet |
| 3 inch | 500 cubic feet |
| 4 inch | 500 cubic feet |
| 6 inch | 500 cubic feet |
| 8 inch | 1,000 cubic feet |
| 10 inch | 1,000 cubic feet |
| 12 inch | 1,000 cubic feet |

5. Burien residential. Except for Burien master metered residential developments, the rates for metered water supplied to single-family and duplex residences in one month, or fractional part thereof, shall be based on a commodity charge and a base service charge, in accordance with the following schedules:

**Schedule WBUR.** Schedule WBUR is for all single-family and duplex residences except those billed on Schedule WBURL.

**Commodity Charge per 100 Cubic Feet**

| | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| Summer (May 16th-September 15th) | | |
| First 500 cubic feet per residence | $7.08 | $7.53 |
| Next 1,300 cubic feet per residence | $8.75 | $9.26 |
| All over 1,800 cubic feet per residence | $14.62 | $14.62 |
| Winter (September 16th-May 15th) | | |
| All usage | $6.89 | $7.33 |

**Base Service Charge per Month**

| Meter Size | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|
| 3/4 inch and less | $23.55 | $24.85 |
| 1 inch | $24.30 | $25.60 |
| 1 1/2 inch | $37.40 | $39.15 |
| 2 inch | $41.45 | $43.30 |
| 3 inch | $153.55 | $159.35 |
| 4 inch and larger | $219.90 | $227.80 |

**Schedule WBURL.** Schedule WBURL is for single-family and duplex residences in which one or more persons require medical life support equipment which uses mechanical or artificial means to sustain, restore or supplant a vital function, and which uses a disproportionate amount of water.

**Commodity Charge per 100 Cubic Feet**

| | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|
| Summer (May 16th-September 15th) | | |
| First 500 cubic feet per residence | $7.08 | $7.53 |
| Next 1,300 cubic feet per residence | $8.75 | $9.26 |
| Winter (September 16th-May 15th) | | |
| All usage | $6.89 | $7.33 |

**Base Service Charge Per Month**

| Meter Size | Effective January 1, 2022 | Effective January 1, 2023 |
|---|---|---|
| 3/4 inch and less | $23.55 | $24.85 |
| 1 inch | $24.30 | $25.60 |
| 1 1/2 inch | $37.40 | $39.15 |
| 2 inch | $41.45 | $43.30 |
| 3 inch | $153.55 | $159.35 |
| 4 inch and larger | $219.90 | $227.80 |

6. Burien master metered residential developments. The rates for residential developments with

master meters of 1 1/2 inches or larger, which operate and maintain their own distribution systems on private property and which use water primarily to serve single-family, detached residences on at least two separate legal parcels, shall be based on a commodity charge and a base service charge, in accordance with the following schedule:

**Commodity Charge per 100 Cubic Feet**

| | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| Summer (May 16th-September 15th) | | |
| First 500 cubic feet per residence | $7.08 | $7.53 |
| Next 1,300 cubic feet per residence | $8.75 | $9.26 |
| All over 1,800 cubic feet per residence | $14.62 | $14.62 |
| Winter (September 16th-May 15th) | | |
| All usage | $6.89 | $7.33 |

**Base Service Charge per Month**

| **Meter Size** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| 3/4 inch and less | $23.55 | $24.85 |
| 1 inch | $24.30 | $25.60 |
| 1 1/2 inch | $37.40 | $39.15 |
| 2 inch | $41.45 | $43.30 |
| 3 inch | $153.55 | $159.35 |

7. Burien general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within the City of Burien in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

| | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|

| | | |
|---|---|---|
| Summer (May 16th-September 15th) | | |
| All usage | $8.69 | $9.21 |
| Winter (September 16th-May 15th) | | |
| All usage | $6.84 | $7.29 |

**Base Service Charge per Month**

| **Meter Size** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| 3/4 inch and less | $23.35 | $24.85 |
| 1 inch | $24.10 | $25.55 |
| 1 1/2 inch | $37.10 | $39.15 |
| 2 inch | $41.15 | $43.25 |
| 3 inch | $152.30 | $162.95 |
| 4 inch | $218.15 | $231.25 |
| 6 inch | $269.00 | $284.00 |
| 8 inch | $316.00 | $332.00 |
| 10 inch | $387.00 | $405.00 |
| 12 inch | $522.00 | $545.00 |
| 16 inch | $591.00 | $612.00 |
| 20 inch | $761.00 | $766.00 |
| 24 inch | $955.00 | $960.00 |

8. Burien fire hydrants. The rates for fire hydrants, including test water and water used to extinguish fires, shall be deemed service charges and shall be for any one year, or fractional part thereof, as follows:

| **Hydrant Type** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| Hydrants on 4 inch or smaller mains | $547.78 | $567.06 |
| Hydrants on 6 inch or larger mains | $729.22 | $754.90 |

9. Burien metered fire services. The rates for metered water services supplied for fire protection purposes exclusively, including a monthly allowance for test water and water used to extinguish fires, shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

**Service Charge per Month**

| **Service Size** | **Effective January 1, 2022** |
|---|---|
| 2 inch and less | $22.00 |
| 3 inch | $29.00 |
| 4 inch | $53.00 |
| 6 inch | $90.00 |
| 8 inch | $143.00 |
| 10 inch | $206.00 |
| 12 inch | $300.00 |

For each 100 cubic feet of water consumption in excess of the monthly allowance described below, the charge shall be an additional $24.80.

| **Service Size** | **Monthly Allowance** |
|---|---|
| 2 inch and less | 100 cubic feet |
| 3 inch | 500 cubic feet |
| 4 inch | 500 cubic feet |
| 6 inch | 500 cubic feet |
| 8 inch | 1,000 cubic feet |
| 10 inch | 1,000 cubic feet |
| 12 inch | 1,000 cubic feet |

10. Mercer Island general service. The rates for metered water supplied to premises other than single-family, duplex residences, and master-metered residential developments within the city of Mercer Island in one month, or fractional part thereof, shall be based on a commodity charge, and a base service charge in accordance with the following schedule:

| | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| Summer (May 16th-September 15th) | | |
| All usage | $8.44 | $8.75 |
| Winter (September 16th-May 15th) | | |
| All usage | $6.64 | $6.89 |

**Base Service Charge per Month**

| **Meter Size** | **Effective January 1, 2022** | **Effective January 1, 2023** |
|---|---|---|
| 8 inch | $307.00 | $318.00 |
| 10 inch | $376.00 | $389.00 |

* * *

Section 3. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| **Effective date** | **Single-family and duplex dwellings** | **Multifamily dwellings** |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle

Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| **Effective (( ~~Date~~)) date** | **(( ~~Single-Family~~)) Single-family** | **Duplex** | **Multifamily** |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| **Effective date** | **Single-family and duplex dwellings** | **Multifamily dwellings** |
|---|---|---|
| (( ~~January 1, 2017~~ | ~~$20.56 per month~~ | ~~$12.38 per month~~)) |
| (( ~~January 1, 2018~~ | ~~$21.15 per month~~ | ~~$12.38 per month~~)) |
| (( ~~January 1, 2019~~ | ~~$21.86 per month~~ | ~~$12.38 per month~~)) |
| January 1, 2020 | $22.85 per month | $12.50 per month |
| January 1, 2022 | $23.52 per month | $12.78 per month |
| January 1, 2023 | $24.33 per month | $13.25 per month |

* * *

Section 4. Prior ordinances of the City setting rates and charges for water services of Seattle Public

Utilities shall continue in effect with respect to obligations incurred for water services rendered before the effective date of this ordinance, unless and until such prior ordinances expire of their own terms or are superseded.

Section 5. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

# SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|---|---|---|
| Seattle Public Utilities | Paul Hanna / 4-7752 | |

** 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 rates and charges for water services of Seattle Public Utilities; revising water rates and charges, and credits to low-income customers; and amending Sections 21.04.430, 21.04.440, and 21.76.040 of the Seattle Municipal Code.

**Summary and background of the Legislation:**
This ordinance would revise retail water rates for residential, general service, and public fire customers and adjust low-income assistance credits for water customers. This ordinance would also add new rate schedules for customers in Burien and Mercer Island to reflect new utility taxes in those jurisdictions. It would adjust rates to meet financial policy targets and requirements driven by spending decisions.

Water Fund rate studies typically occur on a 3-year review cycle. SPU held water rates at the 2020 level (no change for 2021) due to the coronavirus pandemic. As a result, this legislation is out of schedule with the proposal cycle as the Fund delayed rate revisions to 2022. This legislation proposes two years of increases, and the next proposal is planned to be on the regular 3-year schedule. This proposal revises rates for 2022 and 2023.

In April 2021, the City Council reviewed and adopted Resolution 32000, which approved SPU's 2021-2026 Strategic Business Plan (SBP). As part of the SBP, SPU estimates the rate path for each line of business and follows up with legislation to formally adopt the rates. This legislation formally adopts the Water Fund rates. As a comparison to the SBP, please see the following table:

**Retail Rate Adjustment Summary**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | AVG |
|---|---|---|---|---|---|---|---|
| SBP RATE PATH | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | 3.4% |
| **RATE STUDY PROPOSAL** | **0.0%** | **2.6%** | **3.6%** | **4.0%** | **4.7%** | **3.6%** | **3.1%** |

The rate study proposal is slightly lower for 2022-23 and the 6-year average than the SBP estimated rate path because of updates to a variety of items, e.g., wholesale revenue, consumption, UDP participation, and capital spending.

## 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**

| | General Fund $ | | Other $ | |
|---|---|---|---|---|
| **Appropriation change ($):** | **2021** | **2022** | **2021** | **2022** |
| | $0 | $0 | $0 | $0 |
| | **Revenue to General Fund** | | **Revenue to Other Funds** | |
| **Estimated revenue change ($):** | **2021** | **2022** | **2021** | **2022** |
| | $0 | $0 | $0 | $6,988,668 |
| | **No. of Positions** | | **Total FTE Change** | |
| **Positions affected:** | **2021** | **2022** | **2021** | **2022** |
| | 0 | 0 | 0 | 0 |

**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 proposed rate revisions will change rates in 2022 and 2023. The increase to SPU revenue, in addition to the above, is approximately $9,088,810 in 2023.

**Is there financial cost or other impacts of *not* implementing the legislation?**
The Water Fund would not fully recover the cost of its business operations and meet financial policy targets. In May 2021, Moody's upgraded the Water Fund bond rating to 'Aaa.' Not implementing this legislation may result in that upgrade being revoked, and a possible further downgrade. Revoking the new Aaa rating, or other rating downgrades, would increase the cost of borrowing.

## 3.b. Revenues/Reimbursements

**_X__ This legislation adds, changes, or deletes revenues or reimbursements.**
**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

| Fund Name and Number | Dept | Revenue Source | 2021 Revenue | 2022 Estimated Revenue |
|---|---|---|---|---|
| 43000 – Water Fund | SPU | Water Sales | $0 | $6,988,668 |
| **TOTAL** | | | | |

**Is this change one-time or ongoing?**
Ongoing. This legislation is part of the process for reviewing and updating retail water rates. This is typically completed every three years. This legislation is out of schedule as the Fund delayed rate increases from 2021 to 2022 in response to the coronavirus pandemic. This legislation proposes two years of increases, and the next proposal is planned to be on the regular 3-year schedule.

**Revenue/Reimbursement Notes:**
Under Seattle Municipal Code, SPU's Water Fund must pay the City a 15.54% tax on retail water rates revenue. This means that of the additional estimated $7.0 million this legislation generates for SPU, approximately $1.1 million would be paid to the City's General Fund through utility taxes.

## 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**
Several City departments incur water costs. Water 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, Department of Neighborhoods, Seattle Department of Transportation, Seattle Fire Department, Department of Finance and Administrative Services, Department of Parks and Recreation, Seattle Police Department, Seattle Public Utilities, and Seattle Library.

In addition, the City's General Fund receives a bill for public fire service, which is sometimes called 'hydrant' service. This bill will increase from $9,966,312 in 2021 to $11,604,216 in 2022, and to $12,012,801 in 2023.

**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?**
This legislation will increase the cost of living for residents and increase operating expenses for businesses in the retail service area. These increases will have a disproportionate impact on customers that use more water, low-income customers, and small businesses. SPU has initiated a long-term project to address affordability issues through the Accountability and Affordability Strategic Plan and the Strategic Business Plan.

This legislation also adjusts low-income credits for residents that are not direct customers of SPU and pay utilities through rent.

SPU did extensive outreach for the Strategic Business Plan, which included similar rate increases. SBP outreach included a significant Ethnic Media component with in-language

advertising targeting Spanish, Chinese, Korean, and Somali speakers.

**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:**
Summary Exhibit A – 2022-23 Retail Water Rate Study

EXHIBIT A

# Seattle Public Utilities
# 2022-2023 Water Rate Study

## Table of Contents

# PREFACE – STRATEGIC BUSINESS PLAN COMPARISON

The 2021-2026 Strategic Business Plan Update sets a non-binding six-year rate and service path for Seattle Public Utilities, with a built-in three-year review and update. The SBP rate path was proposed nearly a year before this rate study. In the intervening time, several major assumptions were updated that create a variance between the SBP and the water rate proposal.

The two most impactful assumptions to be updated were wholesale revenue and the capital financing plan. Wholesale revenue was increased from the SBP after a decision to delay the wholesale rate study. Wholesale revenue is now expected to remain similar to levels in recent years. In the SBP, wholesale revenues were expected to decrease as overpayments in previous years were returned through lower rates in the SBP period. Delaying the wholesale rate study and increasing wholesale revenue reduces the revenue required from retail, lowering rate increases.

The capital financing plan also changed dramatically in the year between the SBP submittal and this rate study. Cash balances are at an all-time high for the Water Fund. Interest rates are also near all-time lows. To take advantage of those two factors, the Fund is planning to use approximately $79 million in operating and Revenue Stabilization Fund cash to defease existing high-interest debt. The 2021 new-money bond issue will have debt service be structured similarly to the defeased bonds so the overall debt structure will not change. After defeasance, debt service payments through 2034 are expected to be lower than they are currently. In addition, the Fund is planning to refund 2010B bonds as part of the 2021 issue, saving approximately $400 thousand per year through 2027, except 2022 where savings are expected to be almost $1.5 million.

The Strategic Business Plan Update was adopted by Council on May 10, 2021 with the passage of Resolution 32000. The plan was submitted mid-2020 but delayed by the COVID-19 pandemic.

**Table P-1** compares the rate paths of the approved SBP, and the rate study proposal.

**Table P-1**
**Comparison of Proposed and Adopted Retail Water Rates**

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| Adopted Strategic Business Plan Update | 0.0% | 2.7% | 4.7% |
| Proposed Water Rate Study | 0.0% | 2.6% | 3.6% |

# 1. EXECUTIVE SUMMARY

The water system is financed through an enterprise fund of the City of Seattle that is wholly supported by rate and fee revenues related to water service. In any given year, these rates and fees must be sufficient to pay the total costs of the water system and meet financial targets. This total cost is known as the **water system revenue requirement**. The majority of the water system's revenues are from direct service ("rates") revenues from wholesale and retail customers. Wholesale contracts determine the amount SPU charges for wholesale service in a given year. Thus, retail water rates and other revenues are the "balancing entries" that generate the difference between each year's total water system revenue requirement and wholesale revenues.

This study focuses on proposed retail water rates. **Chapter 1** provides an overview of proposed changes to the revenue requirement and their drivers, bill impacts, and projected financial performance. **Chapter 2** gives an overview of financial policy targets used in the development of the revenue requirement. **Chapter 3** provides additional detail on the various components of the proposed revenue requirement, including a discussion of demand and the low-income rate assistance program. **Chapter 4** discusses how the proposed revenue requirement is allocated between different customer classes. **Chapter 5** presents proposed rates by customer class, as well as an overview of the rate design, or rate structure, for each class. The **Appendices** present additional supporting data.

The combination of stable consumption and decisions on operational and capital spending by SPU management allowed for no rate increase in 2021 as rates set for 2020 were sufficient to meet financial targets for both years. Because rates were set for 2020, not 2021, references to prior years will be based on assumptions in the 2020 rate study. The proposed retail rates support increases to the **retail rate revenue requirement** of $7.8 million in 2022 and $7.9 million in 2023, for a combined $15.6 million over the two-year period. **Table 1-1** presents the change in the retail revenue requirement and the monthly impact of proposed rate increases on typical residential customers and a sampling of general service customers. The proposed rates will affect customer bills to varying degrees depending on the volume of water used.

**Table 1-1**
**Proposed Water System Revenue Requirement and Bill Impacts**

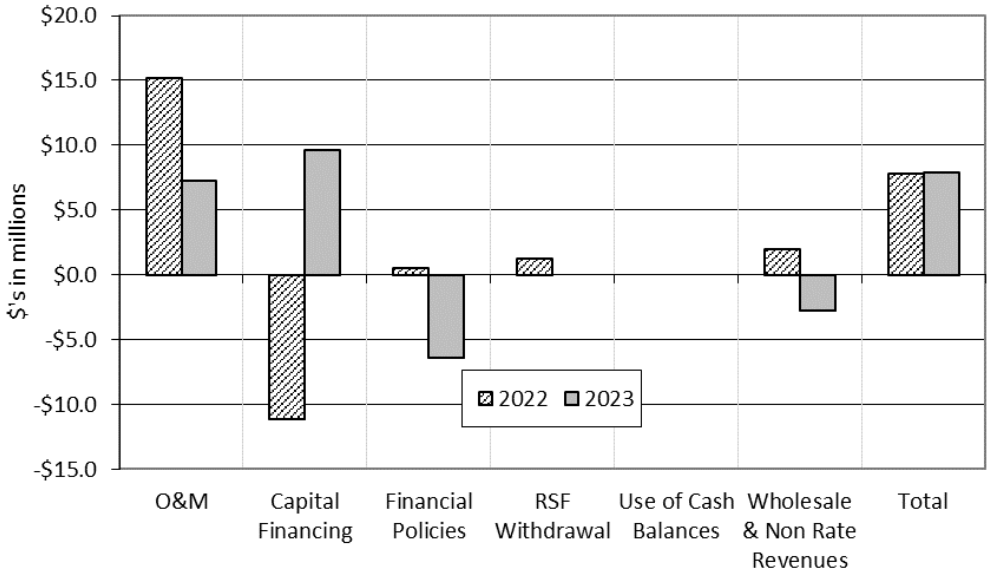
| | 2020* | 2022 | | 2023 | |
|---|---|---|---|---|---|
| | Adopted | Proposed | Change from 2020 | Proposed | Change from 2022 |
| **Retail Rate Revenue Requirement** | $215,064,225 | $222,846,494 | $7,782,269 | $230,692,928 | $7,846,434 |
| **Typical Monthly Water Bills** | | | | | |
| Residential | $45.69 | $47.04 | $1.35 | $48.66 | $1.62 |
| Convenience Store | $107.30 | $109.70 | $2.40 | $113.70 | $4.00 |
| Small Office Building | $342 | $350 | $8 | $362 | $13 |
| Apartment Building (90 units) | $1,291 | $1,320 | $28 | $1,368 | $48 |
| Medium Hotel | $8,026 | $8,203 | $177 | $8,504 | $300 |
| Large Industrial | $19,387 | $19,815 | $428 | $20,538 | $723 |

*2020 amounts are based on the 2018-2020 rate study
Calculations may not total due to rounding

The overall water system expenditure is expected to increase $15.2 million between 2020 (the final year of the most recent rate study) and 2023. Proposed O&M spending increases of $22.5 million account for the entire spending increase. Offsetting proposed O&M increases, spending on capital financing (debt service and cash financing) and other financial policy requirements decreases by $7.3 million during the study period.

Retail rate revenue requirement changes are comprised of multiple drivers. **Figure 1-1** breaks down the change in each retail revenue requirement driver by year. The drivers of a new rate are based on the change in each underlying assumption used to create the previous rate. Therefore, assumptions for 2022 are compared to assumptions used for 2020 rates in the 2018-2020 rate study, and 2023 assumptions are compared to 2022. See Chapter 3 for more detail.

**Figure 1-1**
**Change in Water Fund Retail Revenue Requirement Drivers by Year**



The following section provides further description of the drivers presented in Figure 1-1. See Chapter 3 for further detail.

**O&M (and Taxes)**
Branch O&M has increased $13.1 million between the 2020 rate study and 2022 due to updated growth assumptions in labor costs, city central costs, and investments identified in the SBP. Taxes increased $2.1 million from the 2020 rate study amount.

**Capital Financing**
Figure 1-1 shows the combined impact of *cash* and *debt financing* of the capital program on the revenue requirement for 2022-2023. Capital financing is significantly less in 2022 than planned in the 2020 rate study due to reduced capital spending and borrowing during the prior rate study period. Capital spending is expected to increase in 2023 due to an increase in both debt service and cash financing.

**Financial Policies**
The Water Fund has four primary financial targets. Typically, rates are set to just meet all financial policies in each year. For this rate study, however, rates in 2022 are set to smooth rate increases over the study period. As a result, additional revenue is generated in 2022 which is then used to increase the cash balance and financing of the capital program. Debt service coverage is the binding policy target in 2023. See Chapter 2 for more detail on binding policy targets.

**Revenue Stabilization Fund (RSF) Withdrawal**
In this rate study, SPU is not proposing any withdrawals. Withdrawals from the RSF can be used to increase cash contributions to CIP or reduce retail rate revenue requirements. The 2020 rate study used a $1.2 million RSF withdrawal as a funding source. With no proposed withdrawal in 2022 rates must increase by $1.2 million to replace the one-time funding source.

**Use of Cash Balances**

After a review of financial policies and assessment of current finances, SPU is proposing to keep cash balances higher than the formal policy target. The long-term policy goal is to keep 120 days of operating expense, including taxes, in operating cash. In 2022, proposed operating cash is $85 million; the target is $63.7 million. Because cash balances are higher than the target, the current proposal is to allow the requirement to increase until it meets the cash balance.

The proposal to not draw down cash is based on Strategic Business Plan spending projections. Drawing cash down to the new target would allow the fund to increase cash funding of capital in the near term, but future rate periods would be negatively affected as cash would become the binding constraint and create a volatile rate path. In the projection period of 2024-2026, which falls outside this rate study, both O&M spending and CIP, and therefore cash financing, are increasing at such a pace that rates would have to increase rapidly. Keeping the proposed cash balances at $85 million actually lowers rates and bills from 2024-2026.

**Wholesale & Non-Rate Revenues**
Non-Rate Revenues are projected to be stable during the rate study period. Changes in projected wholesale revenue account for nearly all funding changes in this category. Wholesale revenues in 2022 are expected to be less than projected in the 2020 rate study, putting upward pressure on retail rates. An increase in 2023 wholesale revenue is projected to have the opposite effect.

**Effects of Changes in Demand and Utility Discount Program (UDP)**

While generally not a *revenue requirement* driver, changing demand for water is a significant *rate* driver. **Table 1-2** shows the impact of demand and UDP changes on the overall average rate increase. Projected demand in 2022 and 2023 is similar to demand assumed for 2020. A 2 percent increase in system connections allows for the revenue requirement to be spread among more customers, lowering rates for all customers. UDP growth continues to be a rate driver as the program continues to expand. Program enrollment increased dramatically during the COVID-19 pandemic. Enrollment is expected to grow as program awareness increases and the economic impacts of the pandemic continue.

**Table 1-2**
**Impacts of Demand and UDP on Rate Increase**

| | 2022 | 2023 |
|---|---|---|
| Revenue Requirement Increase | 3.6% | 3.5% |
| Demand/Connections Impact | -1.3% | -0.2% |
| Utility Discount Program Impact | 0.2% | 0.3% |
| Average Rate Increase* | 2.6% | 3.6% |

*Rates may not total due to rounding.

