

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Seattle Public Utilities	Angela Wallis	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 Seattle Public Utilities; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute an interlocal agreement with King County to receive payments for the disposal of residual waste from Material Recovery Facilities in the City of Seattle; amending Ordinance 126725, which adopted the 2023 budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and Background of the Legislation:** This legislation would authorize Seattle Public Utilities to execute an Interlocal Agreement with King County to allow for the legal, efficient, and equitable disposition of garbage, known as residuals, collected by the County but sorted and processed at Material Recovery Facilities (MRF) within the City of Seattle. This Agreement establishes the methodology and timing for payments to be made by SPU to the County for Residuals covered under this Agreement. This agreement would result in an additional 10,000 tons/yr (total 20,000 tons) of MRF residual processing through Seattle’s disposal contract. This Agreement does not apply to Construction and Demolition Waste or materials.

**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 \$	
	2023	2024	2023	2024
	0	0	\$900,000	\$1,200,000
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	0	0	\$1,050,000	\$1,400,000

**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 agreement is expected to begin April 1, 2023; therefore 2023 financial impact will be 75% of a full year. Relevant revenues and costs will increase slightly in future years consistent with inflation adjustments in the retail rates and contract payments.

**Are there financial costs or other impacts of *not* implementing the legislation?**

In the absence of an agreement, the County and the City may resolve the disposal of the Residuals through litigation. The litigation would delay the increase in revenue and could result in the City not being entitled to the additional revenue.

**3.a. Appropriations**

X This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/Number*	2023 Appropriation Change	2024 Estimated Appropriation Change
SOLID WASTE FUND - 45010	SPU	BO-SU-N000B - General Expense	\$900,000	\$1,200,000
<b>TOTAL</b>			<b>\$900,000</b>	<b>\$1,200,000</b>

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

**Appropriations Notes:**

SPU will have approximately \$1.2M in increased costs, including approximately \$450k/year for increased landfill disposal payment, \$150k/year for disposal taxes, and \$600k/year for King County Program Support.

**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	2023 Revenue	2024 Estimated Revenue
SOLID WASTE FUND - 45010	SPU	Material Recovery Facilities Located in Seattle	\$1,050,000	\$1,400,000
<b>TOTAL</b>			<b>\$1,050,000</b>	<b>\$1,400,000</b>

**Revenue/Reimbursement Notes:**

SPU Solid Waste Fund will receive approximately \$1.4M/year in new Commercial Rail Disposal revenue from the two Material Recovery Facilities in Seattle, as they return more residual to the Seattle disposal system, from King County and other landfills, to comply with the terms of the

SPU-KC ILA. This will result in a net revenue to the Solid Waste Fund of approximately \$200k/year.

#### 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?**

No impact to vulnerable or historically disadvantaged communities. The residual waste is already generated from the processing of recyclables at the Seattle Republic Services 3rd & Lander facility and is already baled on-site. The material is taken via truck to the nearby WM Argo rail yard for disposal under Seattle's landfill contract.

**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.