

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Paul Hanna/4-7752	Aaron Blumenthal/3-2656

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to rates and charges for water services of Seattle Public Utilities; authorizing withdrawals from the Water Fund Revenue Stabilization Subfund; revising water rates and charges, and credits to low income customers; and amending the Seattle Municipal Code Sections 21.04.430, 21.04.440, and 21.76.040.

Summary and background of the Legislation:

This ordinance would revise water rates for residential, general service, private fire and public fire customers and adjust low-income assistance credits for water customers. It would increase rates to meet debt service coverage requirements driven largely by capital financing decisions.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

Project Name: Project I.D.: Project Location: Start Date: End Date: Total Cost:

--	--	--	--	--	--

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
Other departments affected:				

3.a. Appropriations

_____ This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

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	2015 Revenue	2016 Revenue
Water Fund 43000	SPU	Water Sales	\$0	
TOTAL			\$0	

Revenue/Reimbursement Notes:

The 2016-2017 Water Rate Study proposes 2016 and 2017 rates, which, when applied to the current demand forecast, will increase 2016 and 2017 revenues \$3,015,136 and \$5,179,344, respectively, over current law.

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**
 No
- b) **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 its financial policy targets. This could result in a downgrade in the Fund’s bond ratings and increase the cost of borrowing.
- c) **Does this legislation affect any departments besides the originating department?**
 Several City departments incur water costs. The water fees for these departments will increase commensurate with the rate increases proposed in this legislation. The impacts

will be included in the 2016-2017 Proposed Budget. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library.

In addition, the City of Seattle General Fund receives a bill for public fire service, which is sometimes called hydrant service. This bill will decrease slightly from \$8,219,149 in 2015 to \$8,215,148 in 2016, and then increase to \$8,409,546 in 2017.

d) Is a public hearing required for this legislation?

No

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

No

f) Does this legislation affect a piece of property?

No

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation impacts all residential and general service retail water customers, and at the same time adjusts credits for residential customers who qualify for the Utility Discount Program.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

n/a

i) Other Issues:

None

List attachments below:

Exhibit A – 2016-2017 Water Rate Study