**Financial Performance**

The 2022-2023 rate study meets or exceeds all water system financial policy targets during the rate period as shown in **Table 1-3**. See Chapter 2 for further discussion of financial policy targets and their impact on rate setting.

**Table 1-3**
**Water Fund Projected Financial Performance**

| ($ in 1,000's) | Target | Projected 2021 | Projected 2022 | Projected 2023 | Projected 2024 | Projected 2025 | Projected 2026 |
|---|---|---|---|---|---|---|---|
| Net Income | positive | $43,923 | $26,524 | $26,523 | $30,087 | $22,617 | $20,195 |
| Debt Service Coverage | 1.7x | 2.00 | 1.80 | 1.72 | 1.88 | 1.72 | 1.72 |
| Cash Financing of the Capital Program | 20%* | 19.9% | 23.3% | 21.4% | 23.4% | 20.6% | 20.6% |
| from Contributions in Aid of Construction | | 7.3% | 6.6% | 5.7% | 4.8% | 5.8% | 6.7% |
| from Rate Revenues | | 12.6% | 16.7% | 15.7% | 18.6% | 14.8% | 13.9% |
| Year-End Operating Cash | varies** | $80,000 | $85,000 | $85,000 | $85,000 | $82,000 | $82,000 |
| Days of Operating Cash | | 158 | 160 | 154 | 147 | 134 | 128 |

* Current revenues should be used to finance no less than 15% of the CIP in any one year, and average not less than 20% over each rate proposal period.
** Planning target for year-end operating cash is 120 days of operating expense, or $63.7 million in 2021.

# 2. FINANCIAL POLICY OVERVIEW

Financial policies provide a guiding framework for the finances of the water utility. They represent a balance between the competing goals of fiscal conservatism through higher rates today and minimizing these same rates by spreading costs over time to future ratepayers. The direct effect of the policies is to determine the level at which water rates shall be set, given estimated costs and demand, and to define how the capital improvement program is to be financed.

The indirect effects of the policies are to:

- Shape the financial profile the utility presents to the financial community;
- Establish the utility's exposure to financial risk; and
- Allocate the utility's costs between current and future ratepayers.

In 2005, City Council passed Resolution 30742, which adopted new water system financial policies that reflect changes and additions to the financial policies initially adopted in 1992. This rate proposal is based on the 2005 policies which are as follows:

1. **Maintenance of Capital Assets.** For the benefit of both current and future ratepayers, the municipal water system will seek to maintain its assets in sound working condition. Future revenue requirement analyses will include provision for maintenance and rehabilitation of facilities at a level intended to minimize total cost while continuing to provide reliable, high quality service.

2. **Debt Service Coverage.** Debt service coverage on first-lien debt should be at least 1.7 times debt service cost in each year on a planning basis.

3. **Net Income.** Net income should generally be positive.

4. **Cash Funding of the Capital Improvement Program.** Current revenues should be used to finance no less than 15 percent of the municipal water system's adopted CIP in any year, and not less than 20 percent of the CIP over the period of each rate proposal. Cash in excess of working capital requirements may be used to help fund the CIP.

5. **Eligibility for Debt Financing.** Unless otherwise authorized by Council, the following criteria must be met before project expenditures are eligible for debt financing:
   i) Project is included in the CIP.
   ii) Total project cost exceeds $50,000.
   iii) Project has expected useful life of more than two years (more than five years for information technology projects).
   iv) Resulting asset will be owned or controlled by Seattle Public Utilities (SPU), is part of the regional utility infrastructure, or represents a long-term investment for water conservation.
   v) Consistent with generally accepted accounting practices, project costs include those indirect costs, such as administrative overhead and program management, that can be reasonably attributed to the individual CIP project.

6. **Revenue Stabilization Fund (RSF).** Ordinance 121761 requires that a target balance of $9 million be maintained in the RSF, except when withdrawals below this level are needed to offset shortfalls in metered water sales revenues, or to meet financial policy requirements. Withdrawals of funds in excess of the minimum balance will be used to meet operating expenses, to pay CIP expenditures, or

to meet financial policy requirements. Withdrawals from the RSF must be authorized by ordinance, except that Bonneville Power Administration (BPA) Account funds may be withdrawn based on BPA spending.

The Water Fund must deposit revenues in excess of planned metered water sales to the RSF in years where all financial policy targets are exceeded.

SPU may also make discretionary deposits to the RSF, provided that these discretionary deposits are in excess of the amounts required to meet the financial policy requirements. Should the RSF balance fall below the target balance, SPU will submit a water rate proposal that rebuilds the balance in the RSF within one year.

7. **Cash Target.** The adopted target for the year-end operating fund cash balance is one-twelfth of the current year's operating expenditures. SPU plans and targets a higher level of liquidity than the adopted policy in order to be responsive to changing market expectations from bond holders and rating agencies. The planning target is 120 days of operating expense including taxes. For this rate study SPU has modeled year-end cash in excess of the planning target. Keeping cash above the planning target eases cash demands during the second half of the strategic business plan. Keeping cash above the planning target prevents a situation where cash balances are required to increase along with increasing capital funding requirements.

8. **Variable Rate Debt.** Variable rate debt should not exceed 15 percent of total outstanding debt. Annual principal payments shall be made on variable rate debt in a manner consistent with fixed rate debt.

In any future year, the minimum revenue requirement is the lowest amount of money necessary to simultaneously satisfy all financial policies in that year. At this level of revenues, some financial policies may be exceeded, but none will be missed – the financial target that is exactly met is known as the binding constraint. For this rate study, however, rates were not set to just meet financial targets. As part of the Strategic Business Plan Update, rates were set to meet *rate* increase targets (a process commonly called rate "smoothing"). Proposed rates in both years will meet or exceed all financial policy targets.

# 3. RETAIL WATER REVENUE REQUIREMENT

The **water system revenue requirement** is the minimum amount of operating revenue required to fund the water system operating budget and meet financial policy targets for net income, cash balances, cash financing of the CIP, Revenue Stabilization Fund balances, and debt service coverage. The component requiring the greatest amount of revenue generation (budgetary expenses or one of the financial policy requirements) is termed the "binding constraint." The **retail water revenue requirement** is equal to the water system revenue requirement, less funding from sources other than retail rates including wholesale revenues, drawdowns of cash balances, withdrawals from the Revenue Stabilization Fund, and other operating/non-operating revenues.

Rate increases are required to fund increases in the revenue requirement from one rate setting period to the next. Where demand is constant, the average rate increase will equal the increase in the revenue requirement. Increasing demand (i.e., customers buying more units of water or more customer meters) will reduce the required rate increase and declining demand will increase the rate increase relative to the change in the revenue requirement. In addition, changes in participation in the utility discount program affect rate changes. Increased participation in the program reduces revenues as more households are paying a discounted rate. The reduction in revenue must be made up through an increase in standard rates.

**Table 3-1** summarizes the components of the change in the retail water revenue requirement during the proposed rate period. Current (2020) rates were set in 2017 based on planned expenditures, demand, and other funding sources for the prior rate setting period (2018-2020). The change in the 2022 revenue requirement in Table 3-1, and throughout this section, is relative to the 2020 plan assumed in the 2018-2020 rate study. Likewise, the 2023 changes are relative to planned spending/income in 2022.

**Table 3-1**
**Components of the Change in the Retail Water Revenue Requirement**

| ($1,000's) | 2020 Rate Study | 2022 | $ Change in Rev Req | % Change in Total Rev Req | 2023 | $ Change in Rev Req |
|---|---|---|---|---|---|---|
| **Expenditure** | | | | | | |
| **Operations and Maintenance Expense (O&M)** | | | | | | |
| Branch O&M | 133,177 | 146,283 | 13,107 | 6.1% | 151,902 | 5,619 |
| Taxes | 46,107 | 48,199 | 2,092 | 1.0% | 49,861 | 1,662 |
| **Total** | **179,284** | **194,482** | **15,198** | **7.1%** | **201,764** | **7,282** |
| **Capital Financing** | | | | | | |
| Cash financing (target) | 17,992 | 17,494 | (499) | -0.2% | 20,763 | 3,269 |
| Debt Service | 91,542 | 80,880 | (10,662) | -5.0% | 87,271 | 6,390 |
| **Total** | **109,534** | **98,374** | **(11,160)** | **-5.2%** | **108,034** | **9,660** |
| **Other Financial Policy Requirements** | | | | | | |
| Increase Cash Balance | 1,000 | 5,000 | 4,000 | 1.9% | - | (5,000) |
| Additional Capital Program Funding | 6,294 | 2,844 | (3,451) | -1.6% | 1,481 | (1,363) |
| **Total** | **7,294** | **7,844** | **549** | **0.3%** | **1,481** | **(6,363)** |
| **Total Expenditure** | **296,112** | **300,699** | **4,588** | **2.1%** | **311,278** | **10,579** |
| **Other Funding Sources** | | | | | | |
| Wholesale Revenues | (58,815) | (55,242) | 3,573 | 1.7% | (57,580) | (2,338) |
| Non-rate revenues | (21,035) | (22,611) | (1,576) | -0.7% | (23,005) | (394) |
| RSF withdrawal | (1,200) | - | 1,200 | 0.6% | - | - |
| **Total Other Funding Sources** | **(81,050)** | **(77,853)** | **3,197** | **1.5%** | **(80,585)** | **(2,732)** |
| **Net Retail Rates Revenue Requirement** | **215,062** | **222,846** | **7,785** | **3.6%** | **230,693** | **7,846** |
| **Impact of Demand/Connections** | | | | -1.3% | | |
| **Change in Utility Discount Program** | 5,820 | 6,272 | 452 | 0.2% | 6,882 | 610 |
| **Effective Increase in Retail Rates** | | | | **2.6%** | | |

Calculations may not total due to rounding

The **Expenditure** section of Table 3-1 presents the operating fund cash spending components that make up the water system revenue requirement. The **Other Funding Sources** section presents other sources of funding which reduce the amount of expenditure that must be recovered through retail rates. The final section of the table presents two items, "***Demand***" and "***Utility Discount Program,***" that do not affect the revenue requirement but do affect rates. For example, total expenditure increases the total revenue requirement by 4.7 percent from 2022 to 2023. However, increases in other funding sources (wholesale revenues and non-rate revenues) decrease the retail revenue requirement by 1.2 percent, resulting in a net increase of 3.5 percent in the 2023 retail rates revenue requirement. The actual average rate increase of 3.6 percent is higher than the revenue requirement increase due to a projected increase in utility discount utilization, which is partially offset by an increase in connections.

The following sections include more detailed descriptions of the components of change in the revenue requirement.

## 3.1. Operations and Maintenance Expense (O&M)

The water system O&M expenditure requirement includes costs attributable to water operations, as well as a portion of administrative expenses that water shares with other SPU funds (e.g., finance, customer service, etc.). For rate study purposes, O&M includes taxes but does not include debt service, which is discussed under capital financing. O&M is broken into two categories: Branch O&M and taxes.

Branch O&M equals the spending required to support operations and maintenance functions of the water utility. Under this proposal, 2022 Branch O&M increases $13.1 million from the 2020 amount as projected in the 2018-2020 rate study due to cost changes associated with updated growth assumptions in city central costs, pensions, and other labor costs. The proposal assumes an increase in Branch O&M of $5.6 million in 2023.

SPU pays three primary taxes, the City of Seattle Water Utility Tax, Washington State Utility Tax and the Washington State B&O Tax. While all three taxes are not applicable to all revenue sources, they all are revenue based taxes. As such, as revenue increases, tax expense increases. Taxes increase $2.0 million in 2022 and $1.7 million in 2023 due to a higher projected tax revenue base.

## 3.2. Capital Financing Expense

Financing of the capital program will decrease the expenditure requirement by 5.2 percent in 2022 and increase the requirement by 4.3 percent in 2023, as presented in Table 3-1.

Major water capital programs to be funded during this period include:

- Distribution System Improvements
- Transmission System Rehabilitation
- ‘Move Seattle’ Utility Relocation Projects
- Dam Safety Improvements
- Service Renewals and Retirements

SPU funds water system capital projects through a combination of cash (from direct service and non-rates revenue) and debt financing (revenue bonds and low-interest loans serviced by rates revenue). As discussed in Section 3.2.2, SPU will be issuing bonds in each year of the rate study. This rate study forecasts CIP cash financing that will exceed the financial target of 20 percent of CIP over the three-year rate period. The remaining CIP will be funded with revenue bond proceeds. **Table 3-2** presents CIP spending and financing assumptions during the rate period.

**Table 3-2**
**Capital Spending and Financing Assumptions**

| ($1,000's) | 2022 | 2023 | Rate Study Average |
|---|---|---|---|
| **CIP Spending Assumption** | 87,469 | 103,816 | |
| **CIP Financing Breakdown** | | | |
| Cash Financed | 20,337 | 22,244 | |
| Debt Financing | | | |
| Low Interest Loan | 0 | 0 | |
| Bond Financing | 67,132 | 81,572 | |
| Cash Financed Percentage | 23.3% | 21.4% | 22.3% |
| Debt Financed Percentage | 76.7% | 78.6% | 77.7% |

### 3.2.1. Cash Financing (Target Only)

Water system financial policies require that a minimum of 20 percent of the CIP be financed with current cash revenues (as opposed to debt proceeds) over the rate period. The sources of cash that assist in meeting this 20 percent target are operating revenues, cash on hand, and contributions in aid of construction[1].

Although CIP cash financing is projected to exceed the financial policy target, this section discusses only the cash necessary to just meet the 20 percent cash financing target. The additional capital funding, over and above the cash financing target, is discussed in Section 3.3 and Section 3.4.

As presented in **Table 3-3**, targeted cash financing of the CIP decreases $0.5 million in 2022 and increases $3.3 million in 2023.

**Table 3-3**
**Change in Target Cash Financing**

| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Cash Financed (Target) | 17,992 | 17,494 | (498) | 20,763 | 3,269 |

* 2020 assumptions used in 2018-2020 Rate Study

[1] Customers often pay for water facilities when they connect to the water system or cause the relocation of water facilities. For example, a developer pays for installation of a water meter and service line when building a new house.

### 3.2.2. Debt Service

**Table 3-4** presents projected Water Fund debt service, by source, during the rate period.

**Table 3-4**
**Change in Water Fund Debt Service**

| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Debt Service Details | | | | | |
| Debt service for existing bond issues | 89,296 | 78,509 | (10,787) | 79,244 | 734 |
| 2022 bond debt service** | | - | - | 5,685 | 5,685 |
| 2023 bond debt service** | | - | - | - | - |
| Low interest loan debt service | 2,246 | 2,371 | 125 | 2,342 | (29) |
| **Total Debt Service** | 91,542 | 80,880 | (10,662) | 87,271 | 6,390 |

* 2020 assumptions used in 2018-2020 Rate Study

** Bond principal and interest payments are assumed to begin in the year following issue

Calculations may not total due to rounding

In the third quarter of 2022, SPU expects to issue approximately $87.4 million in new revenue bonds. An additional $95.8 million of new money bonds are expected to be issued in the third quarter of 2023. SPU is proposing to issue bonds that are expected to fund roughly one year of CIP needs.

## 3.3. Other Financial Policy Requirements

As discussed in Chapter 2, proposed rates for 2022 and 2023 are not based on financial policy targets, but rather rate path targets designed to smooth the Strategic Business Plan rate path. Because revenues in these years are not set to just meet a binding financial target, all policy targets are exceeded.

In the approved SBP, capital spending and O&M are projected to increase substantially in 2024 and 2025, requiring increasing cash from rates. To help mitigate those increased demands for cash, this rate proposal creates a small cushion of additional cash balance. From a rate setting perspective, increasing cash balances act as a rate driver. Cash balance increases represent revenue that is raised above what is spent, increasing the Fund's revenue requirement.

Proposed rates will be used to increase the operating cash balance by $5 million in 2022. This will allow a small draw down of cash in future years to fund the cash-to-CIP requirement while remaining above the 120 days of cash target. Some additional rates revenue is proposed to also increase cash-to-CIP above the minimum 20% required during this rate period.

**Table 3-5** presents how SPU proposes to spend revenues generated from financial policies over the three-year rate period.

**Table 3-5**
**Impacts of Changes to Financial Policy**

| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Increase Cash Balance | 1,000 | 5,000 | 4,000 | - | (5,000) |
| Additional Capital Program Funding | 6,294 | 2,844 | (3,451) | 1,481 | (1,363) |
| **Financial Polices** | 7,294 | 7,844 | 549 | 1,481 | (6,363) |

* 2020 assumptions used in 2018-2020 Rate Study

Calculations may not total due to rounding

## 3.4. Other Funding Sources

A significant portion of the total water system expenditure requirement is funded through wholesale revenues, capital contributions, asset sales, and other operating and non-operating revenues. These other funding sources reduce the amount to be recovered through retail rates and therefore are reflected as reductions to the retail revenue requirement in each year. Other funding sources, primarily wholesale and non-rate revenues, are projected to decrease from 2020 projections by $3.2 million in 2022.

### 3.4.1. Wholesale Revenues

Revenues from wholesale customers, as presented in **Table 3-6,** are expected to be decrease $3.6 million in 2022 from the assumed amount in the 2020 rate study.

**Table 3-6**
**Change in Wholesale Revenues**

| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Full & Partial Revenue** | 28,604 | 30,199 | 1,594 | 30,202 | 3 |
| Cascade Block Revenue | 24,081 | 19,702 | (4,380) | 21,867 | 2,165 |
| Northshore Block Revenue | 6,129 | 5,341 | (788) | 5,511 | 170 |
| **Total** | **58,815** | **55,242** | **(3,573)** | **57,580** | **2,338** |

* 2020 assumptions used in 2018-2020 Rate Study

** Includes facilities charge revenues and Renton conservation payment.

Rates for wholesale customers have not yet been approved for 2022-2023, but will be proposed in accordance with wholesale contracts. These contracts define cost of service methodologies that determine how much the water system charges for wholesale service. Wholesale rate studies apply these methodologies based on expenditure projections (budget). Wholesale rates may be affected by actions that raise or lower the water system O&M or CIP budget. Outside of budget changes, there is very little flexibility to alter wholesale rates and revenues.

### 3.4.2. Non-rate Revenues

As presented in **Table 3-7**, other non-rate revenue (unmetered revenue) is projected to increase from $21.0 million assumed for 2020 to $22.6 million and $23.0 million in 2022 and 2023, respectively.

**Table 3-7**
**Change in Non-Rate Revenues**

| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Unmetered Revenues | | | | | |
| Capital Contributions & Tap Fees | 14,756 | 13,838 | 240 | 14,083 | 245 |
| Operating Fund Interest Income | 93 | 333 | (283) | 342 | 9 |
| Charges for Miscellaneous Services | 2,569 | 4,357 | 106 | 4,466 | 109 |
| Rentals & Others | 3,325 | 1,414 | 27 | 1,442 | 28 |
| Build America Bonds Reimbursement | 2,080 | 1,571 | (48) | 1,520 | (51) |
| Billing leads & lags | (1,789) | 1,097 | 687 | 1,152 | 55 |
| **Total Unmetered Revenues** | 21,035 | 22,611 | 729 | 23,005 | 394 |

* 2020 assumptions used in 2018-2020 Rate Study

The largest category of other non-rate revenues is capital contributions and tap fees, which are projected to be modestly lower during the rate period. Construction and development in Seattle have

sustained a torrid pace since 2013, and the projection reflects a modest regression in development activity partially offset by increased prices for new services.

Billing leads and lags are year-end cash effects that adjust for differences in when an expense (or revenue) is recorded in SPU financial systems[2] versus when the associated cash is paid (or received). These lags/leads result in an impact on rates when their sum dollar amount changes from year to year. The leads/lags presented in Table 3-8 are primarily associated with changes in the timing of CIP billed to SPU from year to year.

### 3.4.3. Revenue Stabilization Fund Withdrawals

As discussed in Chapter 2, the minimum balance in the RSF is $9 million. From a rates perspective, withdrawals from the RSF are part of the other funding sources pool. Increases in withdrawal size add to this pool and therefore reduce the retail rate revenue requirement. Decreases in withdrawal size reduce the size of this alternative funding pool and increase the direct service funding requirement.

At the end of 2020 the RSF balance was $60.1 million. A $19.0 million withdrawal is planned in 2021 to defease high-interest rate debt. The projected beginning balance for 2022 is $41.7 million. In this rate proposal, SPU does not propose any withdrawals from the RSF.

**Table 3-8** presents projected RSF balances.

**Table 3-8**
**Projected Water Revenue Stabilization Fund Balances**

| ($1,000's) | 2020* | 2022 | 2023 |
|---|---|---|---|
| Beginning RSF Cash Balance | 28,419 | 41,697 | 42,114 |
| Interest | 284 | 417 | 421 |
| Deposit (Withdrawal) | (8,300) | 0 | 0 |
| **Ending RSF Cash Balance** | **20,403** | **42,114** | **42,535** |

* 2020 assumptions used in 2018-2020 Rate Study

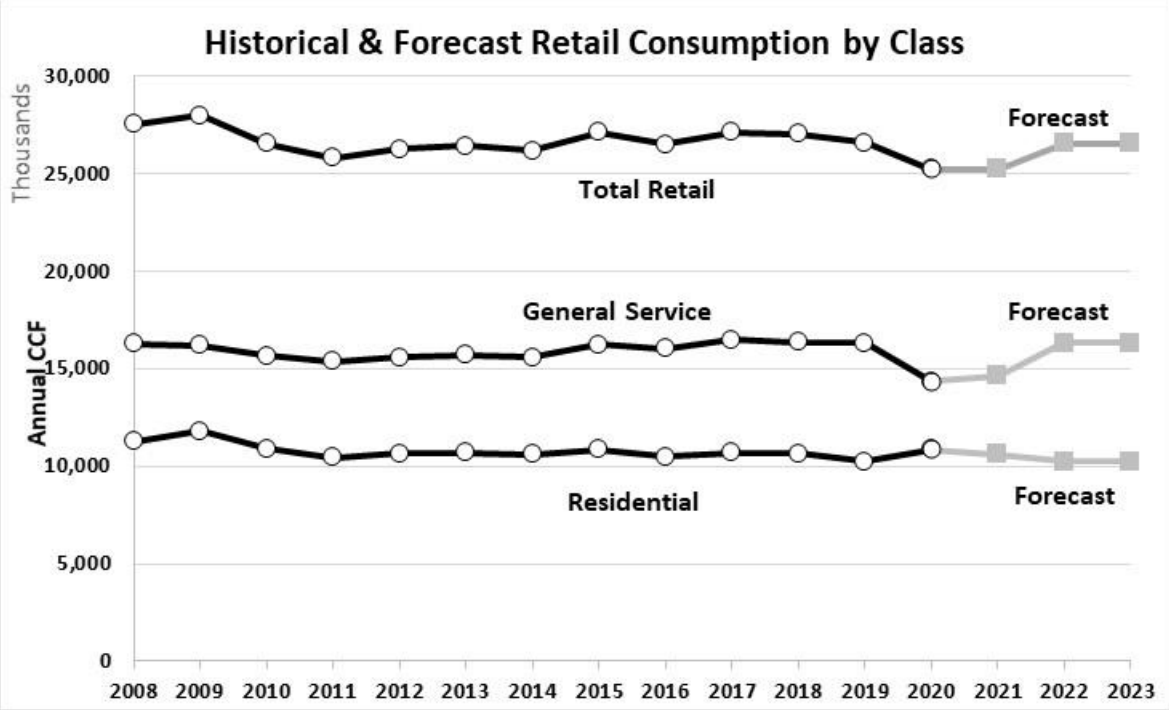
## 3.5. Effect of Demand (Rate Adjustment)

The volume of water sold to retail customers is projected to remain flat over the forecast period. For the rate study period, total retail consumption is expected to be 26.6 million CCF per year. Consumption is expected to remain the same in both residential and general service customer classes.

