

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle City Light	Maura Brueger/206-707-3306	Saroja Reddy/206-615-1232

*\* 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; advancing certain objectives of the Treaty between the United States of America and Canada relating to the Skagit River and Ross Lake, and the Seven Mile Reservoir on the Pend Oreille River; authorizing the City Light Department to accept grant funds from the State of Washington Department of Commerce and execute the related agreement for and on behalf of The City of Seattle; authorizing the City Light Department to execute an agreement with the Skagit Environmental Endowment Commission to convey the grant funds received from the State of Washington Department of Commerce and certain City Light funds in contribution towards the Skagit Environmental Endowment Commission's payment for the mining company's surrender of mineral and related rights; and ratifying and confirming certain prior acts.

#### **Summary and Background of the Legislation:**

The Skagit River in which City Light operates is shared by the Province of British Columbia (BC) and the State of Washington (State) and flows from its headwaters situated high in the mountains of BC to the Salish Sea. The Skagit River provides enormous environmental, cultural, and recreational values to the Pacific Northwest, including habitat for imperiled species of fish and wildlife.

By the terms of the 1984 High Ross Treaty (Treaty), BC and the City of Seattle (City) entered into an agreement annexed to the Treaty (Agreement) whereby BC and the City established the Skagit Environmental Endowment Fund (Fund) to finance and the Skagit Environmental Endowment Commission (Commission) to administer the Fund to achieve its purposes. Among the purposes stated in the Treaty and Agreement, the Commission is to seek the acquisition of mineral or timber rights consistent with conservation and recreational purposes in the Skagit watershed.

A mining company, Imperial Metals Corporation, until recently, owned mineral rights on Crown Lands in part of the upper Skagit watershed in BC, known as the "Donut Hole", a greater than 14,000-acre area surrounded by protected parklands in the Skagit Valley Provincial Park and EC Manning Provincial Park. Resource extraction activities such as mining and logging in the upper Skagit watershed create an imminent threat to the environmental integrity of the watershed and all that depends on it. Thus, there has been strong public outcry and high-profile efforts to retire these mineral rights made by the Commission, a large international coalition of US Tribes, Canadian First Nations, and nongovernmental conservation organizations, as well as by all levels of government, including the City and the State, on both sides of the border.

The Commission successfully negotiated a price of CA\$24 million which was then paid by the Commission to Imperial Metals to surrender their mineral and related rights in the Donut Hole (“the Surrender”). Both City Light and the State, in support of their mutual interest in protecting the Skagit watershed, committed to funding a portion of the contribution paid by the Commission to Imperial Metals for the Surrender. City Light committed \$1,250,000 in funding within the 2022 Adopted Budget. The State of Washington awarded \$4,500,000 of the general fund in a grant to City Light, which through a Letter of Intent, agreed to help coordinate transfer of these contributions to the Commission.

**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

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
			4,500,000	
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023
			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.

Are there financial costs 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	2022 Revenue	2023 Estimated Revenue
Light Fund 41000	SCL	State of Washington	\$4,500,000	
<b>TOTAL</b>			<b>\$4,500,000</b>	

Is this change one-time or ongoing?  
One-time.

### 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 purchase of mineral rights and the prevention of industrial mining and timber harvesting in the Skagit River headwaters is a critical part of protecting the health, wellbeing and livelihoods of local tribes that rely on the watershed.
- 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.**

Yes, reducing the threat of mining-related impacts on the upper Skagit supports the environmental integrity of the watershed which in turn makes it more resilient to the anticipated impacts of 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)?**

N/A

**Summary Attachments:**

Summary Attachment A - SEEC Letter to SCL

Summary Attachment B - High Ross Treaty

Summary Attachment C - Donut Hole Map

Summary Attachment D - BC Letter to Mayor Harrell & Council