

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Maria Coe/3-7905	Aaron Blumenthal/3-2656

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; and amending subsections 21.28.040.B and 21.76.040.A of the Seattle Municipal Code to adjust the wastewater volume rate and adjust credits to low-income wastewater customers.

Summary and background of the Legislation:

This ordinance would revise wastewater rates and adjust wastewater low-income assistance. 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.

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:

Appropriations for changes in wastewater rate revenues will be included in the proposed budget for those years.

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
Drainage & Wastewater Fund 44010	SPU	Wastewater Sales	\$0	
TOTAL			\$0	

Revenue/Reimbursement Notes:

The 2016-2018 Drainage & Wastewater Rate Study proposes sewer rates for 2016 through 2018, which, when applied to the current demand forecast, will increase 2016, 2017 and 2018 revenues \$8,786,634, \$9,002,043 and \$12,073,484, 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 Drainage & Wastewater 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 sewer costs. The sewer 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.
- 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 sewer 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: Seattle Public Utilities 2016-2018 Drainage and Wastewater Rate Study