Despite generally growing population and employment, water consumption through the 1990s and 2000s trended downwards due to various forms of conservation (programs, efficiency codes and standards, rising water and sewer rates, etc.). With the end of the 1% Conservation program in 2011 and a rebound in employment after the Great Recession, water consumption appears to level off until 2020 when the COVID-19 pandemic disrupted regular activity. As shown in **Figure 3-1**, consumption is expected to remain at 2020 levels in 2021, before returning to levels of the previous decade**.** The effects of growth and conservation are forecasted to largely offset each other once pandemic restrictions are lifted.

[2] In general, revenues are recorded when billed and expenses when invoiced.

**Figure 3-1**




"Weather adjusted" consumption normalizes consumption to average historical summer weather.

Consumption levels for the rate study period are expected to be similar to the average consumption from 2012 through 2019. The COVID-19 pandemic, and the public health response, dramatically altered water consumption patterns in 2020. State-mandated shutdowns of non-essential businesses, along with capacity limits on indoor spaces, dramatically reduced water consumption for the General Service class. Conversely, water consumption for the Residential class increased as many people spent more time at home, including work from home.

While there will be residual effects from the pandemic, for this rate study consumption is forecast to return to pre-pandemic levels for each customer class. Consumption changes will continue to be studied and known effects will be incorporated in the next rate setting period. Rate Study water demand is shown in Figure 3-1 and in **Table 3-9**.

**Table 3-9**
**Short Term Water Consumption Forecasts (Annual ccf)**

| | Residential | | General Service | | Total | |
|---|---|---|---|---|---|---|
| | Consumption (CCF) | Percent Change | Consumption (CCF) | Percent Change | Consumption (CCF) | Percent Change |
| **Actual** | | | | | | |
| 2019 | 10,258,052 | | 16,311,787 | | 26,569,839 | |
| 2020 | 10,865,609 | 5.9% | 14,363,941 | -11.9% | 25,229,550 | -5.0% |
| **Projected** | | | | | | |
| 2021 | 10,600,000 | -2.4% | 14,650,000 | 2.0% | 25,250,000 | 0.1% |
| 2022 | 10,245,000 | -3.3% | 16,312,000 | 11.3% | 26,557,000 | 5.2% |
| 2023 | 10,245,000 | 0.0% | 16,312,000 | 0.0% | 26,557,000 | 0.0% |

In terms of the impact of demand on water rates, increases in consumption and the number of water meters partially offset increases in the retail revenue requirement. Water rates are made up of a fixed base service charge as well as a consumption charge. Water consumption is the unit of demand for the consumption charge while number of customers (measured by the number of meters) is the unit of demand for the base meter charge. When the number of meters increases, the customer base broadens. Residential meters are projected to increase 0.6 percent annually, and commercial meters are projected to increase by a smaller amount during the 2022-2023 rate period.

As mentioned above, these combined changes in consumption and meters are a portion of the difference between the increase in revenue requirement and the increase in the rate. The impact of these rate drivers is shown in **Table 3-10**. Increased consumption in 2022 compared to 2020 slows rate growth. Similarly, increased meters in 2022 and 2023 also slow rate growth compared to prior years. Because revenue from consumption is significantly higher than from meters, volumetric changes are more impactful to rates than meter growth.

**Table 3-10**
**Effect of Demand on Rate Increase**

| | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Total Consumption (thousand ccf) | 26,480 | 26,557 | 77 | 26,557 | 0 |
| Total Retail Meters | 197,498 | 201,005 | 3,507 | 202,156 | 1,151 |
| Effect on Rate Increase | | | -1.3% | | -0.2% |

* 2020 assumptions used in 2018-2020 Rate Study

## 3.6. Effect of Changes in the Utility Discount Program (Rate Adjustment)

Similar to demand, changes in customer participation in the UDP do not affect the Water Fund revenue requirement but do affect the rate increase. Increased participation in the program reduces revenues as more households are paying a discounted rate. The reduction in revenue must be made up through an increase in standard rates. Enrollment in the program has increased steadily since the mid-2010s, with a spike in 2020 due to the COVID-19 pandemic and subsequent economic disruption. Enrollment and revenue reductions are projected to continue rising during the rate study period. The effect on rates is shown in **Table 3-11**.

**Table 3-11**
**Effect of Changes to Utility Discount Program on Rate Increase**

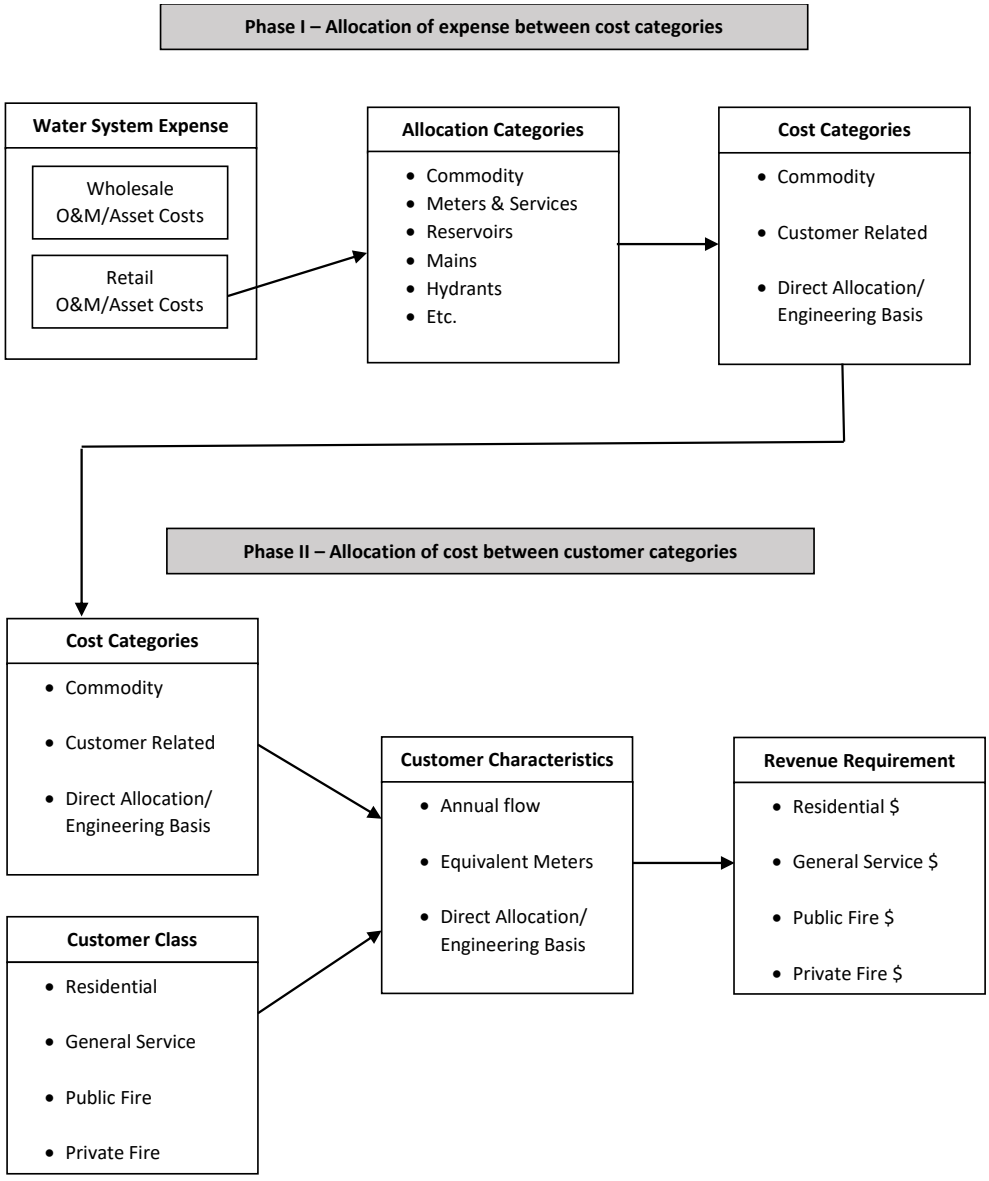
| ($1,000's) | 2020* | 2022 | $ Change | 2023 | $ Change |
|---|---|---|---|---|---|
| Total Discount | 5,820 | 6,272 | 452 | 6,882 | 610 |
| Effect on Rate Increase | | | 0.2% | | 0.3% |

* 2020 assumptions used in 2018-2020 Rate Study

# 4. COST ALLOCATION

Once the **retail revenue requirement** is set, it must be assigned to different customer classes. A customer class is a group of customers that places a unique cost on the utility or is administratively easier to serve as a group. **Figure 4-1** presents the multiple steps (divided into two phases) required to allocate water expense to individual customer classes. In the first phase, the retail component of water system expense is allocated between cost categories, or groupings of cost items, that are driven by similar factors. In the second phase, the cost assigned to each cost category is allocated between customer classes based on defined customer characteristics.

**Figure 4-1**
**Cost Allocation Process**




The cost allocation process presented above recognizes differences in the costs of providing service to different types of customers. For example, a customer class with higher consumption requires increased

use of the water treatment plants, whereas a customer class with more accounts requires increased use of the customer billing system.

This chapter provides a general framework for **Phase I** of the cost allocation process, with complete details provided in Appendix A. This chapter then focuses on **Phase II** of the cost allocation process, organized as follows:

- Overview - cost categories
- Framework for allocation of retail water expense between cost categories (Phase I)
- Identification of customer classes and quantification of cost allocation characteristics (Phase II)
- Calculation of total cost of service, or revenue requirement, for each customer class (Phase II)

The current rate study does not propose any fundamental changes to the cost allocation methodology used in prior rate studies. While the cost category of capacity was eliminated from the 2016-2017 rate study, the effect on final allocations is negligible. The change was made for two reasons:

1) Due to falling demand, the current system is oversized from a cost allocation standpoint so very few assets were allocated using the capacity allocator, and
2) The difference in peaking characteristics of residential and general service has diminished as demand has fallen, so the allocator does not provide much distinction between customer classes.

## 4.1. Overview – Cost Categories

Retail water system costs are grouped into three main cost categories which can be allocated among customer classes based on customer characteristics: commodity, customer-related, and directly assigned. The costs assigned to the first two categories are shared among different customer classes based on characteristics such as total annual water volume and number of accounts. Costs included in the directly assigned category are assigned in their entirety to the applicable customer classes.

**Commodity Costs.** Commodity costs vary proportionately with the amount of water provided under average consumption conditions. These costs include items such as the Cedar and Tolt treatment plants, and chlorination at in-town reservoirs. They also include the cost of activities and assets that are shared with wholesale customers since the allocation between wholesale and retail is based on annual flow.

**Customer-Related Costs.** Customer-related costs encompass an umbrella of expenses associated with serving customers independent of the amount of water they use. These include the cost of meter maintenance and repair, meter reading, billing, customer accounting, and the call center.

**Directly Assigned Costs.** These are costs that are directly allocable to a single customer class. For this rate study, directly assigned costs are primarily fire hydrant asset and repair costs.

## 4.2. Framework for Allocation of Retail Expense to Cost Categories (Phase I)

The cost allocation framework for retail water rates uses the distribution of embedded or average costs from a prior period (“test year”) to allocate future revenue requirements between different cost categories. Therefore, the 2022-2023 retail water system revenue requirements are assigned to customer classes based on the actual distribution of expense between those categories in 2019 (the test year). The test year expense is defined according to a “utility basis” which is the sum of the following elements:

- Annual operations and maintenance (O&M) costs;

- Depreciation expenses on assets paid for by rates; and
- A return on assets calculated on infrastructure in service.

Phase I of the cost allocation involves the distribution of prior year expense between cost categories, as further described in Appendix A, Sections A1.2 and A1.3. Additional information on the "utility-basis" costing framework can be found in Appendix A, Section A1.1 to this study.

**Table 4-1** presents the breakdown of 2019 retail water system expense by cost component (see **Appendix A** for the detail behind this data). As noted below, over two-thirds of retail water system expense is driven by annual water flow (usage).

**Table 4-1**
**Water Cost Category Summary**

| Component Cost Category | 2019 Revenue | % of Total |
|---|---|---|
| Annual Flow | 110,547,969 | 69.5% |
| Equivalent Meters | 39,871,181 | 25.1% |
| Direct/Engineering Basis* | 8,680,081 | 5.5% |
| **Total** | **159,099,231** | **100.0%** |

*Public Fire

## 4.3. Retail Customer Classes and Characteristics

Retail water customers are divided into four customer classes.

- **Residential.** Customers living in single family or duplex residences.
- **General Service.** Commercial, governmental, and industrial customers as well as multi-family residential structures.
- **Private Fire.** The separately metered connections for fire-protection sprinkler systems installed on the customer's property. These customers pay a separate rate for these services in addition to their General Service or Residential rates for their domestic services.
- **Public Fire.** The governmental agencies responsible for providing public fire protection (hydrants).

Costs are assigned to these customer classes based on how the characteristics of each class drive water system costs. **Table 4-2** summarizes the allocator (customer characteristics) used to assign cost to each component cost category.

**Table 4-2**
**Allocators by Cost Category**

| Allocation Category | Customer Characteristics | Comments |
|---|---|---|
| Commodity Costs | Annual flow | Actual 2015 total water consumption in hundreds of cubic feet (ccf). |
| Customer-Related Costs | Equivalent Meters | Equivalent Meters is a weighted count of different sized meters by class (See Appendix A1.5 for calculation details). |
| Direct Assignment | Class specific expense assigned directly to applicable class | These are costs for activities or assets that are dedicated to one customer class only. |

**Table 4-3** quantifies the key characteristics (by class) that are used to allocate commodity and customer-related costs in the current rate study.

**Table 4-3**
**Key Customer Characteristics**

| Customer Class | Annual Flow | Equivalent Meters |
|---|---|---|
| Residential | 38.5% | 73.3% |
| General Service | 61.2% | 21.8% |
| Private Fire | 0.1% | 4.9% |
| Public Fire | 0.3% | 0.0% |
| **Total** | **100.0%** | **100.0%** |

As shown in the table, the residential class accounts for the majority of equivalent meters while the general service class accounts for the majority of annual water usage. Although public fire water use is not directly measured, the annual flow used is consistent with the estimate used for state non-revenue water reporting.

## 4.4. Cost of Service and Revenue Requirement by Customer Class

The customer characteristic percentages in Table 4-3 are applied to the appropriate 2019 allocation categories in Table 4-1 to determine each customer class' actual 2019 cost of service. **Table 4-4** summarizes the results of this allocation process.

**Table 4-4**
**Retail Water Cost of Service Based on 2019 Actual Financial Data**

| Customer Class | Annual Flow | Equivalent Meters | Direct/ Engineering Basis | Total | % of Total |
|---|---|---|---|---|---|
| Residential | 42,530,308 | 29,215,916 | - | 71,746,224 | 45.1% |
| General Service | 67,629,343 | 8,696,085 | - | 76,325,429 | 48.0% |
| Private Fire | 80,703 | 1,959,180 | - | 2,039,883 | 1.3% |
| Public Fire | 307,616 | - | 8,680,081 | 8,987,696 | 5.6% |
| **Total** | **110,547,969** | **39,871,181** | **8,680,081** | **159,099,231** | **100.0%** |

Allocations to the general service and residential customer classes account for the bulk (93.1 percent) of the retail water cost of service. Public and private fire represents only about seven percent of the total. The general service class is allocated the largest single share (48.0 percent). This class accounts for 61.2 percent of annual flows, which is applied to the largest portion of the water system revenue requirement.

The rate revenue requirements for each rate class are calculated by applying each class' percent of total 2019 cost to the 2022-2023 retail rates revenue requirements, with results as presented in **Table 4-5**.

**Table 4-5**
**2022-2023 Retail Revenue Requirement By Customer Class**

| Customer Class | 2022 | 2023 | Cost of Service Percentage |
|---|---|---|---|
| Residential | 100,493,310 | 104,031,684 | 45.1% |
| General Service | 106,907,112 | 110,671,316 | 48.0% |
| Private Fire | 2,857,220 | 2,957,823 | 1.3% |
| Public Fire | 12,591,998 | 13,035,363 | 5.6% |
| **Total** | **222,849,640** | **230,696,185** | **100.0%** |

Using the same general allocation framework as the 2018-2020 rate proposal, there is little movement in the cost shares by customer class. **Table 4-6** illustrates the small changes for the 2022-2023 rate study relative to the 2018-2020 rate study. See Appendix A for more information.

**Table 4-6**
**Cost Shares by Customer Class**

| Customer Class | 2018-2020 Rate Study | 2022-2023 Rate Study |
|---|---|---|
| Residential | 45.0% | 45.1% |
| General Service | 47.9% | 48.0% |
| Private Fire | 2.2% | 1.3% |
| Public Fire | 5.0% | 5.6% |
| **Total** | **100.0%** | **100.0%** |

# 5. RATE DESIGN

Rate design is the last element of the rate study. Chapter 3 presented the amount of retail water revenue required to fund proposed 2022-2023 O&M and capital programs while meeting financial targets. Chapter 4 discussed the allocation of the revenue requirement between customer classes. This chapter identifies the rate structure and the proposed 2022-2023 rates, which will satisfy the retail revenue requirement and meet established rate design policy objectives.

The current rate study keeps the same rate structure as previous studies. However, some design practices are changed. In past studies, meter and commodity charges were the same for residential and general service customers. This study breaks that rate parity[3] and has meter and commodity rates for each class move independently. In this study, meter charges and commodity charges increase at the same rate within a customer class, a change from previous practice. The practice of changing meter and commodity charges at the same rate within a customer class balances rate increases equally among all customers within that class.

Continuing practice from previous rate studies, meter charges utilize the meter cost analysis from the 2009-2011 rate study in determining the differential (or progression) between charges for different size meters. No changes are proposed to some rates (larger meter charges), which are higher than their cost of service at current levels. Holding these rates constant rather than decreasing them somewhat mitigates the impact of the revenue requirement increase on the residential and general service commodity rate and provides rate stability.

The proposed rates increase the typical monthly residential bill by $1.35 in 2022 and $1.62 in 2023. The total increase over the two-year period is $2.97. Typical residential consumption has remained at 5.0 ccf per month in the 2022-2023 rate proposal. The exact increase in general service bills varies based on consumption and meter size. A typical convenience store would see increases of $2.40 and $4.00 per month for 2022 and 2023, respectively. Likewise, a typical 90-unit apartment building would see increases of $28 and $48 per month. Rates for public fire on larger mains increase 15.6 percent and 3.0 percent in 2022 and 2023, respectively**.** Private fire meter rates and consumption rates do not increase in this rate study as current revenue meets revenue requirements for the study period.

## 5.1. Rate Design Overview

A utility rate structure, or rate design, typically considers three elements: classification of customers served, billing frequency, and schedule of charges for each customer class. The schedule of charges, or "rates," is designed to recover the utility's costs, given projected customer demand[4]. In addition to cost recovery, a rate structure should support and optimize a blend of various utility objectives and should work as a public information tool in communicating these objectives to customers.

[3] Rate parity began in 2008 when costs of service, consumption, and meter counts aligned to make it possible for rates to be equal between residential and general service classes. Over time, to keep rate parity, base service rates had to increase faster than commodity rates. This disparity led bill increases to be weighted to lower-volume customers within each customer class.

[4] Section 3.5 discusses projected customer demand and its influence on rates during the rate period.

### 5.1.1. Retail Water Rate Structure

Seattle's retail water customers are grouped into four broad customer classifications: Residential, General Service, Private Fire (e.g., building sprinklers), and Public Fire (municipal hydrants). SPU has developed rate structures for each of these customer classes which reflect the classes' cost of service structure, demand patterns, and policy objectives. A given rate class may be further divided into sub-classes. While the rate structure for each sub-class (under the same primary class) will be similar or identical, the actual rate assigned to each sub-class will vary based on actual differences in cost of service or historical contractual requirements. **Table 5-1** provides a summary of Seattle's retail water rate classes, subclasses, and associated rate structures.

**Table 5-1**
**Retail Water Rate Structure Summary**

| Class | Sub-class | Rate Structure |
|---|---|---|
| Residential | • In-City<br>• Out-of-City<br>• Shoreline Franchise<br>• Lake Forest Park Franchise<br>• Burien<br>• Master-Metered Developments* | • Base Service Charge (meter-size based)<br>• Single Off-Peak Commodity Rate<br>• Tiered Peak Commodity Rate<br>• Low-Income Rates |
| General Service | • In-City<br>• Out-of-City<br>• Shoreline Franchise<br>• Lake Forest Park Franchise<br>• Burien<br>• Mercer Island | • Base Service Charge (meter-size based)<br>• Single Off-Peak Commodity Rate<br>• Single Peak Commodity Rate |
| Private Fire | • In-City<br>• Out-of-City<br>• Shoreline Franchise<br>• Lake Forest Park Franchise | • Base Service Charge (meter-size based)<br>• Commodity Penalty Rate |
| Public Fire (hydrants) | • In-City/Out -of-City<br>• Burien | • Charge for 4-inch mains<br>• Charge for larger mains |

*****For rate setting purposes, there are two kinds of Master Metered Residential Developments (MMRDs). MMRDs are eligible to be classified as water systems by the State of Washington. Customers that have achieved that designation, and pay State Public Utility Tax on their revenue, are eligible for a lower rate from SPU. SPU does not pay State Public Utility Tax on revenues from those customers. MMRDs that do not pay State Public Utility Tax are subject to regular rates.

Section 5.1.2 discusses the objectives that have been considered in the development of the rate structures outlined above. Sections 5.2 through 5.5 provide additional detail on the rate structures by customer class and subclass. **Appendix C** lists all 2022-2023 rate schedules by class and sub-class.

### 5.1.2. Rate Objectives

SPU staff, with input from past Rate Advisory Committees, have identified the following policy objectives for the retail water rate design:

- Provide financial soundness;
- Advance economic efficiency;
- Promote customer equity;
- Encourage customer conservation;
- Contribute to transparency and customer understanding; and
- Reduce impacts on low-income customers.

Some of these objectives imply different directions in rate design than others. An appropriate rate design must strike the best overall balance among conflicting objectives. The first objective of financial soundness is overriding and should be met by all rate designs considered. The final objective of reducing impacts on low-income customers is partly met by a citywide program, in which SPU participates, to provide discounts to low-income and disabled customers. The remaining objectives are met to varying degrees by the individual rate structures, as further discussed in Sections 5.2 through 5.5.

## 5.2. Residential Rate Design

Residential accounts represent about 87 percent of total SPU retail water accounts. Residential customers are further broken into five subclasses: in-city customers, City of Shoreline/City of Lake Forest Park customers, Burien customers, other out-of-city customers, and master-metered customers. Low-income customers in any of these residential subclasses may qualify for a discount off their water utility bill. This section provides additional detail on the components of the residential rate design, the residential rate changes, residential rate subclasses and the UDP.

Under the proposed rates, a typical (median) single family residential bill will increase by **$1.35** per month in 2022 and **$1.62** per month in 2023 (given constant consumption). The impact for different residential customers can vary based on the amount of water used, as presented in **Table 5-2**.

