

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Office of City Finance/SPU	Kristi Beattie Paul Hanna	Saroja Reddy Akshay Iyengar

*\* 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 municipal water system of The City of Seattle; amending Ordinance 126716 to increase the authorized principal amount of municipal water system revenue bonds to be issued for the purposes of paying all or part of the cost of carrying out the system or plan of additions and betterments to and extensions of the existing municipal water system; extending the initial authorization date for those bonds; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation amends Ordinance 126716 that authorized Municipal Water System bonds to be issued for the Seattle Public Utilities water system by increasing the maximum authorized issuance amount from \$81 million to \$99 million to fund a portion of the capital expenditures outlined in the 2024-2029 Proposed Capital Improvement Plan (CIP), and extending the authorization date for these bonds to December 31, 2026. Although the budget, capital plan, and rates make specific assumptions about the use of debt financing for a certain share of the capital program, separate authorization for the issuance of bonds is technically required.

The bond sale is anticipated to occur in mid-2024. The bond proceeds, combined with internally generated funds, will support the water system capital program for about 12 months. The bond sizing is based on the adopted budget, Strategic Business Plan, rates, planned cash flow, and cash contribution targets. The bond proceeds will also be used to make a deposit to the bond reserve fund and to pay issuance costs. Annual debt service is expected to be approximately \$6.4 million starting in 2025. This bond issuance was incorporated into the rate proposal for 2024-2026. Ordinance 126716 originally authorized up to \$81 million of bonds to be issued no later than December 31, 2025.

Major projects supported by the bond issue include transmission and distribution system upgrades, water quality and treatment and transportation-related projects. For further information about Water CIP, please see the SPU Proposed 2024-2029 capital plan.

### **2. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
This legislation affects the Office of City Finance, which coordinates the issuance of the SPU Municipal Water System Bonds, and Seattle Public Utilities (SPU) which is responsible for

managing the bond proceeds and implementing the major projects supported by the bond issue.

**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?**

N/A.

**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.**

N/A.

**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.