**Table 5-2**
**Monthly Residential Bills at Proposed Rates**

| Customer Type | Monthly Consumption | | 2020 Adopted | 2022 Proposed | Change from 2020 | 2023 Proposed | Change from 2022 |
|---|---|---|---|---|---|---|---|
| **Low Volume** | Winter | 2.9 | $34.11 | $35.12 | $1.01 | $36.30 | $1.18 |
| **User** | Summer | 3.8 | $39.54 | $40.70 | $1.16 | $42.10 | $1.40 |
| (30th %tile) | **Average** | **3.2** | **$35.92** | **$36.98** | **$1.06** | **$38.23** | **$1.25** |
| **Median** | Winter | 4.7 | $43.83 | $45.13 | $1.30 | $46.67 | $1.54 |
| **User** | Summer | 5.5 | $49.42 | $50.87 | $1.44 | $52.64 | $1.77 |
| (50th %tile) | **Average** | **5.0** | **$45.69** | **$47.04** | **$1.35** | **$48.66** | **$1.62** |
| **High Volume** | Winter | 9.8 | $71.37 | $73.49 | $2.12 | $76.05 | $2.56 |
| **User** | Summer | 13.4 | $103.82 | $106.85 | $3.03 | $110.69 | $3.84 |
| | **Average** | **11.0** | **$82.19** | **$84.61** | **$2.42** | **$87.59** | **$2.98** |
| **Typical 3rd Tier** | Winter | 6.7 | $54.63 | $56.25 | $1.62 | $58.19 | $1.94 |
| **User** | Summer | 23.5 | $200.28 | $204.23 | $3.95 | $209.26 | $5.03 |
| | **Average** | **12.3** | **$103.18** | **$105.58** | **$2.40** | **$108.55** | **$2.97** |

Calculations may not total due to rounding

**Note:** All bill impacts are for in-city customers and assume a ¾" meter.

### 5.2.1. Residential Rate Structure

Residential customers pay a fixed base service charge plus a commodity rate. The commodity rate is a single rate in the off-peak season (September 16 – May 15) and a three-tiered rate structure in the peak season (May 16 – September 15).

Base Service Charge

The base service charge is a fixed monthly fee which varies by water meter size. This charge is structured to reflect that some costs are not related to the volume of water used. The cost differential, or progression, between different meter sizes is based on 1) annualized costs, by meter size, for meter maintenance, testing, repair, replacement and service renewal; and 2) annual customer service costs. The progression used in this proposal is based on data from the 2009-2011 rate study.

Commodity Rate

Residential commodity rates are seasonal, with tiered peak (May 16 – September 15) rates and uniform off-peak (September 16 – May 15) rates. Peak season rates are higher than off-peak rates and tiered for residential customers to provide a disincentive for wasteful summer water usage.

Peak residential commodity rates consist of three tiers associated with differing usage volumes: 1) the lowest rate is charged on consumption up to five ccf/month; 2) the next 13 ccf/month (six to 18 ccf) is charged a higher rate; and 3) the highest rate is charged on consumption above 18 ccf/month. Historically, one out of fifteen residential customers has some consumption at the third-tier level each year. In the past, the City has implemented a third-tier on a temporary basis to discourage water use under drought conditions. This tier became a permanent feature of the water rate structure in 2002 in

response to the legal requirement of initiative I-63[5]. This rate study holds constant third-tier rates through 2023.

### 5.2.2. Residential Increase

This study includes increases in residential commodity rates and meter base service charges. The residential rate schedule for inside city customers is presented in **Table 5-3.**

**Table 5-3**
**Proposed Residential Rates**

| | Current Rate | 2022 Rate | 2023 Rate |
|---|---|---|---|
| **Commodity** | | | |
| **Off-Peak ($/ccf)** | $5.40 | $5.56 | $5.76 |
| **Peak ($/ccf)** | | | |
| Up to 5 ccf/mo | $5.55 | $5.71 | $5.92 |
| Next 12 ccf/mo | $6.86 | $7.06 | $7.32 |
| Above 18 ccf/mo | $11.80 | $11.80 | $11.80 |
| **Base Service Charge** | | | |
| **3/4 inch** | $18.45 | $19.00 | $19.60 |
| **1 inch** | $19.00 | $19.60 | $20.20 |
| **1 1/2 inch** | $29.35 | $30.20 | $31.15 |
| **2 inch** | $32.50 | $33.45 | $34.50 |
| **3 inch** | $120.30 | $123.90 | $127.80 |
| **4 inch** | $172.35 | $177.45 | $183.05 |

**Note:** All rates above are in-city.

In 2022 and 2023, residential meter charges will go up **3.0** percent and **3.2** percent, respectively, per year. Currently, rates are aligned in a cost progression based on meter size, with the exception of the three-inch meter. The current three-inch charge is below the cost progression; however, the percentage increases are matched to that of the three-quarter inch meter for this rate period in order to limit customer impact.

Commodity rates are increasing at a similar pace as meter rates. Off-peak consumption rates are proposed to increase **3.0** percent and **3.6** percent in 2022 and 2023, respectively. Peak rates are increasing similar percentages each year, with the exception that the third tier is not increasing in any year.

### 5.2.3. Residential Sub-Classes

The majority of Seattle Public Utilities' residential customers live within City limits (about 156,500 accounts). However, SPU also directly provides water service to about 10,750 residential customers in

[5] In October 2001, the Mayor and City Council adopted City of Seattle Ordinance No. 120532, otherwise known as I-63 Settlement Ordinance (I-63 SO). This ordinance established various measures designed to promote water conservation, including the creation of the "Everyone Can Conserve" program to fund water conservation in low-income housing. This ordinance also established the requirement for a residential summer peak use third block to be charged on residents and businesses that use extraordinary amounts of water.

.

the City of Shoreline and City of Lake Forest Park, 1,800 residential customers in the City of Burien, and 3,100 other residential customers who reside outside of City of Seattle boundaries. Each of these residential customer groups, or sub-classes, pays a different rate due to differences in cost of service and/or historic agreements governing these relationships. In addition, master metered residential developments (MMRD) comprise another residential sub-class with its own distinct rates.

Outside City Residential Rates (except Shoreline, Lake Forest Park, and Burien)

SPU sets the base meter and commodity rates for SPU customers residing outside of Seattle City Limits at 14 percent greater than in-city rates. Certain characteristics of these areas increase the cost of service, including lower-density development and topography which limits the use of gravity fed systems. Both factors cause higher capital and operating costs (longer water mains, more pumping) per unit of water delivered. In addition, field crews, meter readers, inspectors, and other employees, along with vehicles and equipment, must travel farther to work on parts of the system that serve outside city customers.

Outside-City residential rates are found in **Appendix C**.

City of Shoreline/City of Lake Forest Park Residential Rates

SPU sets the base meter and commodity rates for SPU customers residing in Shoreline and Lake Forest Park approximately 21 percent[6] higher than in-city rates. This rate surcharge is based on the 14 percent out-of-city surcharge (discussed above) plus an additional six percent to cover City of Shoreline and City of Lake Forest Park franchise fees.

The Cities of Shoreline and Lake Forest Park charge SPU franchise fees on the water service SPU provides within their boundaries. Each city's franchise fee is set at six percent of revenue. All the revenues from this franchise fee are paid to the City of Shoreline and City of Lake Forest Park, and neither Seattle nor any water customer outside Shoreline and Lake Forest Park receives a benefit from the associated revenues.

The Shoreline franchise fee was enacted in 1999. The Lake Forest Park franchise agreement has been in effect since November 2009.

Shoreline and Lake Forest Park residential rates are found in **Appendix C.**

City of Burien Residential Rates

In January 2021, the City of Burien began collecting an eight percent utility tax on all SPU revenue in Burien. As a result, SPU will set base meter and commodity rates for customers residing in Burien approximately 24 percent higher than in-city rates beginning in 2022. This rate surcharge is based on the

[6] Franchise fees and revenue taxes are compounding by their nature. Because they are based on SPU revenue, SPU must increase charges more than the statutory rate to ensure after-tax/franchise fee charges are consistent. Ex: SPU charges $10 for a service. A 10% revenue tax rate is applied. If SPU simply added 10% to the charge, the new price would be $11. In that case revenue would be $11, and the 10% revenue tax would be $1.10. SPU would receive $9.90 after payment of the tax. This is less than before the tax is applied. To account for this compounding effect, charges are increased slightly more than the statutory rate to equalize pre-tax and post-tax SPU receipts. In this example, the after-tax charge would be $11.11. The 10% revenue tax would generate $1.11, and SPU would receive $10.00 after tax.

14 percent out-of-city surcharge (discussed above) plus an additional eight percent to cover City of Burien Utility Tax costs.

All revenues from this utility tax are paid to the City of Burien, and neither Seattle nor any water customer outside Burien receives a benefit from the associated revenue.

Rates for residential customers in Burien will rise in 2022 more than other residential customers due to incorporation of this new tax. Residential meter charges will rise 11.9 percent and commodity charges will rise 11.7 percent, compared to 3.0 percent for all other residential customers.

As stated earlier the City of Burien began collecting tax revenue in 2021, before SPU incorporated the additional cost into rates. The tax is being paid for by all customers. To reimburse other SPU rate payers, Burien residential charges in 2023 will incorporate an additional charge of $0.55 per month for small meters and $0.19 per ccf. This delay has been incorporated to not exacerbate the increases already imposed by the new tax in 2022.

Burien residential rates are found in **Appendix C.**

Master-Metered Residential Development Rates

These rates apply to residential developments with master meters of one and a half-inch or larger which operate and maintain their own distribution systems on private property. The water service to these developments primarily serves single-family detached residences on at least two separate legal parcels.

A separate rate structure was established for MMRD customers in 1995, with residential rates applying in the peak season and an escalated general service rate applying in the off-peak season. This rate structure recognizes the fact that MMRDs, although considered general service habitations, experience peak irrigation demands similar to those of residential customers. At present, all MMRD customers reside in Shoreline and pay Shoreline residential rates.

Certain Master-Metered Residential Developments are eligible to classify as water systems by the State of Washington. Those that have achieved that designation, and pay State Public Utility Tax on their revenue are eligible for a lower rate from SPU. SPU does not pay State Public Utility Tax on revenues from those customers.

MMRD rates are found in **Appendix C.**

#### 5.2.4. Utility Discount Program

The City assists qualified low-income customers with their water bills by providing a 50 percent credit on their utility bills, one of the most generous assistance policies in the nation. Income guidelines vary based on the number of people in the household, monthly income, and annual income. Income limits are updated every January and are based on 70 percent of the state median income. In an effort to ensure utilization by eligible residents, Seattle Housing Authority auto-enrolls its eligible customers in SPU's discount program.

Currently, about 30,000 water customers receive a utility discount. About one-third of these low-income assistance customers receive their credit on their SPU combined utility bill while the other two-thirds receives a credit through their Seattle City Light bill. For customers billed by SPU, the discount cuts their water bill in half. The City Light bill is used as the credit mechanism for customers who do not directly receive an SPU bill, such as customers living in apartment complexes, who typically receive a City Light bill but have utility costs for water, sewer and solid waste included in their rent. These customers receive a fixed dollar credit via their Seattle City Light bill, which approximates the 50 percent discount.

**Table 5-4** presents the discounts for 2020, 2022, and 2023.

**Table 5-4**
**Rate Assistance Discounts**

| Customer-type | Adopted 2020 | Proposed 2022 | Proposed 2023 |
|---|---|---|---|
| SPU-billed customers | 50% Discount | 50% Discount | 50% Discount |
| Non-SPU-billed customers | | | |
| Single-family (Residential) | $22.85/month | $23.52/month | $24.33/month |
| Multi-family (Gen. Serv.) | $12.50/month | $12.78/month | $13.25/month |

## 5.3. General Service Rate Design

General service accounts represent about 12 percent of total SPU retail water accounts. General Service customers are also broken into five subclasses: in-city customers, Shoreline/Lake Forest Park customers, Burien customers, Mercer Island customers, and other outside-City customers. This section provides additional detail on the components of the general service rate design, the general service rate increase and general service rate subclasses.

The proposed rates will affect general service customer bills to varying degrees depending on the volume of water used. **Table 5-5** presents projected bill impacts for a sampling of general service customer types.

**Table 5-5**
**Monthly General Service Bills at Proposed Rates**

| Customer Type | Monthly Consumption | | 2020 Adopted | 2022 Proposed | Change from 2020 | 2023 Proposed | Change from 2022 |
|---|---|---|---|---|---|---|---|
| **Convenience** | Winter | 15.0 | $100.00 | $102.25 | $2.25 | $105.95 | $3.70 |
| **Store** | Summer | 15.0 | $121.90 | $124.60 | $2.70 | $129.20 | $4.60 |
| (1" meter) | **Average** | **15.0** | **$107.30** | **$109.70** | **$2.40** | **$113.70** | **$4.00** |
| **Small Office** | Winter | 49.9 | $302 | $309 | $7 | $320 | $11 |
| **Building** | Summer | 56.8 | $422 | $432 | $9 | $448 | $16 |
| (2" meter) | **Average** | **52.2** | **$342** | **$350** | **$8** | **$362** | **$13** |
| **Apartment** | Winter | 168.3 | $1,029 | $1,052 | $23 | $1,090 | $38 |
| **Bldg (90 units)** | Summer | 247.3 | $1,816 | $1,856 | $40 | $1,925 | $69 |
| (3" meter) | **Average** | **194.6** | **$1,291** | **$1,320** | **$28** | **$1,368** | **$48** |
| **Medium** | Winter | 1,180 | $6,586 | $6,733 | $147 | $6,977 | $244 |
| **Hotel** | Summer | 1,559 | $10,906 | $11,145 | $239 | $11,558 | $413 |
| (6" meter) | **Average** | **1,307** | **$8,026** | **$8,203** | **$177** | **$8,504** | **$300** |
| **Large** | Winter | 3,785 | $20,689 | $21,148 | $459 | $21,914 | $766 |
| **Industrial** | Summer | 2,410 | $16,783 | $17,149 | $366 | $17,785 | $636 |
| (8" meter) | **Average** | **3,327** | **$19,387** | **$19,815** | **$428** | **$20,538** | **$723** |

Calculations may not total due to rounding

**Note:** All bill impacts are for in-city customers.

### 5.3.1. General Service Rate Structure

The general service rate structure is nearly identical to that for residential customers with a base service charge that varies by meter size and peak and off-peak commodity rates. In general, the discussion in Section 5.2.1 on these two rate components is applicable to general service rates.

The primary difference between the two rate structures is that general service customers do not have tiered peak rates[7]; all peak consumption is charged at a single rate. In addition, the general service base service charge progression includes several larger meter rates which are not applicable to residential customers.

In this rate proposal rate parity between residential and general service customer classes is ended. Proposed 2022-2023 commodity and base service charges increase at approximately the same rate within each class.

### 5.3.2. General Service Increase

This rate proposal breaks the parity between general service and residential rates that has existed for over a decade. This proposal increases meter charges and commodity charges at approximately the same rate within each customer class. Adjusting meter and commodity charges at the same rate impacts all customers within a class the same way, rather than in a disparate manner based on meter size and consumption level. With respect to larger meter rates not applicable to residential customers, rates for 16-inch meters will remain at 2020 levels for the first year of the proposal, only increasing in 2023. Meters larger than 16-inches will remain at 2020 rate levels for both years of the proposal. These larger meter rates are proposed to remain constant to recognize that charges are already high relative to smaller meter rates based on a cost analysis.

General service rates are shown in **Table 5-6**:

[7] The residential first tier peak rate is intended as a “lifeline” rate and as such does not apply to general service. The third tier peak rate is intended to capture “excessive” or “wasteful” water consumption. Because each general service customer has a different level of consumption, SPU would not be able to set a threshold amount above which consumption is considered excessive.

**Table 5-6**
**Proposed General Service Rates**

| | Current Rate | 2022 Rate | 2023 Rate |
|---|---|---|---|
| **Commodity** | | | |
| **Off-Peak ($/ccf)** | $5.40 | $5.52 | $5.72 |
| **Peak ($/ccf)** | $6.86 | $7.01 | $7.27 |
| **Base Service Charge** | | | |
| **3/4 inch** | $18.45 | $18.85 | $19.55 |
| **1 inch** | $19.00 | $19.45 | $20.15 |
| **1 1/2 inch** | $29.35 | $29.95 | $31.10 |
| **2 inch** | $32.50 | $33.20 | $34.40 |
| **3 inch** | $120.30 | $122.90 | $127.45 |
| **4 inch** | $172.35 | $176.05 | $182.60 |
| **6 inch** | $212.00 | $217.00 | $225.00 |
| **8 inch** | $250.00 | $255.00 | $264.00 |
| **10 inch** | $305.00 | $312.00 | $323.00 |
| **12 inch** | $412.00 | $421.00 | $436.00 |
| **16 inch** | $477.00 | $477.00 | $490.00 |
| **20 inch** | $614.00 | $614.00 | $614.00 |
| **24 inch** | $771.00 | $771.00 | $771.00 |

**Note:** All rates above are in-city.

### 5.3.3. General Service Sub-Classes

As with residential accounts, the majority of Seattle Public Utilities' general service customers are located within City limits (about 21,500 accounts). In addition, SPU directly provides water service to 600 general service customers in the City of Shoreline and City of Lake Forest Park, 35 general service customers in Burien, one general service customer in Mercer Island, and 370 other general service customers outside of City boundaries. Similar to residential accounts, Shoreline and Lake Forest Park general service customers pay a 21 percent surcharge over the in-city general service meter and commodity rates, Burien customers pay a 24 percent surcharge, and other outside-City customers pay a 14 percent surcharge. One Mercer Island general service customer pays a 20 percent surcharge based on a 5.3 percent utility tax on SPU revenue. For further details, see Section 5.2.3.

## 5.4. Private Fire Rate Design

Private fire rates are charged for water service to fire sprinkler systems located on a customer's property. Private fire service customers pay a **flat monthly meter base charge** which varies with meter size. This base fee includes an allowance for water consumption for testing and pump cooling. The monthly allowance is five ccf for meters up to six inches and 10 ccf for meters eight inches and larger. A **penalty charge** ($20.00/ccf) is assessed on non-fire related consumption in excess of the allowed amounts.

Fire service rates are not proposed to change in this study as current revenue is enough to meet the revenue requirement for the class. Fire service rates for inside city customers are presented in **Table 5-7** below.

**Table 5-7**
**Proposed Private Fire Rates**

| | Current Rate | 2022 Rate | 2023 Rate |
|---|---|---|---|
| **Commodity** | | | |
| **Penalty Charge ($/ccf)** | $20.00 | $20.00 | $20.00 |
| **Base Service Charge** | | | |
| **2 inch** | $17.75 | $17.75 | $17.75 |
| **3 inch** | $23.00 | $23.00 | $23.00 |
| **4 inch** | $43.00 | $43.00 | $43.00 |
| **6 inch** | $73.00 | $73.00 | $73.00 |
| **8 inch** | $115.00 | $115.00 | $115.00 |
| **10 inch** | $166.00 | $166.00 | $166.00 |
| **12 inch** | $242.00 | $242.00 | $242.00 |

**Note:** All rates above are in-city.

Private fire service rate schedules by subclass are found in **Appendix C** of this study.

Like other retail customers, Shoreline and Lake Forest Park private fire customers pay a 21 percent differential over the in-city private fire rates, Burien customers pay a 24 percent surcharge, and other outside-city customers pay a 14 percent differential. For further details, see Section 5.2.3.

## 5.5. Public Fire Rate Design (Hydrants)

Fire hydrants provide water used by public fire departments to fight fires. Most fire hydrants owned by SPU are located within the City of Seattle. The majority of other hydrants are in retail service areas just north or south of the city limits. In order to more closely associate the cost of providing water for firefighting with the customers that use this water, SPU directly charges local governments an annual fee for public fire service. Charging local governments for the public fire service within their jurisdiction ensures that this portion of revenue requirement is not borne by Seattle's retail customers.

### 5.5.1. Rate Structure

Public fire customers are charged ***a flat annual fee*** which varies based on the size of main attached to the hydrant and jurisdiction where located. SPU has established two different flat rates for fire service to reflect both service level and cost differences between four-inch and larger mains[8]. Four-inch mains provide substantially lower fire flows than larger mains. In addition, four-inch mains, while sufficient for domestic service, generally do not meet current state installation standards for mains supporting hydrants. Consequently, all of the cost of over-sizing water mains to provide fire flow, about half of total hydrant service cost, is assigned to larger mains. The remaining costs are shared between two rates based on the number of units, or hydrants. Hydrants connected to larger mains currently account for

[8] State requirements for hydrant service have become progressively more stringent over the last century. Four-inch mains were considered sufficient to provide fire flows when originally installed. Now, a minimum of six inches is required. Most areas with both domestic and fire flow demands require a minimum of eight-inch mains.

about 99 percent of all units within the SPU service area. Hydrants in Burien are charged a higher fee to recover the cost of utility taxes in the city.

### 5.5.2. Public Fire Rate Increase

This study proposes increases in each year of the rate study. The rate increase for large-main hydrants is less than the increase for the 4-inch main rate in 2022. The rates increase evenly in 2023. **Table 5-8** presents the calculation for proposed 2022 and 2023 public fire rates.

**Table 5-8**
**Calculation of Proposed Public Fire Rates**

| | 2020* | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|
| | 4-Inch | Larger Mains | 4-Inch | Larger Mains | 4-Inch | Larger Mains |
| Revenue Requirement | $69,057 | $10,716,199 | $104,822 | $12,487,176 | $108,513 | $12,926,850 |
| Meter Count | 215 | 18,523 | 208 | 18,613 | 208 | 18,613 |
| Meter Rate | $321.20 | $578.53 | $503.95 | $670.88 | $521.70 | $694.51 |

* 2020 assumptions used in 2018-2020 Rate Study
Rates do not apply in Burien

The large 2022 increase is primarily due to an increase in costs associated with maintaining hydrants and mains sized for fire protection throughout the water system. See Table 4-6 for information on the change in cost share for the public fire class.

All public fire hydrants within the SPU retail service area are used to calculate and set hydrant rates. However, due to indemnification language in their franchise agreements, SPU does not charge King County, Shoreline, and Lake Forest Park for hydrant service. Per *Lane v Seattle*, the costs of providing, maintaining, and operating these hydrants are considered a "cost of doing business" in these areas.

**Table 5-9** presents projected annual bills for public fire customers at proposed rates.

**Table 5-9**
**Annual Public Fire Bills at Proposed Rates**

| | Hydrant Count | | | 2020 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| | 4-Inch Mains | Larger Mains | Total | Bill | Bill | Bill |
| Seattle | 117 | 17,209 | 17,326 | $9,993,584 | $11,604,216 | $12,012,801 |
| Burien | 41 | 122 | 163 | $83,750 | $111,424 | $115,347 |

# APPENDIX A: COST ALLOCATION DETAILS

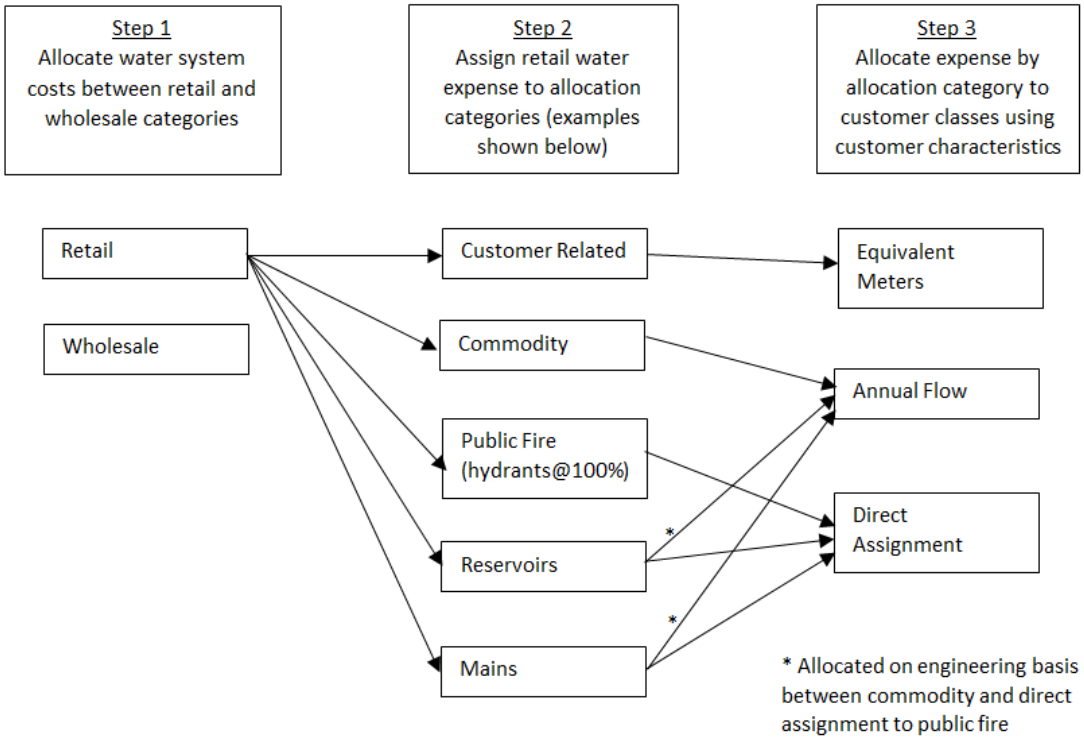
Chapter 4 contained an overview of how the 2022-2023 water revenue requirements were allocated to each cost category. This Appendix provides the detail behind those allocations.

SPU uses embedded, or historical cost of service from a test year (2019 for this rate study), to determine the percentage of revenue to be assigned to each customer class in the rate-setting period. The costs from the test year are broken into service-based allocation categories that are then allocated to cost categories based on defined customer characteristics. The resulting percentages from the test year are then applied to the 2022-2023 revenue requirements.

Three steps are required to determine the revenue split between test year cost component categories:

1. Allocation of water system expense into retail and wholesale buckets.
2. Allocation of retail water expense between different allocation categories.
3. Allocation of the cost assigned to each allocation category between cost categories.

**Figure A1-1**
**Assignment of Water System Expense to Cost Component Categories**
**Allocation Steps**




Prior to launching into the details of the separate steps, however, it is important to provide some context.

## A1.1. Cost Allocation Context

The test year cost of service is calculated using a utility-based cost method whereby test year revenue (or total cost) is the sum of three components: O&M expense, depreciation expense, and a return on plant in service. The cost allocation steps described in Sections A1.2 through A1.4 are applied separately to each of the three cost components. Below is a description of each of these components within the context of the current rate study.

**O&M.** Total O&M spending is equal to O&M presented in the test year (2019) Water Fund audited financial statements, excluding debt service, depreciation, and certain accrued expenses.

**Depreciation (use of capital assets).** Total depreciation is equal to the amount presented in the 2019 Water Fund audited financial statements, excluding depreciation on contributed assets (those assets, such as water meters, whose installation was paid for directly by individual customers).

**Return on Assets.** This is the result of applying an "interest rate" (rate-of-return or ROR) to the net book value of plant in service. Plant in service is equal to the amount presented in the 2019 audited financial statements, excluding contributed assets. Two rates of return are used in this cost allocation. "Regional" assets (assets that are shared with the wholesale customers and whose costs are allocated to wholesale – primarily watersheds and transmission assets) use the rate-of-return as defined in the wholesale contracts (5.9 percent in 2019). The rate-of-return on retail assets (i.e., everything that is not regional) is adjusted so that the total rate-of-return is equal to the difference between the adjusted retail service revenue[9] and the sum of O&M and depreciation in the test year. Therefore,

(Retail portion of Regional Assets*Regional ROR)
+ (Retail assets*Retail ROR)
+ Retail portion of Depreciation
+ Retail portion of O&M
= Adjusted Retail Revenue

where all values are for the 2019 test year.

The rate-of-return on only retail assets for 2019 is 4.5 percent.

## A1.2. Step One: Water System Expense Allocation

The first step is to allocate test year expenses between wholesale and retail. This is similar to the split that is done to determine the wholesale revenue requirement for each year of the rate study.

Both wholesale customers (suburban municipalities and water districts) and Seattle's direct service retail customers share the cost of the "regional" portion of Seattle's water system, including facilities such as the watersheds and transmission pipelines. In addition, the system includes certain "subregional" assets, such as the West Seattle and Des Moines pipelines, which serve both Seattle retail customers and wholesale customers in the applicable subregions.

[9] Industry standards allow for adjustments to test periods for known and quantifiable changes. Revenue in 2019, the test year, was significantly above the level necessary to meet all financial policies. The adjustment to 2019 revenue, $22.5 million, reduced revenue to the level that just met all financial policy targets.

This step begins by assigning O&M and asset costs (depreciation and return on plant) to regional, subregional, and retail buckets. The regional O&M costs are then "grossed up" using various multipliers specified in the contracts to reimburse the Water Fund for additional general and administrative overhead costs not directly included in the regional bucket. The mechanics of this are similar to the G&A allocation used for CIP, including the need to create a corresponding regional credit to avoid counting expenses twice.

The resulting regional costs, subregional costs, and regional credit are then split by annual flows (as per contracts) between wholesale and retail customers. For 2019, 52 percent of regional costs went to wholesale and 48 percent to retail. The 2019 split of all subregional costs was 14 percent to wholesale and 86 percent to retail. The portion of the regional credit that retail receives is the amount it would pay under the contracts as a wholesale customer, so it is 48 percent.

Table **A1-1** presents Seattle's share of combined O&M, depreciation, and return on asset expense in the 2019 test year.

**Table A1-1**
**Seattle's Share of Water System Utility-based Expense (2019)**

| | System Expense | Retail Share | |
|---|---|---|---|
| Regional Expense | 87,748,518 | 48.3% | 42,351,959 |
| Regional Credit | (14,306,789) | 48.3% | (6,905,194) |
| Sub-regional Expense | 3,899,719 | 85.9% | 3,349,335 |
| Retail Expense | 120,303,131 | 100.0% | 120,303,131 |
| **Total** | **197,644,578** | | **159,099,231** |

## A1.3. Step Two: Allocation of Retail Expense to Allocation Categories

In Step Two, the retail share of each O&M activity and water asset (for depreciation and return on plant allocation) during the test year is assigned to one of seven allocation categories. This is an intermediate step which groups assets and services to then be allocated using customer characteristics (described in section A1.4). **Table A1-2** presents the distribution of actual 2019 retail expense between the various allocation categories.

**Table A1-2**
**2019 Retail Water Expense by Allocation Category**

| Allocation Categories | O&M | Depreciation | Return on Plant | Total Retail Expense |
|---|---|---|---|---|
| Commodity | 27,550,658 | 13,003,490 | 18,070,447 | 58,624,595 |
| Accounts | 9,669,608 | 8,761,919 | 7,024,165 | 25,455,692 |
| Public Fire | 1,717,601 | 125,729 | 202,225 | 2,045,555 |
| Reservoirs | 1,436,660 | 2,328,583 | 3,899,114 | 7,664,357 |
| Mains | 3,570,688 | 1,571,684 | 3,730,524 | 8,872,896 |
| Asset Composite | 18,111,364 | - | - | 18,111,364 |
| Overall Composite | 25,796,664 | 5,923,666 | 6,604,443 | 38,324,772 |
| **Total** | **87,853,242** | **31,715,071** | **39,530,918** | **159,099,231** |

## A1.4. Step Three: Allocation of Expense by Allocation Category to Cost Component Categories

In Step Three, each allocation category from Step Two is distributed between the cost component categories. Some of these are fairly straightforward (e.g., commodity is allocated by annual flow) and some are a little more complicated. The details of each assignment follow in **Table A1-3.**

**Table A1-3**
**Allocation Factors for Assignment of Retail Expense**
**To Cost Component Categories**

| Allocation Categories | Annual Flow | Equivalent Meters | Direct/ Engineering Basis |
|---|---|---|---|
| Commodity | 100.0% | | |
| Accounts | | 100.0% | |
| Public Fire | | | 100.0% |
| Reservoirs | 99.7% | | 0.3% |
| Mains | 58.3% | | 41.7% |
| Asset Composite | 68.9% | 26.6% | 4.5% |
| Overall Composite | 69.5% | 25.1% | 5.5% |

**Commodity**. This category is primarily made up of the regional and subregional costs identified in Step One. These costs are assigned to the commodity category because annual flow is what determines the split of costs between wholesale and retail customers.

**Accounts.** This category contains costs such as service replacements and meter testing and repair, which vary by meter size. It also includes customer related expenses which do not vary significantly with water usage or meter size, such as the Water Fund's share of the CCB billing system, communication equipment (Interactive Voice Response) and other IT investments. Costs are allocated using a factor called "equivalent meters" that assigns a higher weight to larger meters. Additional details on equivalent meters are in Section A1.5.

**Public Fire.** These categories include expenses which are directly attributable to public fire service, such as hydrant repair and flow testing.

**Reservoirs**. Reservoirs provide a source of water during fires as well as water for domestic purposes.

Their cost is allocated to these uses based on an engineering analysis of the proportion of capacity devoted to each use. Further information on this allocator is in Section A1.6.

**Mains.** Watermains are sized to meet fire flow requirements and domestic demands for water. The cost for this allocation category is split between public fire and annual flow categories based on the proportional share of total installed main cost attributed to fire uses and to domestic uses. Section A1.7 contains a detailed description of this calculation.

**Asset Composite.** This category includes items that support the Water Fund's asset base, such as Maximo and the stage gate process. The allocation among customer characteristics is the average allocation of all previously assigned asset costs.

**Overall Composite.** This category includes costs that support the overall Water Fund, such as Finance and the General Manager/CEO's Office. The allocation among customer characteristics is the average allocation of all costs.

The application of the allocation factors identified in Table A1-2 to the test year (2019) expense by allocation category in Table A1-3 gives us the distribution of actual test year costs between cost component categories, as presented in **Table A1-4** below.

**Table A1-4**
**Retail Component Cost Allocation**
**2019 Cost of Service (O&M + Depreciation + Rate-of-Return)**

| Allocation Categories | Total Retail Expense | Annual Flow | Equivalent Meters | Direct/ Engineering Basis |
|---|---|---|---|---|
| Commodity | 58,624,595 | 58,624,595 | | |
| Accounts | 25,455,692 | | 25,455,692 | |
| Public Fire | 2,045,555 | | | 2,045,555 |
| Reservoirs | 7,664,357 | 7,641,364 | | 22,993 |
| Mains | 8,872,896 | 5,175,770 | | 3,697,127 |
| Asset Composite | 18,111,364 | 12,476,787 | 4,811,081 | 823,496 |
| Overall Composite | 38,324,772 | 26,629,454 | 9,604,408 | 2,090,910 |
| **Total** | **159,099,231** | **110,547,969** | **39,871,181** | **8,680,081** |

These costs are then divided among customer classes based on the characteristics of each customer class. This step is discussed in detail in Sections 4.1 and 4.2.

## A1.5. Calculation of Equivalent Meters Allocator

Section 4.3 in Chapter 4 discusses the use of the equivalent meters allocator to assign certain customer-service related expense between customer classes.

For customer related expenses, a hybrid allocator was used to reflect that some costs vary with meter size (e.g., meter repair), and some do not (e.g., customer billing). The first step was to calculate the percentage of meters by customer class, with private fire discounted 50% to reflect that these meters are typically secondary meters on a domestic account.

**Table A1-5**

**Step 1 of Equivalent Meters Calculation - Meters by Customer Class**

| | 0.75 | 1 | 1.5 | 2 | 3 | 4 | 6 | 8 | 10 | 12 | 16 | 20 | 24 | Total | Percentage |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 150,313 | 17,822 | 1,413 | 515 | 1 | 1 | 1 | 1 | - | - | - | - | - | 170,067 | 87% |
| General Service | 6,648 | 5,080 | 3,765 | 4,925 | 477 | 1,079 | 400 | 133 | 34 | 9 | - | 2 | - | 22,552 | 12% |
| Private Fire @50% | 466 | 1 | 4 | 301 | 11 | 753 | 618 | 329 | 12 | 3 | - | - | - | 2,497 | 1% |
| **Total** | **157,427** | **22,903** | **5,182** | **5,741** | **489** | **1,833** | **1,019** | **463** | **46** | **12** | **-** | **2** | **-** | **195,116** | **100%** |

Step two is to calculate the percentage of meters per customer class after weighting the meter counts using standard American Water Works Association (AWWA) meter progression ratios by meter size. Similar to step one, the private fire ratios were discounted 75% to reflect that these meters are typically secondary meters on a domestic account and typically use very little water.

**Table A1-6**

**Step 2 of Equivalent Meters Calculation – Weighted Meter Counts by Customer Class**

| | 0.75 | 1 | 1.5 | 2 | 3 | 4 | 6 | 8 | 10 | 12 | 16 | 20 | 24 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential Count | 150,313 | 17,822 | 1,413 | 515 | 1 | 1 | 1 | 1 | - | - | - | - | - | |
| Weighting Factor | 1.0 | 1.7 | 3.3 | 5.3 | 10.0 | 16.7 | 33.3 | 53.3 | 76.7 | 143.3 | 250.0 | 325.0 | 420.0 | |
| **Residential Weighted Count** | **150,313** | **30,297** | **4,663** | **2,730** | **10** | **17** | **33** | **53** | **-** | **-** | **-** | **-** | **-** | **188,116** |

| | 0.75 | 1 | 1.5 | 2 | 3 | 4 | 6 | 8 | 10 | 12 | 16 | 20 | 24 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General Service Count | 6,648 | 5,080 | 3,765 | 4,925 | 477 | 1,079 | 400 | 133 | 34 | 9 | - | 2 | - | |
| Weighting Factor | 1.0 | 1.7 | 3.3 | 5.3 | 10.0 | 16.7 | 33.3 | 53.3 | 76.7 | 143.3 | 250.0 | 325.0 | 420.0 | |
| **Gen Svc Weighted Count** | **6,648** | **8,636** | **12,425** | **26,103** | **4,770** | **18,019** | **13,320** | **7,089** | **2,608** | **1,290** | **-** | **650** | **-** | **101,557** |

| | 0.75 | 1 | 1.5 | 2 | 3 | 4 | 6 | 8 | 10 | 12 | 16 | 20 | 24 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Private Fire Count | 932 | 2 | 8 | 602 | 21 | 1,506 | 1,236 | 658 | 24 | 5 | - | - | - | |
| Weighting Factor @25% | 0.3 | 0.4 | 0.8 | 1.3 | 2.5 | 4.2 | 8.3 | 13.3 | 19.2 | 35.8 | 62.5 | 81.3 | 105.0 | |
| **Private Fire Weighted Count** | **233** | **1** | **7** | **798** | **53** | **6,288** | **10,290** | **8,768** | **460** | **179** | **-** | **-** | **-** | **27,075** |

**Table A1-7**

**Step 2 of Equivalent Meters Calculation – Weighted Meter Percentages**

| | Total | Percentage |
|---|---|---|
| Residential Weighted Count | 188,116 | 59.4% |
| Gen Svc Weighted Count | 101,557 | 32.1% |
| Private Fire Weighted Count | 27,075 | 8.5% |
| **Total** | **316,748** | **100%** |

The last step is to average the results of step one and step two. The hybrid allocator produced is used to allocate customer related expenses between customer classes.

**Table A1-8**

**Equivalent Meters Allocation Percentage Basis**

| | Allocation on Meter Count Basis | Allocation on Weighted Basis | Hybrid Allocation |
|---|---|---|---|
| Residential | 87.7% | 59.4% | **73.6%** |
| General Service | 11.6% | 32.1% | **21.8%** |
| Private Fire | 0.6% | 8.5% | **4.6%** |

## A1.6. Allocation of Reservoirs to Public Fire

The allocation of reservoirs to public fire was updated for the previous rate study since the reservoir covering projects are nearly complete. (Note that for the rate study, "reservoirs" includes reservoirs, tanks, and standpipes.) From an allocation perspective, there are two types of reservoirs: regional/subregional reservoirs whose costs are shared with wholesale customers and those that are retail only. As discussed in Section 4, the retail portions of regional and subregional assets are considered commodity assets since the wholesale/retail split is determined by consumption. In other words, if a particular retail customer class uses more water, they will cause a higher portion of costs to be allocated to retail customers. Therefore, costs are caused by commodity regardless of the nature of the underlying asset.

For retail only reservoirs, detailed reservoir sizing is used to develop an overall allocation between public fire and commodity. For most reservoirs there is no dedicated fire storage, since water is available to the reservoir under gravity flow. It is only reservoirs that rely on pumped water for refill that have a dedicated amount of storage for public fire. That amount of dedicated storage is determined as 8,000 gpm for 15 minutes (equal to 0.12 MG), which is the response time needed to restore water flow to each of the non-gravity supplied reservoirs by remote start of a diesel pump or by activating a turbine driven pump. **Table A1-9** is based on reservoir data from SPU's 2013 Water System Plan.

**Table A1-9**
**Reservoir Capacities**

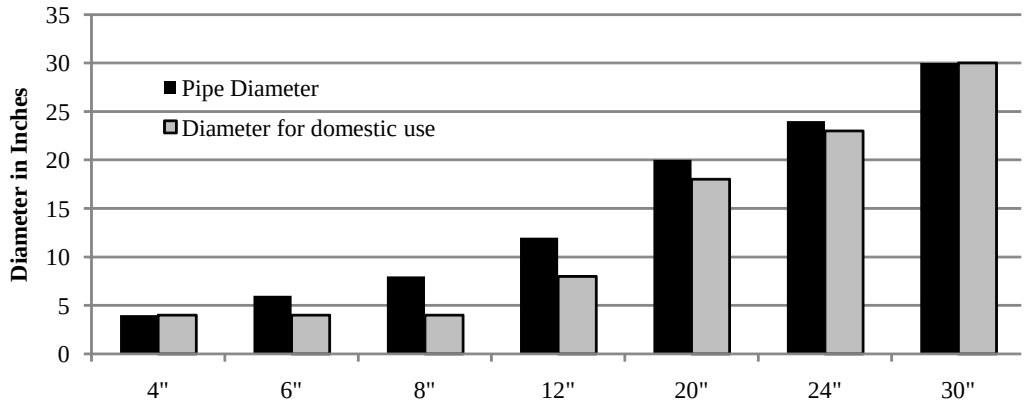
| Millions of Gallons (MG) | Capacity | Storage Required |
|---|---|---|
| Retail Reservoirs | | |
| Bitter Lake | 21.30 | N/A |
| Beacon | 50.00 | N/A |
| Lincoln | 12.70 | N/A |
| Magnolia | 5.50 | 0.12 |
| Myrtle | 5.00 | 0.12 |
| View Ridge | 2.50 | N/A |
| Roosevelt | 50.30 | N/A |
| Volunteer | 20.50 | N/A |
| Retail Tanks | | |
| Charlestown | 1.30 | 0.12 |
| Queen Anne | 1.90 | 0.12 |
| North Trenton | 1.20 | N/A |
| South Trenton | 1.20 | N/A |
| Volunteer Park | 0.90 | 0.12 |
| Magnolia Bluff | 1.00 | N/A |
| Total | 175.30 | 0.60 |
| **Percentage allocated to Public Fire** | | **0.3%** |

## A1.7. Calculation of Watermains Allocator

Watermains are sized to meet fire flow requirements and domestic demands for water. In sizing the watermain, the pipe must have sufficient capacity to meet two separate criteria: (i) peak hour domestic demand and (ii) peak day domestic demand + fire flow requirements. For medium and small-size pipes (8 inch diameter or less) the second criteria will be the binding constraint. For larger size pipe (i.e., pipes that are serving very large areas or areas with very dense developments), the first criteria (peak hour demand) will be the binding constraint.

The most common size pipe in Seattle's system is, by far, an 8 inch diameter pipe. In areas served by 8 inch mains, domestic peak hour flows, i.e., the first criteria, can typically be met with 4 inch mains. The oversizing from 4 inch to 8 inch is needed to meet the second criteria. Taking into account that hydraulic capacity grows exponentially with the diameter of the pipe, this means about 25 percent of the 8 inch pipe is serving domestic flows and 75 percent is providing fire protection. Pipes smaller than 8 inch were installed on the system when the fire flow requirements were lower than they are today. For this allocation exercise, the cost of 4 inch mains were assigned to domestic service and the cost of 6 inch mains were assigned to public fire protection. For pipes larger than 8 inch, the share of capacity needed for fire flows shrinks until we reach pipes with diameters of 30 inches or more. The graph below shows the relationship between pipe size and fire flow requirements expressed in diameters.

**Figure A1-2**
**Actual Pipe Diameters Versus Diameter Required for Domestic Use**




| Pipe Diameter | 4 | 6 | 8 | 12 | 20 | 24 | 30 |
|---|---|---|---|---|---|---|---|
| Diameter for domestic use | 4 | 4 | 4 | 8 | 18 | 23 | 30 |
| Capacity for domestic use | 100% | 44% | 25% | 44% | 81% | 92% | 100% |

The cost of watermains is split between fire protection and domestic uses based on each group's proportionate share of total watermain asset value. The calculation of this asset value takes into account the shares of hydraulic capacity discussed above. The steps to determining the appropriate allocation for watermain assets are as follows:

1. Estimate net book value by pipe size for all the mains in the system. SPU financial systems track net book value for total water mains, but not by pipe size. For the purposes of this allocation, net book value by pipe size is estimated by applying estimated accumulated depreciation to estimated replacement cost by pipe size. An adjustment factor is then applied in order to adjust

each pipe size so that the total estimated net book value equals actual total watermains net book value as of 12/31/19. Estimated replacement cost by pipe size is determined as follows:

Estimated Replacement Cost = ($Cost/ $LF_d$ ) x ($LF_d$ )

Where $Cost/ $LF_d$ = the replacement cost per lineal feet of a pipe of diameter 'd,' and $LF_d$ = the number of lineal feet in the system of pipe of diameter 'd' as of 2019.

Using cost indices by year installed, the replacement cost net book value is converted to an estimated original net book value by year installed.

2. Determine cost associated with fire protection service.

   Fire Protection Net Book Value =

   $\sum$ (Hydraulic Capacity for $Fire_d$) ÷ (Hydraulic Capacity of $Pipe_d$ ) x (Net Book Value by Pipe Length)

3. Determine the proportion of the watermain net book value devoted to fire protection.

   Proportion of costs for fire protection =
   (Fire Protection Net Book Value) ÷ (Total Net Book Value)

The percentage share determined in Step Three is then used to assign watermain costs to fire protection. Using the above methodology, the cost share assigned to fire protection for this rate period is 42 percent.

# APPENDIX B: INFORMATIONAL TABLES

## B1.1. Residential Rate History

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **Residential - Inside Seattle** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $3.62 | $4.04 | $4.50 | $4.99 | $5.06 | $5.15 | $5.20 | $5.27 | $5.40 |
| Peak 1st Block | $3.98 | $4.34 | $4.73 | $5.13 | $5.20 | $5.29 | $5.33 | $5.41 | $5.55 |
| Peak 2nd Block | $4.63 | $5.15 | $5.72 | $6.34 | $6.43 | $6.54 | $6.59 | $6.69 | $6.86 |
| Peak 3rd Block | $11.80 | $11.80 | $11.80 | $11.80 | $11.80 | $11.80 | $11.80 | $11.80 | $11.80 |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $13.00 | $13.25 | $13.50 | $13.75 | $14.15 | $15.15 | $16.10 | $17.15 | $18.45 |
| 1 inch | $13.40 | $13.65 | $13.90 | $14.20 | $14.60 | $15.60 | $16.60 | $17.70 | $19.00 |
| 1 1/2 inch | $20.70 | $21.05 | $21.45 | $21.85 | $22.50 | $24.10 | $25.60 | $27.25 | $29.35 |
| 2 inch | $22.90 | $23.35 | $23.75 | $24.20 | $24.90 | $26.65 | $28.35 | $30.20 | $32.50 |
| 3 inch | $84.70 | $86.35 | $88.00 | $89.65 | $92.25 | $98.80 | $104.95 | $111.80 | $120.30 |
| 4 inch | $121.40 | $123.75 | $126.10 | $128.45 | $132.15 | $141.50 | $150.40 | $160.20 | $172.35 |
| Utility Credit | | | | | | | | | |
| Fixed Credit (per month) | $17.02 | $16.97 | $18.19 | $19.46 | $19.84 | $20.56 | $21.15 | $12.86 | $22.85 |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $1.81 | $2.02 | $2.25 | $2.50 | $2.53 | $2.58 | $2.60 | $2.64 | $2.70 |
| Peak 1st Block | $1.99 | $2.17 | $2.37 | $2.57 | $2.60 | $2.65 | $2.67 | $2.71 | $2.78 |
| Peak 2nd Block | $2.32 | $2.58 | $2.86 | $3.17 | $3.22 | $3.27 | $3.30 | $3.35 | $3.43 |
| Peak 3rd Block | $5.90 | $5.90 | $5.90 | $5.90 | $5.90 | $5.90 | $5.90 | $5.90 | $5.90 |
| Meter Charges (Discount) | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% |

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **Residential - Outside Seattle** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $4.13 | $4.61 | $5.13 | $5.69 | $5.77 | $5.87 | $5.93 | $6.01 | $6.16 |
| Peak 1st Block | $4.54 | $4.95 | $5.39 | $5.85 | $5.93 | $6.03 | $6.08 | $6.17 | $6.33 |
| Peak 2nd Block | $5.28 | $5.87 | $6.52 | $7.23 | $7.33 | $7.46 | $7.51 | $7.63 | $7.82 |
| Peak 3rd Block | $13.45 | $13.45 | $13.45 | $13.45 | $13.45 | $13.45 | $13.45 | $13.45 | $13.45 |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $14.80 | $15.10 | $15.40 | $15.70 | $16.15 | $17.25 | $18.35 | $19.55 | $21.05 |
| 1 inch | $15.30 | $15.55 | $15.85 | $16.20 | $16.65 | $17.80 | $18.90 | $20.20 | $21.65 |
| 1 1/2 inch | $23.60 | $24.00 | $24.45 | $24.90 | $25.65 | $27.45 | $29.20 | $31.05 | $33.45 |
| 2 inch | $26.10 | $26.60 | $27.10 | $27.60 | $28.40 | $30.40 | $32.30 | $34.45 | $37.05 |
| 3 inch | $96.60 | $98.45 | $100.30 | $102.20 | $105.15 | $112.65 | $119.65 | $127.45 | $137.15 |
| 4 inch | $138.40 | $141.10 | $143.75 | $146.45 | $150.65 | $161.30 | $171.45 | $182.65 | $196.50 |
| Utility Credit | | | | | | | | | |
| Fixed Credit (per month) | $17.02 | $16.97 | $18.19 | $19.46 | $19.84 | $20.56 | $21.15 | $12.86 | $22.85 |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $2.07 | $2.31 | $2.57 | $2.85 | $2.89 | $2.94 | $2.97 | $3.01 | $3.08 |
| Peak 1st Block | $2.27 | $2.48 | $2.70 | $2.93 | $2.97 | $3.02 | $3.04 | $3.09 | $3.17 |
| Peak 2nd Block | $2.64 | $2.94 | $3.26 | $3.62 | $3.67 | $3.73 | $3.76 | $3.82 | $3.91 |
| Peak 3rd Block | $6.73 | $6.73 | $6.73 | $6.73 | $6.73 | $6.73 | $6.73 | $6.73 | $6.73 |
| Meter Charges (Discount) | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% |

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **Residential - Shoreline, Lake Forest Park** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $4.39 | $4.90 | $5.46 | $6.05 | $6.14 | $6.25 | $6.31 | $6.39 | $6.55 |
| Peak 1st Block | $4.83 | $5.26 | $5.74 | $6.22 | $6.31 | $6.42 | $6.46 | $6.56 | $6.73 |
| Peak 2nd Block | $5.62 | $6.25 | $6.94 | $7.69 | $7.80 | $7.93 | $7.99 | $8.11 | $8.32 |
| Peak 3rd Block | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 |
| Franchise Charge | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $15.80 | $16.05 | $16.35 | $16.70 | $17.15 | $18.35 | $19.55 | $20.80 | $22.40 |
| 1 inch | $16.30 | $16.55 | $16.85 | $17.20 | $17.70 | $18.90 | $20.15 | $21.45 | $23.05 |
| 1 1/2 inch | $25.10 | $25.55 | $26.00 | $26.50 | $27.30 | $29.25 | $31.05 | $33.05 | $35.60 |
| 2 inch | $27.80 | $28.30 | $28.80 | $29.35 | $30.20 | $32.30 | $34.40 | $36.65 | $39.40 |
| 3 inch | $102.70 | $104.70 | $106.70 | $108.70 | $111.90 | $119.80 | $127.30 | $135.60 | $145.90 |
| 4 inch | $147.20 | $150.10 | $152.95 | $155.80 | $160.25 | $171.60 | $182.40 | $194.30 | $209.00 |
| Utility Credit | | | | | | | | | |
| Fixed Credit (per month) | $17.02 | $16.97 | $18.19 | $19.46 | $19.84 | $20.56 | $21.15 | $21.86 | $22.85 |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $2.20 | $2.45 | $2.73 | $3.03 | $3.07 | $3.13 | $3.16 | $3.20 | $3.28 |
| Peak 1st Block | $2.42 | $2.63 | $2.87 | $3.11 | $3.16 | $3.21 | $3.23 | $3.28 | $3.37 |
| Peak 2nd Block | $2.81 | $3.13 | $3.47 | $3.85 | $3.90 | $3.97 | $4.00 | $4.06 | $4.16 |
| Peak 3rd Block | $7.16 | $7.16 | $7.16 | $7.16 | $7.16 | $7.16 | $7.16 | $7.16 | $7.16 |
| Meter Charges (Discount) | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% |
| Master Metered Residential Development | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $4.39 | $4.90 | $5.46 | $6.05 | $6.14 | $6.25 | $6.31 | $6.39 | $6.55 |
| Peak 1st Block | $4.83 | $5.26 | $5.74 | $6.22 | $6.31 | $6.42 | $6.46 | $6.56 | $6.73 |
| Peak 2nd Block | $5.62 | $6.25 | $6.94 | $7.69 | $7.80 | $7.93 | $7.99 | $8.11 | $8.32 |
| Peak 3rd Block | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 | $14.31 |
| Meter Charges (See above) | | | | | | | | | |

## B1.2. General Service Rate History

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **General Service - Inside Seattle** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $3.62 | $4.04 | $4.50 | $4.99 | $5.06 | $5.15 | $5.20 | $5.27 | $5.40 |
| Peak | $4.63 | $5.15 | $5.72 | $6.34 | $6.43 | $6.54 | $6.59 | $6.69 | $6.86 |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $13.00 | $13.25 | $13.50 | $13.75 | $14.15 | $15.15 | $16.10 | $17.15 | $18.45 |
| 1 inch | $13.40 | $13.65 | $13.90 | $14.20 | $14.60 | $15.60 | $16.60 | $17.70 | $19.00 |
| 1 1/2 inch | $20.70 | $21.05 | $21.45 | $21.85 | $22.50 | $24.10 | $25.60 | $27.25 | $29.35 |
| 2 inch | $22.90 | $23.35 | $23.75 | $24.20 | $24.90 | $26.65 | $28.35 | $30.20 | $32.50 |
| 3 inch | $84.70 | $86.35 | $88.00 | $89.65 | $92.25 | $98.80 | $104.95 | $111.80 | $120.30 |
| 4 inch | $121.40 | $123.75 | $126.10 | $128.45 | $132.15 | $141.50 | $150.40 | $160.20 | $172.35 |
| 6 inch | $149.40 | $152.30 | $155.15 | $158.05 | $162.65 | $174.10 | $185.05 | $197.10 | $212.00 |
| 8 inch | $199.00 | $199.00 | $199.00 | $199.00 | $199.00 | $205.00 | $218.00 | $232.00 | $250.00 |
| 10 inch | $297.00 | $297.00 | $297.00 | $297.00 | $297.00 | $297.00 | $297.00 | $297.00 | $305.00 |
| 12 inch | $402.00 | $402.00 | $402.00 | $402.00 | $402.00 | $402.00 | $402.00 | $402.00 | $412.00 |
| 16 inch | $477.00 | $477.00 | $477.00 | $477.00 | $477.00 | $477.00 | $477.00 | $477.00 | $477.00 |
| 20 inch | $614.00 | $614.00 | $614.00 | $614.00 | $614.00 | $614.00 | $614.00 | $614.00 | $614.00 |
| 24 inch | $771.00 | $771.00 | $771.00 | $771.00 | $771.00 | $771.00 | $771.00 | $771.00 | $771.00 |
| **Utility Credit - Inside & Outside (Fixed Credit per month)** | | | | | | | | | |
| Commercial (Multifamily) | $9.32 | $10.14 | $11.22 | $12.38 | $12.38 | $12.38 | $12.38 | $12.38 | $12.50 |

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **General Service - Outside Seattle** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $4.13 | $4.61 | $5.13 | $5.69 | $5.77 | $5.87 | $5.93 | $6.01 | $6.16 |
| Peak | $5.28 | $5.87 | $6.52 | $7.23 | $7.33 | $7.46 | $7.51 | $7.63 | $7.82 |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $14.80 | $15.10 | $15.40 | $15.70 | $16.15 | $17.25 | $18.35 | $19.55 | $21.05 |
| 1 inch | $15.30 | $15.55 | $15.85 | $16.20 | $16.65 | $17.80 | $18.90 | $20.20 | $21.65 |
| 1 1/2 inch | $23.60 | $24.00 | $24.45 | $24.90 | $25.65 | $27.45 | $29.20 | $31.05 | $33.45 |
| 2 inch | $26.10 | $26.60 | $27.10 | $27.60 | $28.40 | $30.40 | $32.30 | $34.45 | $37.05 |
| 3 inch | $96.60 | $98.45 | $100.30 | $102.20 | $105.15 | $112.65 | $119.65 | $127.45 | $137.15 |
| 4 inch | $138.40 | $141.10 | $143.75 | $146.45 | $150.65 | $161.30 | $171.45 | $182.65 | $196.50 |
| 6 inch | $170.00 | $173.60 | $176.85 | $180.20 | $185.40 | $198.45 | $210.95 | $224.70 | $242.00 |
| 8 inch | $227.00 | $227.00 | $227.00 | $227.00 | $227.00 | $234.00 | $249.00 | $264.00 | $285.00 |
| 10 inch | $339.00 | $339.00 | $339.00 | $339.00 | $339.00 | $339.00 | $339.00 | $339.00 | $348.00 |
| 12 inch | $458.00 | $458.00 | $458.00 | $458.00 | $458.00 | $458.00 | $458.00 | $458.00 | $470.00 |
| 16 inch | $544.00 | $544.00 | $544.00 | $544.00 | $544.00 | $544.00 | $544.00 | $544.00 | $544.00 |
| 20 inch | $700.00 | $700.00 | $700.00 | $700.00 | $700.00 | $700.00 | $700.00 | $700.00 | $700.00 |
| 24 inch | $879.00 | $879.00 | $879.00 | $879.00 | $879.00 | $879.00 | $879.00 | $879.00 | $879.00 |
| **Utility Credit - Inside & Outside (Fixed Credit per month)** | | | | | | | | | |
| Commercial (Multifamily) | $9.32 | $10.14 | $11.22 | $12.38 | $12.38 | $12.38 | $12.38 | $12.38 | $12.50 |

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **General Service - Shoreline, City of Lake Forest Park** | | | | | | | | | |
| Commodity Rate (per ccf) | | | | | | | | | |
| Off-Peak | $4.39 | $4.90 | $5.46 | $6.05 | $6.14 | $6.25 | $6.31 | $6.39 | $6.55 |
| Peak | $5.62 | $6.25 | $6.94 | $7.69 | $7.80 | $7.93 | $7.99 | $8.11 | $8.32 |
| Franchise Charge | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Meter Charge ($s/mtr/mo) | | | | | | | | | |
| 3/4 inch | $15.80 | $16.05 | $16.35 | $16.70 | $17.15 | $18.35 | $19.55 | $20.80 | $22.40 |
| 1 inch | $16.30 | $16.55 | $16.85 | $17.20 | $17.70 | $18.90 | $20.15 | $21.45 | $23.05 |
| 1 1/2 inch | $25.10 | $25.55 | $26.00 | $26.50 | $27.30 | $29.25 | $31.05 | $33.05 | $35.60 |
| 2 inch | $27.80 | $28.30 | $28.80 | $29.35 | $30.20 | $32.30 | $34.40 | $36.65 | $39.40 |
| 3 inch | $102.70 | $104.70 | $106.70 | $108.70 | $111.90 | $119.80 | $127.30 | $135.60 | $145.90 |
| 4 inch | $147.20 | $150.10 | $152.95 | $155.80 | $160.25 | $171.60 | $182.40 | $194.30 | $209.00 |
| 6 inch | $181.00 | $184.70 | $188.15 | $191.70 | $197.25 | $211.15 | $224.40 | $239.05 | $257.00 |
| 8 inch | $241.00 | $241.00 | $241.00 | $241.00 | $241.00 | $249.00 | $264.00 | $281.00 | $303.00 |
| 10 inch | $360.00 | $360.00 | $360.00 | $360.00 | $360.00 | $360.00 | $360.00 | $360.00 | $370.00 |
| 12 inch | $488.00 | $488.00 | $488.00 | $488.00 | $488.00 | $488.00 | $488.00 | $488.00 | $500.00 |
| 16 inch | $579.00 | $579.00 | $579.00 | $579.00 | $579.00 | $579.00 | $579.00 | $579.00 | $579.00 |
| 20 inch | $745.00 | $745.00 | $745.00 | $745.00 | $745.00 | $745.00 | $745.00 | $745.00 | $745.00 |
| 24 inch | $935.00 | $935.00 | $935.00 | $935.00 | $935.00 | $935.00 | $935.00 | $935.00 | $935.00 |
| **Utility Credit - Inside & Outside (Fixed Credit per month)** | | | | | | | | | |
| Commercial (Multifamily) | $9.32 | $10.14 | $11.22 | $12.38 | $12.38 | $12.38 | $12.38 | $12.38 | $12.50 |

## B1.3. Wholesale Rate History

| Effective Date: | 1/1/09 | 1/1/10 | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/15 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Full and Partial Contracts** | | | | | | | | | | | | |
| **Commodity Rate (per ccf)** | | | | | | | | | | | | |
| Off-Peak | $1.14 | $1.15 | $1.16 | $1.52 | $1.53 | $1.53 | $1.42 | $1.42 | $1.42 | $1.50 | $1.58 | $1.67 |
| Peak | $1.77 | $1.77 | $1.79 | $2.26 | $2.26 | $2.27 | $2.10 | $2.10 | $2.10 | $2.22 | $2.36 | $2.50 |
| Growth Charge | $0.60 | $0.60 | $0.60 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| **Demand Charge** ($/1000 gals of deficient storage) | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 | $22.00 |
| **One Time New Service Fee ($s/mtr)** | | | | | | | | | | | | |
| 3/4 inch | $713 | $713 | $783 | $783 | | | | | | | | |
| 1 inch | $1,426 | $1,426 | $1,566 | $1,566 | | | | | | | | |
| 1 inch and smaller | | | | | $877 | $936 | $936 | $936 | $936 | $936 | $1,081 | $1,081 |
| 1 1/2 inch | $3,565 | $3,565 | $3,915 | $3,915 | $3,915 | $4,180 | $4,180 | $4,180 | $4,180 | $4,180 | $4,825 | $4,825 |
| 2 inch | $5,704 | $5,704 | $6,264 | $6,264 | $6,264 | $6,688 | $6,688 | $6,688 | $6,688 | $6,688 | $7,720 | $7,720 |
| 3 inch | $15,686 | $15,686 | $17,226 | $17,226 | $17,226 | $18,392 | $18,392 | $18,392 | $18,392 | $18,392 | $21,230 | $21,230 |
| 4 inch | $22,103 | $22,103 | $24,273 | $24,273 | $24,273 | $25,916 | $25,916 | $25,916 | $25,916 | $25,916 | $29,915 | $29,915 |
| 6 inch | $47,058 | $47,058 | $51,678 | $51,678 | $51,678 | $55,176 | $55,176 | $55,176 | $55,176 | $55,176 | $63,690 | $63,690 |
| 8 inch | $79,856 | $79,856 | $87,696 | $87,696 | $87,696 | $93,632 | $93,632 | $93,632 | $93,632 | $93,632 | $108,080 | $108,080 |
| 10 inch | $120,497 | $120,497 | $132,327 | $132,327 | $132,327 | $141,284 | $141,284 | $141,284 | $141,284 | $141,284 | $163,085 | $163,085 |
| 12 inch | $169,694 | $169,694 | $186,354 | $186,354 | $186,354 | $198,968 | $198,968 | $198,968 | $198,968 | $198,968 | $229,670 | $229,670 |
| 16 inch | $169,694 | $169,694 | $186,354 | $186,354 | $186,354 | $198,968 | $198,968 | $198,968 | $198,968 | $198,968 | $229,670 | $229,670 |
| 20 inch | $169,694 | $169,694 | $186,354 | $186,354 | $186,354 | $198,968 | $198,968 | $198,968 | $198,968 | $198,968 | $229,670 | $229,670 |
| 24 inch | $169,694 | $169,694 | $186,354 | $186,354 | $186,354 | $198,968 | $198,968 | $198,968 | $198,968 | $198,968 | $229,670 | $229,670 |

## B1.4. Private Fire Rate History

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| **Volume (Penalty) Rate per ccf** | | | | | | | | | |
| Inside | $20.00 | $20.00 | $20.00 | $20.00 | $20.00 | $20.00 | $20.00 | $20.00 | $20.00 |
| Outside | $22.80 | $22.80 | $22.80 | $22.80 | $22.80 | $22.80 | $22.80 | $22.80 | $22.80 |
| Shoreline, Lake Forest Park | $24.30 | $24.30 | $24.30 | $24.30 | $24.30 | $24.30 | $24.30 | $24.30 | $24.30 |
| **Meter Charge ($s/mtr/mo)** | | | | | | | | | |
| **Inside Seattle** | | | | | | | | | |
| 2 inch | $15.40 | $15.40 | $15.40 | $15.40 | $16.00 | $16.25 | $16.25 | $17.25 | $17.75 |
| 3 inch | $20.00 | $20.00 | $20.00 | $20.00 | $21.00 | $21.00 | $21.00 | $22.00 | $23.00 |
| 4 inch | $37.00 | $37.00 | $37.00 | $37.00 | $38.00 | $39.00 | $39.00 | $41.00 | $43.00 |
| 6 inch | $63.00 | $63.00 | $63.00 | $63.00 | $65.00 | $66.00 | $66.00 | $71.00 | $73.00 |
| 8 inch | $100.00 | $100.00 | $100.00 | $100.00 | $104.00 | $105.00 | $105.00 | $112.00 | $115.00 |
| 10 inch | $144.00 | $144.00 | $144.00 | $144.00 | $150.00 | $152.00 | $152.00 | $161.00 | $166.00 |
| 12 inch | $210.00 | $210.00 | $210.00 | $210.00 | $218.00 | $222.00 | $222.00 | $235.00 | $242.00 |
| **Outside Seattle** | | | | | | | | | |
| 2 inch | $18.00 | $18.00 | $18.00 | $18.00 | $18.00 | $19.00 | $19.00 | $20.00 | $20.00 |
| 3 inch | $23.00 | $23.00 | $23.00 | $23.00 | $24.00 | $24.00 | $24.00 | $25.00 | $26.00 |
| 4 inch | $42.00 | $42.00 | $42.00 | $42.00 | $43.00 | $44.00 | $44.00 | $47.00 | $49.00 |
| 6 inch | $72.00 | $72.00 | $72.00 | $72.00 | $74.00 | $75.00 | $75.00 | $81.00 | $83.00 |
| 8 inch | $114.00 | $114.00 | $114.00 | $114.00 | $119.00 | $120.00 | $120.00 | $128.00 | $131.00 |
| 10 inch | $164.00 | $164.00 | $164.00 | $164.00 | $171.00 | $173.00 | $173.00 | $184.00 | $189.00 |
| 12 inch | $239.00 | $239.00 | $239.00 | $239.00 | $249.00 | $253.00 | $253.00 | $268.00 | $276.00 |
| **Shoreline, Lake Forest Park** | | | | | | | | | |
| 2 inch | $19.00 | $19.00 | $19.00 | $19.00 | $19.00 | $20.00 | $20.00 | $21.00 | $22.00 |
| 3 inch | $24.00 | $24.00 | $24.00 | $24.00 | $25.00 | $25.00 | $25.00 | $27.00 | $28.00 |
| 4 inch | $45.00 | $45.00 | $45.00 | $45.00 | $46.00 | $47.00 | $47.00 | $50.00 | $52.00 |
| 6 inch | $76.00 | $76.00 | $76.00 | $76.00 | $79.00 | $80.00 | $80.00 | $86.00 | $89.00 |
| 8 inch | $121.00 | $121.00 | $121.00 | $121.00 | $126.00 | $127.00 | $127.00 | $136.00 | $139.00 |
| 10 inch | $175.00 | $175.00 | $175.00 | $175.00 | $182.00 | $184.00 | $184.00 | $195.00 | $201.00 |
| 12 inch | $255.00 | $255.00 | $255.00 | $255.00 | $264.00 | $269.00 | $269.00 | $285.00 | $293.00 |

## B1.5. Public Fire Rate History

| Effective Date: | 1/1/11 | 1/1/12 | 1/1/13 | 1/1/14 | 1/1/16 | 1/1/17 | 1/1/18 | 1/1/19 | 1/1/20 |
|---|---|---|---|---|---|---|---|---|---|
| Hydrants on 4 inch Mains | $194.80 | $198.03 | $213.17 | $230.48 | $197.67 | $202.43 | $304.52 | $310.68 | $321.20 |
| Hydrants on 6 inch and larger mains | $389.48 | $412.56 | $444.11 | $480.16 | $479.96 | $491.53 | $548.49 | $559.59 | $578.53 |

## B1.6. Average System Rate Increase History

| Effective Date | Rate Increase |
|---|---|
| May 16, 2001 | 5.9% |
| July 16, 2001 | 3rd Tier Adopted |
| January 1, 2002 | 5.6% |
| September 16, 2002 | 14.5% |
| January 1, 2004 | 10.6% |
| January 1, 2005 | 0.2% |
| June 1, 2006 | 0.8% |
| January 1, 2007 | 4.6% |
| January 1, 2008 | 5.9% |
| January 1, 2009 | 11.7% |
| March 31, 2009* | 6.9% |
| January 1, 2010 | 9.3% |
| January 1, 2011** | 0.6% |
| January 1, 2012 | 9.9% |
| January 1, 2013 | 9.7% |
| January 1, 2014 | 3.4% |
| January 1, 2015 | -1.9% |
| January 1, 2016 | 2.5% |
| January 1, 2017 | 2.4% |
| January 1, 2018 | 0.7% |
| January 1, 2019 | 5.1% |
| January 1, 2020 | 2.3% |

* Temporary surcharge to cover costs related to *Lane v. City of Seattle, 2008*

** Expiration of surcharge

## B1.7. Historical Financial Performance

| | Target | Actual 2011 | Actual 2012 | Actual 2013 | Actual 2014 | Actual 2015 | Actual 2016 | Actual 2017 | Actual 2018 | Actual 2019 | Actual 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Income ($1,000's) | positive | 1,797 | 20,666 | 28,191 | 31,505 | 38,149 | 43,327 | 51,195 | 82,036 | 49,482 | 55,913 |
| Debt Service Coverage | 1.7x | 1.48 | 1.70 | 1.86 | 1.93 | 1.87 | 1.78 | 1.94 | 2.27 | 2.07 | 2.03 |
| Cash Financing of the Capital Program | 20%* | 28.5% | 59.4% | 60.9% | 65.8% | 62.8% | 57.8% | 55.9% | 50.9% | 47.2% | 53.0% |
| from Rate Revenues | | 24.7% | 53.3% | 46.7% | 57.7% | 52.3% | 43.9% | 37.1% | 35.5% | 36.5% | 45.7% |
| from Contributions in Aid of Construction | | 3.7% | 6.0% | 14.2% | 8.1% | 10.5% | 14.0% | 18.8% | 15.4% | 10.7% | 7.2% |
| from Bonneville Power Administration Account | | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Year-End Operating Cash ($1,000's) | varies** | 7,224 | 12,373 | 29,046 | 43,516 | 42,349 | 39,106 | 54,637 | 93,941 | 130,036 | 140,762 |
| Revenue Stabilization Fund Deposit (Withdrawal) ($1,000) | | (1,553) | 3,354 | 7,000 | 8,172 | 7,000 | 5,266 | 5,200 | 7,650 | 2,518 | 0 |

* Current revenues should be used to finance no less than 15% of the CIP in any one year, and not less than 20% in each rate proposal

** Year-End Operating Cash Target is 1/12th of the current year's operating expenses

## B1.8. Actual Operations Expenditures

| | Actual 2011 | Actual 2012 | Actual 2013 | Actual 2014 | Actual 2015 | Actual 2016 | Actual 2017 | Actual 2018 | Actual 2019 | Actual 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Branch O&M * | 78,032,153 | 82,257,166 | 89,696,040 | 92,028,663 | 98,517,597 | 101,080,197 | 117,562,578 | 112,343,955 | 113,409,070 | 112,728,101 |
| Taxes | 31,033,547 | 34,579,191 | 38,439,778 | 40,801,911 | 43,038,318 | 42,128,072 | 41,676,404 | 46,354,856 | 46,330,520 | 45,676,064 |
| Debt Service | | | | | | | | | | |
| Interest | 49,599,029 | 48,810,640 | 45,171,328 | 43,601,158 | 47,467,084 | 40,549,603 | 42,781,460 | 41,047,099 | 38,667,809 | 36,478,735 |
| Principal | 29,998,293 | 33,363,293 | 33,873,204 | 34,669,987 | 38,454,987 | 42,739,987 | 41,206,473 | 43,069,929 | 45,129,935 | 47,674,935 |

* Includes contracts associated with treatment plants

# APPENDIX C: PROPOSED RATES

## Effective January 1, 2022

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Direct Service | | | | | | | | | | | | | | | | | |
| RATE SCHEDULES | Inside City | | | | Outside City | | | | City of Shoreline / City of Lake Forest Park | | | | | Burien | | | | Mercer Island |
| | Residential | MMRD* | Gen Svc | Fire Service | Residential | MMRD* | Gen Svc | Fire Service | Residential | MMRD* | Gen Svc | Fire Service | MMRD* w/PUT | Residential | MMRD* | Gen Svc | Fire Service | Gen Svc |
| Commodity Charge ($/100 Cubic Feet) | | | | | | | | | | | | | | | | | | |
| Offpeak Usage (Sept 16-May 15) | $5.56 | $5.56 | $5.52 | | $6.34 | $6.34 | $6.29 | | $6.74 | $6.74 | $6.69 | | $6.31 | $6.89 | $6.89 | $6.84 | | $6.64 |
| Peak Usage (May 16-Sept 15) | | | | | | | | | | | | | | | | | | |
| Up to 5 ccf** | $5.71 | $5.71 | $7.01 | | $6.51 | $6.51 | $7.99 | | $6.92 | $6.92 | $8.50 | | $6.48 | $7.08 | $7.08 | $8.69 | | $8.44 |
| Next 13 ccf** | $7.06 | $7.06 | $7.01 | | $8.05 | $8.05 | $7.99 | | $8.56 | $8.56 | $8.50 | | $8.01 | $8.75 | $8.75 | $8.69 | | $8.44 |
| Over 18 ccf** | $11.80 | $11.80 | $7.01 | | $13.45 | $13.45 | $7.99 | | $14.31 | $14.31 | $8.50 | | $13.39 | $14.62 | $14.62 | $8.69 | | $8.44 |
| Usage over base allowance | | | | $20.00 | | | | $22.80 | | | | $24.30 | | | | | $24.80 | |
| Utility Credit ($/month) | $23.52 | | $12.78 | | $23.52 | | $12.78 | | $23.52 | | $12.78 | | | $23.52 | | $12.78 | | $12.78 |
| Base Service Charge ($/month/meter) | | | | | | | | | | | | | | | | | | |
| 3/4 inch and less | $19.00 | | $18.85 | | $21.65 | | $21.50 | | $23.05 | | $22.85 | | | $23.55 | | $23.35 | | |
| 1 inch | $19.60 | | $19.45 | | $22.35 | | $22.15 | | $23.75 | | $23.60 | | | $24.30 | | $24.10 | | |
| 1-1/2 inch | $30.20 | $30.20 | $29.95 | | $34.45 | $34.45 | $34.15 | | $36.65 | $36.65 | $36.30 | | $34.30 | $37.40 | $37.40 | $37.10 | | |
| 2 inch | $33.45 | $33.45 | $33.20 | $17.75 | $38.15 | $38.15 | $37.85 | $20.00 | $40.55 | $40.55 | $40.25 | $22.00 | $37.95 | $41.45 | $41.45 | $41.15 | $22.00 | |
| 3 inch | $123.90 | $123.90 | $122.90 | $23.00 | $141.25 | $141.25 | $140.10 | $26.00 | $150.25 | $150.25 | $149.05 | $28.00 | $140.60 | $153.55 | $153.55 | $152.30 | $29.00 | |
| 4 inch | $177.45 | $177.45 | $176.05 | $43.00 | $202.30 | $202.30 | $200.70 | $49.00 | $215.20 | $215.20 | $213.50 | $52.00 | $201.40 | $219.90 | $219.90 | $218.15 | $53.00 | |
| 6 inch | | $218.00 | $217.00 | $73.00 | | $249.00 | $247.00 | $83.00 | | $264.00 | $263.00 | $89.00 | $247.10 | | $270.00 | $269.00 | $90.00 | |
| 8 inch | | $257.00 | $255.00 | $115.00 | | $293.00 | $291.00 | $131.00 | | $312.00 | $309.00 | $139.00 | $292.00 | | $318.00 | $316.00 | $143.00 | $307.00 |
| 10 inch | | $314.00 | $312.00 | $166.00 | | $358.00 | $356.00 | $189.00 | | $381.00 | $378.00 | $201.00 | $357.00 | | $389.00 | $387.00 | $206.00 | $376.00 |
| 12 inch | | $424.00 | $421.00 | $242.00 | | $483.00 | $480.00 | $276.00 | | $514.00 | $511.00 | $293.00 | $481.00 | | $525.00 | $522.00 | $300.00 | |
| 16 inch | | $477.00 | $477.00 | | | $544.00 | $544.00 | | | $578.00 | $578.00 | | $541.00 | | $591.00 | $591.00 | | |
| 20 inch | | $614.00 | $614.00 | | | $700.00 | $700.00 | | | $745.00 | $745.00 | | $697.00 | | $761.00 | $761.00 | | |
| 24 inch | | $771.00 | $771.00 | | | $879.00 | $879.00 | | | $935.00 | $935.00 | | $875.00 | | $955.00 | $955.00 | | |

* Master Metered Residential Development

** per residence

## Effective January 1, 2023

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Direct Service | | | | | | | | | | | | | | | | | |
| RATE SCHEDULES | Inside City | | | | Outside City | | | | City of Shoreline / City of Lake Forest Park | | | | | Burien | | | | Mercer Island |
| | Residential | MMRD* | Gen Svc | Fire Service | Residential | MMRD* | Gen Svc | Fire Service | Residential | MMRD* | Gen Svc | Fire Service | MMRD* w/PUT | Residential | MMRD* | Gen Svc | Fire Service | Gen Svc |
| Commodity Charge ($/100 Cubic Feet) | | | | | | | | | | | | | | | | | | |
| Offpeak Usage (Sept 16-May 15) | $5.76 | $5.76 | $5.72 | | $6.57 | $6.57 | $6.52 | | $6.99 | $6.99 | $6.94 | | $6.54 | $7.33 | $7.33 | $7.29 | | $6.89 |
| Peak Usage (May 16-Sept 15) | | | | | | | | | | | | | | | | | | |
| Up to 5 ccf** | $5.92 | $5.92 | $7.27 | | $6.75 | $6.75 | $8.29 | | $7.18 | $7.18 | $8.82 | | $6.72 | $7.53 | $7.53 | $9.21 | | $8.75 |
| Next 13 ccf** | $7.32 | $7.32 | $7.27 | | $8.34 | $8.34 | $8.29 | | $8.88 | $8.88 | $8.82 | | $8.31 | $9.26 | $9.26 | $9.21 | | $8.75 |
| Over 18 ccf** | $11.80 | $11.80 | $7.27 | | $13.45 | $13.45 | $8.29 | | $14.31 | $14.31 | $8.82 | | $13.39 | $14.62 | $14.62 | $9.21 | | $8.75 |
| Usage over base allowance | | | | $20.00 | | | | $22.80 | | | | $24.30 | | | | | $24.80 | |
| Utility Credit ($/month) | $24.33 | | $13.25 | | $24.33 | | $13.25 | | $24.33 | | $13.25 | | | $24.33 | | $13.25 | | $13.25 |
| Base Service Charge ($/month/meter) | | | | | | | | | | | | | | | | | | |
| 3/4 inch and less | $19.60 | | $19.55 | | $22.35 | | $22.30 | | $23.75 | | $23.70 | | | $24.85 | | $24.85 | | |
| 1 inch | $20.20 | | $20.15 | | $23.05 | | $22.95 | | $24.50 | | $24.45 | | | $25.60 | | $25.55 | | |
| 1-1/2 inch | $31.15 | $31.15 | $31.10 | | $35.50 | $35.50 | $35.45 | | $37.80 | $37.80 | $37.70 | | $35.40 | $39.15 | $39.15 | $39.15 | | |
| 2 inch | $34.50 | $34.50 | $34.40 | $17.75 | $39.35 | $39.35 | $39.20 | $20.00 | $41.85 | $41.85 | $41.70 | $22.00 | $39.15 | $43.30 | $43.30 | $43.25 | $22.00 | |
| 3 inch | $127.80 | $127.80 | $127.45 | $23.00 | $145.70 | $145.70 | $145.30 | $26.00 | $155.00 | $155.00 | $154.55 | $28.00 | $145.05 | $159.35 | $159.35 | $162.95 | $29.00 | |
| 4 inch | $183.05 | $183.05 | $182.60 | $43.00 | $208.70 | $208.70 | $208.15 | $49.00 | $222.00 | $222.00 | $221.45 | $52.00 | $207.75 | $227.80 | $227.80 | $231.25 | $53.00 | |
| 6 inch | | $225.00 | $225.00 | $73.00 | | $257.00 | $257.00 | $83.00 | | $273.00 | $273.00 | $89.00 | $255.50 | | $280.00 | $284.00 | $90.00 | |
| 8 inch | | $265.00 | $264.00 | $115.00 | | $302.00 | $301.00 | $131.00 | | $321.00 | $320.00 | $139.00 | $300.00 | | $329.00 | $332.00 | $143.00 | $318.00 |
| 10 inch | | $324.00 | $323.00 | $166.00 | | $369.00 | $368.00 | $189.00 | | $393.00 | $392.00 | $201.00 | $368.00 | | $402.00 | $405.00 | $206.00 | $389.00 |
| 12 inch | | $437.00 | $436.00 | $242.00 | | $498.00 | $497.00 | $276.00 | | $530.00 | $529.00 | $293.00 | $496.00 | | $543.00 | $545.00 | $300.00 | |
| 16 inch | | $491.00 | $490.00 | | | $560.00 | $559.00 | | | $595.00 | $594.00 | | $557.00 | | $609.00 | $612.00 | | |
| 20 inch | | $614.00 | $614.00 | | | $700.00 | $700.00 | | | $745.00 | $745.00 | | $697.00 | | $762.00 | $766.00 | | |
| 24 inch | | $771.00 | $771.00 | | | $879.00 | $879.00 | | | $935.00 | $935.00 | | $875.00 | | $956.00 | $960.00 | | |

* Master Metered Residential Development

** per residence

SEATTLE CITY COUNCIL
CENTRAL STAFF

August 13, 2021

**M E M O R A N D U M**

| | |
|---|---|
| **To:** | Transportation and Utilities Committee |
| **From:** | Brian Goodnight, Analyst |
| **Subject:** | Council Bill 120128: 2022-2024 Drainage Rates<br>Council Bill 120129: 2022-2024 Wastewater Rates<br>Council Bill 120130: 2022-2023 Water Rates |

On August 18, 2021, the Transportation and Utilities Committee will continue its consideration of three Council Bills (CBs) that would revise Seattle Public Utilities' (SPU's) drainage rates (CB 120128), wastewater rates (CB 120129), and retail water rates (CB 120130). SPU provided a presentation on the proposed bills at the committee's July 21, 2021, meeting. This memorandum provides background information on prior Council actions, describes the proposed rate increases and compares them to the rates adopted in the 2021–2026 Strategic Business Plan, summarizes the impact to customers, and describes potential technical amendments.

**Background**

SPU operates three distinct utilities: Drainage and Wastewater, Solid Waste, and Water. The Council typically considers rate-setting legislation for one of the utilities each year, with rates being set for a three-year period. Due to the COVID-19 pandemic and its economic impacts, however, in 2020 the Executive did not propose an increase to water rates for 2021 according to the regular schedule. Therefore, the 2020 adopted water rates continued unchanged into 2021. In order to get back on the regular schedule, the Executive has now proposed water rate legislation covering a two-year period (2022–2023) in addition to the regularly scheduled update to drainage and wastewater rates covering a three-year period (2022–2024).

The most recent updates to water rates occurred in November 2017 when the Council passed Ordinance 125444, establishing retail water rates for 2018–2020, and Ordinance 125445, establishing wholesale water rates for 2018–2020. Additionally, the Council revised the wholesale water rate surcharge for one specific subregion, via Ordinance 125662, in September 2018.

In October 2018, the Council passed two ordinances establishing drainage and wastewater rates for 2019–2021: Ordinance 125686 for drainage, and Ordinance 125685 for wastewater. In addition, the Council periodically adjusts the drainage and wastewater rates in response to changes in the King County wastewater treatment rate that the City pays to the County. The Council approved this type of rate change most recently in November 2020 via Ordinance 126215 for drainage and Ordinance 126216 for wastewater.

The Council also recently adopted, via Resolution 32000, an updated Strategic Business Plan (SBP) for SPU covering 2021–2026. The updated SBP contains a new mission and vision for SPU, identifies the department's focus areas, describes its long-term goals and short-term strategies, and specifies a three-year rate path (2021 to 2023) and a three-year rate forecast (2024 to 2026) for all three of SPU's distinct utilities.

**Retail Water: Proposed 2022–2023 Rates and SBP Comparison**

SPU manages and operates a water system that supplies drinking water to retail customers inside and outside of the city boundaries and to wholesale customers, which includes nearby cities, water districts, and the Cascade Water Alliance. CB 120130 would establish retail water rates for residential, general service (e.g., multifamily residential and commercial), and public fire customers. The bill would also revise the low-income assistance credits for qualifying water customers and would create new rate schedules for customers in Burien and Mercer Island to account for new utility taxes in those jurisdictions.

The proposed water rate increases for 2022 and 2023 are shown in Table 1, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected between 2024–2026.

*Table 1. Comparison of Proposed Water Rates vs SBP*

| | | **Proposed** | | *Forecast* | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | *2024* | *2025* | *2026* | *6-Year Avg* |
| **Water** | | | | | | | |
| Proposed Rates | 0.0% | **2.6%** | **3.6%** | *4.0%* | *4.7%* | *3.6%* | *3.1%* |
| Adopted SBP | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | 3.4% |

*Note: The proposed legislation would only establish rates for 2022 and 2023. The rates for additional years are included for reference purposes only.*

As shown in Table 1, the proposed water rate increases are lower in 2022 and 2023 than the rate increases endorsed in the SBP. Additionally, SPU's updated forecast predicts that the six-year average rate increase will also be below the average in the SBP. The differences between the adopted SBP and the proposed rate increases are due to the updating of key assumptions in the intervening period.

SPU prepared the SBP and its associated materials during 2020, but the Executive chose to delay the submittal of the plan as a result of the pandemic. Therefore, although the Council adopted the SBP in May 2021, some of the underlying analysis was performed almost a year before the water rate study that is the basis for the current proposal. This detailed rate study (attached as Exhibit A to the Summary and Fiscal Note) revises several assumptions, determines the level of resources required for the department to meet its financial policies, and calculates the revenue requirement for the retail system.

According to the rate study, the two most impactful updates are related to wholesale revenues and the financing plan for capital projects. The SBP included an assumption that wholesale revenues would decrease as wholesale rates were lowered to account for overpayments in previous years. SPU is currently in discussions with wholesale customers over a variety of topics however, including future rates, and the current rate study assumes a higher level of wholesale revenues than the SBP. Increasing wholesale revenues reduces the amount of revenue required from retail customers, thus lowering retail rate increases.

The current rate study also updates the capital financing plan for water projects. Cash balances for the Water Fund are at an all-time high and, given the low-interest rate environment, SPU is planning to use some of that cash balance to defease existing high-interest debt. This action, along with the refunding of other bonds, is expected to generate substantial debt service savings in future years.

The proposed rates are also impacted by revised assumptions regarding customer consumption (small increase in system connections, spreading costs among more customers), participation in the Utility Discount Program (continued growth as the economic impacts of the pandemic continue), and an effort to smooth the rate path by increasing revenue collections in early years to ease the impact of predicted cost increases in later years.

Overall, the proposed water rates would increase SPU revenues by almost $7.0 million in 2022 (relative to 2021) and approximately $9.1 million in 2023 (relative to 2022). Due to the City's imposition of a utility tax on retail water revenue, approximately $1.1 million and $1.4 million of that additional revenue would be paid to the City's General Fund in 2022 and 2023, respectively.

**Drainage and Wastewater: Proposed 2022–2024 Rates and SBP Comparison**

Drainage and wastewater fees work in tandem to provide SPU sufficient revenue to manage the stormwater and wastewater collection and treatment systems. The systems are physically interconnected in parts of the city through combined pipes that handle both stormwater and wastewater. CB 120128 and CB 120129 would establish drainage and wastewater rates for 2022–2024 and would revise the low-income assistance credits for qualifying utility customers.

The proposed drainage and wastewater rate increases for 2022–2024 are shown in Table 2, alongside the endorsed rate increases from the SBP and an updated forecast for increases expected in 2025 and 2026.

*Table 2. Comparison of Proposed Drainage and Wastewater Rates vs SBP*

| | | Proposed | | | Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | **2022** | **2023** | **2024** | *2025* | *2026* | *6-Year Avg* |
| **Drainage** | | | | | | | |
| Proposed Rates | 7.4% | **6.0%** | **6.2%** | **6.0%** | *6.2%* | *6.2%* | *6.3%* |
| Adopted SBP | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | 6.7% |
| **Wastewater** | | | | | | | |
| Proposed Rates | 7.3% | **2.0%** | **3.9%** | **2.9%** | *4.5%* | *4.5%* | *4.2%* |
| Adopted SBP | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | 4.7% |

*Note: The proposed legislation would only establish rates for 2022–2024. The rates for additional years are included for reference purposes only. Additionally, the tables in this memorandum include projections for future increases to King County's wastewater treatment rate.*

As shown in Table 2, the proposed increases for both drainage and wastewater are lower than the rate increases endorsed in the SBP for 2022 and 2023 but are higher than the SBP-endorsed rates for 2024. SPU's updated forecast for 2025 and 2026, if accurate, would result in the six-year average rate increases being below the averages in the SBP. Similar to the water rate discussion above, the differences between the SBP and the proposed drainage and wastewater rates are largely due to changing assumptions between the time when the SBP analysis was performed and the current analysis.

According to the rate study, the most impactful change to the rate paths came from recognizing the decrease in wastewater system usage that resulted from the pandemic. Similar to water, wastewater rates are volume based and revenues are negatively impacted by decreased consumption. System expenses, however, are largely fixed and do not experience decreases in tandem with decreasing volumes. The rate study projects that wastewater volumes will rebound over time, although slowly, with the recovery stretching into 2027.

Counteracting that decrease in wastewater volumes and contributing to the reduced rate increases for drainage are savings achieved by taking advantage of the low-interest rate environment and a cash balance in excess of internal financial targets. SPU intends to defease and refund existing high-interest debt and use some of its cash balance to increase the cash financing of capital projects. SPU financial policies require that at least 25 percent of the capital improvement plan over a four-year average be funded with cash. The rate study assumes an average of 45 percent cash funding during the next three years, with an additional 25 percent financed with low-interest loans.

Another factor influencing the difference in proposed rates relative to the SBP is a change in the assumption regarding King County wastewater treatment charges, which is the largest operating expense for wastewater and the Drainage and Wastewater Fund. King County has recently modified its approach to instituting treatment rate increases, switching from a biennial cycle to an annual cycle. The rate study incorporates this adjustment and assumes annual

treatment rate increases of 4 -5 percent, rather than the assumptions in the SBP of 10.3 percent increases in 2023 and 2025 and no increases in 2024 and 2026. Please see the Potential Amendments section below for additional information on the treatment rate increases included in the proposed legislation.

Overall, the proposed drainage rates would increase SPU revenues by approximately $10.1 million in 2022 (relative to 2021), $10.9 million in 2023 (relative to 2022), and $11.4 million in 2024 (relative to 2023). Due to the City's imposition of a utility tax on drainage revenue, an average of approximately $1.2 million of the additional revenue each year would be paid to the City's General Fund.

With respect to wastewater, the proposed rates and changes in demand would increase SPU revenues by approximately $24.4 million in 2022 (relative to 2021), $18.8 million in 2023 (relative to 2022), and $12.9 million in 2024 (relative to 2023). The City's utility tax on wastewater revenues would direct an average of approximately $2.2 million of the additional revenue each year to the General Fund.

**Customer Impact**

Table 3 shows the impact of the proposed drainage, wastewater, and water rate increases on the monthly bills for a typical residential customer and for a typical small store, such as a convenience store. The table shows the expected monthly bills for those typical customers and provides the dollar and percentage increases from the previous year.

Although the annual percentage increases in Table 3 come close to matching the overall proposed rate increases shown in Tables 1 and 2, the annual increases do not match exactly. The rate increases in the previous tables show the average increase for all customer types and tiers, but do not represent the specific increase that every customer will experience.

*Table 3. Monthly Impact of Proposed Rate Increases to Customers*

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Drainage** | | | | |
| **Residential [a]** | **$50.00** | **$52.72** | **$55.97** | **$59.34** |
| *$ Change from Prior Year* | -- | *$2.73* | *$3.24* | *$3.37* |
| *% Change from Prior Year* | -- | *5.5%* | *6.2%* | *6.0%* |
| **Convenience Store [b]** | **$120.43** | **$128.93** | **$136.86** | **$145.10** |
| *$ Change from Prior Year* | -- | *$8.50* | *$7.93* | *$8.24* |
| *% Change from Prior Year* | -- | *7.1%* | *6.2%* | *6.0%* |
| **Wastewater** | | | | |
| **Residential [c]** | **$71.68** | **$73.14** | **$76.02** | **$78.22** |
| *$ Change from Prior Year* | -- | *$1.46* | *$2.88* | *$2.19* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Convenience Store [d]** | **$250.05** | **$255.15** | **$265.20** | **$272.85** |
| *$ Change from Prior Year* | -- | *$5.10* | *$10.05* | *$7.65* |
| *% Change from Prior Year* | -- | *2.0%* | *3.9%* | *2.9%* |
| **Water** | | | | |
| **Residential [e]** | **$45.69** | **$47.04** | **$48.66** | |
| *$ Change from Prior Year* | -- | *$1.35* | *$1.62* | |
| *% Change from Prior Year* | -- | *3.0%* | *3.4%* | |
| **Convenience Store [f]** | **$107.30** | **$109.70** | **$113.70** | |
| *$ Change from Prior Year* | -- | *$2.40* | *$4.00* | |
| *% Change from Prior Year* | -- | *2.2%* | *3.6%* | |

a – Typical monthly single-family drainage fee based on 1/12 of annual fee for 5,000–7,999 sq. ft. rate tier
b – Based on 1/12 of annual fee for 8,700 sq. ft. in the "Very Heavy" category
c – Based on monthly wastewater consumption of 4.3 CCF ("hundred cubic feet"; 1 CCF = 748 gallons)
d – Based on monthly wastewater consumption of 15 CCF
e – Based on monthly water consumption of 5 CCF
f – Based on monthly water consumption of 15 CCF

**Potential Amendments**

CB 120128 (Drainage Rates) and CB 120129 (Wastewater Rates), require amendments to correct errors in the transmitted versions of the bills. Both bills contained similar errors and staff have prepared substitute versions of the bills, attached to this memorandum, for the committee's consideration on August 18.

The substitute bills would replace incorrect drainage and wastewater rates for 2023 and 2024 with corrected values. In the Drainage and Wastewater Rate Study accompanying the bills, SPU makes assumptions regarding future increases to King County's wastewater treatment rate. At this time, King County has only approved a wastewater treatment rate increase for 2022. Therefore, the bills should only include a treatment rate increase for 2022, but not for 2023 and

2024. The bills transmitted by the Executive, however, inadvertently included the treatment rate increase assumptions for 2023 and 2024. The substitute bills would correct those errors.

When King County does adopt treatment rate increases for future years, SPU will need to transmit new legislation amending the City's drainage and wastewater rates at that time.

The substitute bills would also correct an omission in section numbering, as the transmitted bills omit a Section 2.

**Attachments:**

1. CB 120128 Proposed Substitute
2. CB 120129 Proposed Substitute

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to drainage services of Seattle Public Utilities; adjusting drainage rates to pass through changes to treatment rates charged by King County and meet capital financing requirements; amending Section 21.33.030 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.33.030.D of the Seattle Municipal Code, which section was last amended by Ordinance 126215, is amended as follows:

**21.33.030 Drainage service charges and drainage rates—Schedule—Exemptions**

* * *

D. Drainage rates used in the calculation of drainage service charges shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the drainage share of "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate category is divided by (b) the projected number of billing units in each rate category and the result is multiplied by ((~~117.4 percent~~)) 1.189507 in 2022, 1.190301 in 2023, and 1.190379 in 2024 to cover the costs of taxes, low income rate assistance, and other allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the drainage share of expected total treatment cost for the current year and the total drainage service charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to fund the expense associated with operating, maintaining, and constructing the City's surface and stormwater management system, including any share of combined sanitary and stormwater system expense assigned to drainage.

3. ((~~The rate categories and the corresponding annual drainage rates~~)) Annual drainage treatment rates and dates effective are as follows:

((~~Effective January 1, 2020~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$12.88~~ | ~~$170.59~~ | ~~$183.47~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$22.29~~ | ~~$276.46~~ | ~~$298.75~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.74~~ | ~~$383.52~~ | ~~$414.26~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.85~~ | ~~$516.42~~ | ~~$558.27~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$53.16~~ | ~~$651.93~~ | ~~$705.09~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.50~~ | ~~$42.55~~ | ~~$46.05~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.06~~ | ~~$25.34~~ | ~~$27.40~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.25~~ | ~~$63.50~~ | ~~$68.75~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.10~~ | ~~$49.75~~ | ~~$53.85~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.49~~ | ~~$90.37~~ | ~~$97.86~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$6.06~~ | ~~$73.15~~ | ~~$79.21~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.93~~ | ~~$119.57~~ | ~~$129.50~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.87~~ | ~~$142.73~~ | ~~$154.60~~ | ~~per 1,000 sq. ft.~~ |

~~Effective January 1, 2021~~

| ~~Rate Category~~ | ~~Treatment Rate~~ | ~~System Rate~~ | ~~Total Drainage Rate~~ | ~~Billing Unit~~ |
|---|---|---|---|---|
| ~~Small Residential~~ | | | | |
| ~~Under 2,000 sq. ft.~~ | ~~$10.97~~ | ~~$184.60~~ | ~~$195.57~~ | ~~per parcel~~ |
| ~~2,000–2,999 sq. ft.~~ | ~~$21.36~~ | ~~$299.22~~ | ~~$320.58~~ | ~~per parcel~~ |
| ~~3,000–4,999 sq. ft.~~ | ~~$30.16~~ | ~~$415.09~~ | ~~$445.25~~ | ~~per parcel~~ |
| ~~5,000–6,999 sq. ft.~~ | ~~$41.00~~ | ~~$558.94~~ | ~~$599.94~~ | ~~per parcel~~ |
| ~~7,000–9,999 sq. ft.~~ | ~~$52.09~~ | ~~$705.60~~ | ~~$757.69~~ | ~~per parcel~~ |
| ~~General Service/Large Residential~~ | | | | |
| ~~Undeveloped (0–15% impervious)~~ | | | | |
| ~~Regular~~ | ~~$3.44~~ | ~~$46.05~~ | ~~$49.49~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$2.02~~ | ~~$27.43~~ | ~~$29.45~~ | ~~per 1,000 sq. ft.~~ |
| ~~Light (16–35% impervious)~~ | | | | |
| ~~Regular~~ | ~~$5.19~~ | ~~$68.73~~ | ~~$73.92~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$4.02~~ | ~~$53.85~~ | ~~$57.87~~ | ~~per 1,000 sq. ft.~~ |
| ~~Moderate (36–65% impervious)~~ | | | | |
| ~~Regular~~ | ~~$7.34~~ | ~~$97.81~~ | ~~$105.15~~ | ~~per 1,000 sq. ft.~~ |
| ~~Low Impact~~ | ~~$5.82~~ | ~~$79.18~~ | ~~$85.00~~ | ~~per 1,000 sq. ft.~~ |
| ~~Heavy (66–85% impervious)~~ | ~~$9.75~~ | ~~$129.42~~ | ~~$139.17~~ | ~~per 1,000 sq. ft.~~ |
| ~~Very Heavy (86–100% impervious)~~ | ~~$11.62~~ | ~~$154.49~~ | ~~$165.81~~ | ~~per 1,000 sq. ft.~~)) |

For small residential parcels, per parcel:

| Small Residential Parcels | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $10.97 | $12.83 | ~~$13.92~~<br>$12.83 | ~~$14.73~~<br>$12.83 |
| 2,000–2,999 sq. ft. | $21.36 | $22.45 | ~~$24.36~~<br>$22.45 | ~~$25.77~~<br>$22.45 |
| 3,000–4,999 sq. ft | $30.16 | $31.47 | ~~$34.15~~<br>$31.47 | ~~$36.12~~<br>$31.47 |
| 5,000–7,999 sq. ft | $41.00 | $43.00 | ~~$46.66~~<br>$43.00 | ~~$49.36~~<br>$43.00 |
| 8,000–9,999 sq. ft. | $52.09 | $54.43 | ~~$59.07~~<br>$54.43 | ~~$62.48~~<br>$54.43 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $3.44 | $3.65 | ~~$3.96~~ $3.65 | ~~$4.19~~ $3.65 |
| Undeveloped (Low Impact) | $2.02 | $2.09 | ~~$2.27~~ $2.09 | ~~$2.40~~ $2.09 |
| Light (16% to 35% impervious) | $5.19 | $5.44 | ~~$5.91~~ $5.44 | ~~$6.25~~ $5.44 |
| Light (Low Impact) | $4.02 | $4.22 | ~~$4.58~~ $4.22 | ~~$4.84~~ $4.22 |
| Moderate (36% to 65% impervious) | $7.34 | $7.74 | ~~$8.40~~ $7.74 | ~~$8.89~~ $7.74 |
| Moderate (Low Impact) | $5.82 | $6.24 | ~~$6.78~~ $6.24 | ~~$7.17~~ $6.24 |
| Heavy (66% to 85% impervious) | $9.75 | $10.25 | ~~$11.12~~ $10.25 | ~~$11.76~~ $10.25 |
| Very Heavy (86% to 100% impervious) | $11.62 | $12.23 | ~~$13.28~~ $12.23 | ~~$14.04~~ $12.23 |

4. Annual drainage system rates are as follows:

For small residential parcels, per parcel:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Under 2,000 sq. ft. | $184.60 | $191.38 | $202.85 | $215.11 |
| 2,000–2,999 sq. ft. | $299.22 | $314.68 | $333.50 | $353.65 |
| 3,000–4,999 sq. ft | $415.09 | $434.44 | $460.41 | $488.24 |
| 5,000–7,999 sq. ft | $558.94 | $589.67 | $624.92 | $662.69 |
| 8,000–9,999 sq. ft. | $705.60 | $743.56 | $788.00 | $835.63 |

For general service and large residential parcels, per 1,000 sq. ft.:

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Undeveloped (0% to 15% impervious) | $46.05 | $50.03 | $53.03 | $56.23 |
| Undeveloped (Low Impact) | $27.43 | $29.02 | $30.75 | $32.61 |
| Light (16% to 35% impervious) | $68.73 | $74.22 | $78.65 | $83.40 |
| Light (Low Impact) | $53.85 | $57.70 | $61.15 | $64.85 |
| Moderate (36% to 65% impervious) | $97.81 | $105.13 | $111.41 | $118.14 |
| Moderate (Low Impact) | $79.18 | $84.96 | $90.03 | $95.47 |

| | Jan 1, 2021 | Jan 1, 2022 | Jan 1, 2023 | Jan 1, 2024 |
|---|---|---|---|---|
| Heavy (66% to 85% impervious) | $129.42 | $138.87 | $147.17 | $156.07 |
| Very Heavy (86% to 100% impervious) | $154.49 | $165.60 | $175.49 | $186.10 |

((~~4. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.~~))

5. SPU shall provide a ten percent reduction in the drainage service charge for parcels containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater harvesting systems that meet the performance requirement that the systems are sized to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-King County Department of Health to qualify for the rate reduction. A system that relies solely on the capture and indoor use of rainwater shall qualify for the drainage service charge reduction only if the system is sized to meet the performance requirement stated above. Qualifying for the drainage service charge reduction does not relieve the property owner from the obligation to comply with applicable stormwater and drainage code requirements for the buildings and site.

((~~5. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.~~))

6. Effective November 7, 2008, open space properties or parcels shall be charged only for the area of impervious surface and at the rate under which the parcel is classified using the total parcel acreage.

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. Certified low-income residential utility customers ("Certified customers") will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2020 | $33.43 per month | $23.32 per month |
| January 1, 2021 | $35.85 per month | $25.01 per month |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The

rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers ((~~residing inside The City of Seattle~~)) shall receive the following rate credits for drainage services based on dwelling type:

| ((~~Effective Date~~ | ~~Single-Family~~ | ~~Duplex~~ | ~~Multifamily~~ |
|---|---|---|---|
| ~~January 1, 2020~~ | ~~$23.24 per month~~ | ~~$11.62 per month~~ | ~~$2.49 per month~~ |
| ~~January 1, 2021~~ | ~~$25.00 per month~~ | ~~$12.50 per month~~ | ~~$2.68 per month~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Single-Family | $25.00 | $26.36 | ~~$27.98~~ $27.83 | ~~$29.67~~ $29.40 |
| Duplex | $12.50 | $13.18 | ~~$13.99~~ $13.92 | ~~$14.83~~ $14.70 |
| Multifamily | $2.68 | $2.82 | ~~$2.99~~ $2.98 | ~~$3.17~~ $3.15 |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 3~~4~~. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

**CITY OF SEATTLE**

**ORDINANCE _____**

COUNCIL BILL _____

..title

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates to pass through changes to treatment rates charged by King County; amending Section 21.28.040 of the Seattle Municipal Code to reflect adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income customers.

..body

WHEREAS, Seattle Public Utilities has recently completed a rate study incorporating guidance of its adopted 2021-2026 Strategic Business Plan; and

WHEREAS, the Strategic Business Plan Update included increases in the capital and operating requirements of the Drainage and Wastewater Fund in response to federal and state regulatory requirements, as well as environmental and infrastructure concerns, with a resulting increase in revenue requirements; and

WHEREAS, drainage and wastewater rates are calculated in accordance with the financial policies adopted by Council Resolution 30612 and Statement of Legislative Intent 13-1-A-1; and

WHEREAS, Seattle Public Utilities' wastewater and drainage rates are based on the sum of the treatment rate and system rate; and

WHEREAS, the wastewater and drainage treatment rates are designed to pass through treatment expenses paid to King County and Southwest Suburban Sewer District, and any taxes, expenses, or discounts concurrently incurred; and

WHEREAS, the wastewater and drainage system rates are designed to pass through all other expenses, and any taxes or discounts concurrently incurred; and

WHEREAS, discount program credits for qualified customers indirectly billed for services need to be updated to reflect changes to rates; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.28.040 Wastewater volume charge**

* * *

B. The wastewater volume rate shall be the sum of the treatment rate and the system rate, as follows:

1. Treatment rate. The "treatment rate" shall be the rate required to pay the wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and disposal services, and any associated costs required to meet Drainage and Wastewater Fund financial policies. The treatment rate shall be the amount obtained when (a) the projected wastewater treatment cost is divided by (b) the projected billed wastewater consumption, each for the next calendar year, and the result is multiplied by ((~~118.7 percent in 2020 and 116.4 percent in 2021~~)) 1.180797 in 2022, 1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-income rate assistance. The projected treatment cost shall be the treatment cost anticipated for the upcoming calendar year, which may include an adjustment to reflect the difference, whether positive or negative, between the total expected treatment cost for the current year and the total wastewater volume charge revenues attributable to the treatment rate expected for the current year. The treatment rate is designed to pass through cost changes driven by King County and may be adjusted by ordinance at any time in response to such charges.

2. System rate. The "system rate" shall be the rate required to pay the cost of carrying and discharging all wastewater and any wastewater-funded share of stormwater into the City sewerage system, as presently maintained and operated and as may be added to, improved, and extended.

3. The wastewater volume rate per CCF shall be in accordance with the following schedule:

| | ((~~Effective Jan. 1, 2020~~ | ~~Effective Jan. 1, 2021~~ |
|---|---|---|
| ~~Treatment Rate~~ | ~~$8.84~~ | ~~$9.25~~ |
| ~~System Rate~~ | ~~$6.71~~ | ~~$7.42~~ |
| ~~Wastewater Volume Rate~~ | ~~$15.55~~ | ~~$16.67~~)) |

| | Effective Jan 1, 2021 | Effective Jan 1, 2022 | Effective Jan 1, 2023 | Effective Jan 1, 2024 |
|---|---|---|---|---|
| Treatment Rate | $9.25 | $9.34 | ~~$10.01~~ $9.34 | ~~$10.52~~ $9.34 |
| System Rate | $7.42 | $7.67 | $7.67 | $7.67 |
| Wastewater Volume Rate | $16.67 | $17.01 | ~~$17.68~~ $17.01 | ~~$18.19~~ $17.01 |

* * *

Section 2~~3~~. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 126216, is amended as follows:

**21.76.040 Rate discounts**

A. Drainage, wastewater, and water. ((~~Certified low-income residential utility customers ("Certified customers")~~)) Certified customers will receive rate discounts (or credits) in the following amounts:

1. Wastewater. Certified customers billed directly for Seattle Public Utilities wastewater services will receive a rate discount equal to 0.5 times the total current wastewater

volume charge. Certified customers who pay for wastewater services indirectly through rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| ~~((Effective date~~ | ~~Single-family and duplex dwellings~~ | ~~Multifamily dwellings~~ |
|---|---|---|
| ~~January 1, 2020~~ | ~~$33.43 per month~~ | ~~$23.32 per month~~ |
| ~~January 1, 2021~~ | ~~$35.85 per month~~ | ~~$25.01 per month~~)) |

| | **Effective Jan 1, 2021** | **Effective Jan 1, 2022** | **Effective Jan 1, 2023** | **Effective Jan 1, 2024** |
|---|---|---|---|---|
| Single-Family | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| Duplex | $35.85 | $36.57 | ~~$38.01~~ $36.57 | ~~$39.11~~ $36.57 |
| ~~Multi-Family~~ Multifamily | $25.01 | $25.52 | ~~$26.52~~ $25.52 | ~~$27.29~~ $25.52 |

At the time of a change to the wastewater volume charge described in Section 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified customers who pay for wastewater services indirectly through rent. The rate credit for single-family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

2. Drainage. Certified customers residing inside The City of Seattle shall receive the following rate credits for drainage services based on dwelling type:

| **Effective Date** | **Single-Family** | **Duplex** | **Multifamily** |
|---|---|---|---|
| January 1, 2020 | $23.24 per month | $11.62 per month | $2.49 per month |
| January 1, 2021 | $25.00 per month | $12.50 per month | $2.68 per month |

3. Water. Certified customers billed directly for Seattle Public Utilities water services shall receive a rate discount equal to 0.5 times the total current commodity and base

service charges. Certified customers who pay for water services indirectly through their rent shall receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

| Effective date | Single-family and duplex dwellings | Multifamily dwellings |
|---|---|---|
| January 1, 2017 | $20.56 per month | $12.38 per month |
| January 1, 2018 | $21.15 per month | $12.38 per month |
| January 1, 2019 | $21.86 per month | $12.38 per month |
| January 1, 2020 | $22.85 per month | $12.50 per month |

* * *

Section 34. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 45. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

Section 56. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

_____

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

_____

Monica Martinez Simmons, City Clerk

(Seal)

# Water Rate Study 2022-2023
# Drainage and Wastewater Rate Study 2022-2024

Updating Water, Drainage, and Wastewater Rates

July 21, 2021

Seattle Public Utilities

City of Seattle

# Agenda

- Strategic Business Plan (SBP) Update
- Water
  - Updates to Strategic Business Plan
  - Rate Proposal Changes
- Wastewater & Drainage
  - Updates to Strategic Business Plan
  - Rate Proposal Changes

# Endorsed Rate Path - Strategic Business Plan

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Wastewater | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Drainage | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.9%** | **5.0%** | **2.2%** | **5.4%** | **4.2%** | **4.2%** |

Approved rate legislation currently in effect

# Strategic Business Plan - Proposed Rates

## Six-year average rate path lowered from 4.2% to 3.9%.

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation

# Single Family Residential Bill Comparison

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Strategic Business Plan | $222.62 | $232.03 | $243.79 | $249.50 | $262.96 | $274.51 |
| Proposed Rate Update | $222.62 | $229.47 | $238.49 | $247.34 | $258.16 | $268.92 |
| **Savings** | **$0** | **-$2.56** | **-$5.30** | **-$2.16** | **-$4.80** | **-$5.59** |

# Water Rate Proposal

# Proposed Water Rates

| | Proposed Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| SBP Rate Path | 0.0% | 2.7% | 4.7% | 3.6% | 4.2% | 5.5% | **3.4%** |
| Rate Proposal | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |

# Water Rates – Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Non-Retail Rate Revenue

- Adjusted wholesale revenue projections
- Non-operating revenue reduced to reflect more conservative development forecast

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

# Drainage & Wastewater Rate Proposal

# Proposed Drainage & Wastewater Rates

| | | Proposed Rate Path | | | Rate Forecast | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Wastewater SBP Rate Path | 7.3% | 3.1% | 5.9% | 0.5% | 7.8% | 3.6% | **4.7%** |
| Wastewater Rate Proposal | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| | | | | | | | |
| Drainage SBP Rate Path | 7.4% | 8.6% | 7.2% | 3.9% | 6.5% | 6.7% | **6.7%** |
| Drainage Rate Proposal | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |

# Drainage & Wastewater Rates - Updates since Strategic Business Plan

## Capital Financing

- Savings from 2021 bond issue, including refunding and defeasance

## Customer Assumptions

- Consumption adjusted to flat forecast
- Increased participation in Utility Discount Program

## King County Wastewater Treatment Rate

- Updated for adopted and projected rate schedule

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **SBP** | 4.5% | 0% | 10.25% | 0% | 10.25% |
| **Proposed** | 4.0% | 4.0% | 4.0% | 5.0% | 5.0% |

# Regulatory Drivers – Ship Canal Project

- As part of the Consent Decree, the Ship Canal Water Quality Project is the largest and most expensive project ever undertaken by the City.

| | Proposed Rate Path | | |
|---|---|---|---|
| **Wastewater** | 2022 | 2023 | 2024 |
| Consent Decree-Related | 0.5% | 0.5% | 0.5% |
| Remaining | 1.5% | 3.4% | 2.4% |
| Rate Proposal | 2.0% | 3.9% | 2.9% |
| **Drainage** | | | |
| Consent Decree-Related | 2.0% | 2.0% | 2.0% |
| Remaining | 4.0% | 4.2% | 4.0% |
| Rate Proposal | 6.0% | 6.2% | 6.0% |

# Strategic Business Plan – Proposed Rates

| | Rate Path | | | Rate Forecast | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | **Average** |
| Water | 0.0% | 2.6% | 3.6% | 4.0% | 4.7% | 3.6% | **3.1%** |
| Wastewater | 7.3% | 2.0% | 3.9% | 2.9% | 4.5% | 4.5% | **4.2%** |
| Drainage | 7.4% | 6.0% | 6.2% | 6.0% | 6.2% | 6.2% | **6.3%** |
| Solid Waste | 2.9% | 2.9% | 2.2% | 2.3% | 2.1% | 2.1% | **2.4%** |
| **Combined** | **4.5%** | **3.0%** | **3.8%** | **3.5%** | **4.3%** | **4.0%** | **3.9%** |

Approved rate legislation currently in effect

Proposed rate legislation