



SEATTLE CITY COUNCIL

Parks, Public Utilities, and Technology Committee Agenda

Wednesday, September 10, 2025

2:00 PM

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Joy Hollingsworth, Chair
Sara Nelson, Vice-Chair
Robert Kettle, Member
Maritza Rivera, Member
Dan Strauss, Member

Chair Info: 206-684-8803; Joy.Hollingsworth@seattle.gov

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SEATTLE CITY COUNCIL
Parks, Public Utilities, and Technology
Committee
Agenda
September 10, 2025 - 2:00 PM

Meeting Location:

Council Chamber, City Hall , 600 4th Avenue , Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/parks-public-utilities-and-technology-x154106>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business. Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will be broadcast via Seattle Channel.

Members of the public may register for remote or in-person Public Comment to address the Council. Speakers must be registered in order to be recognized by the Chair. Details on how to register for Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <https://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting.

In-Person Public Comment - Register to speak on the public comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting.

Please submit written comments no later than four business hours prior to the start of the meeting to ensure that they are distributed to Councilmembers prior to the meeting. Comments may be submitted at Council@seattle.gov or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m. Comments received after that time will be distributed after the meeting to Councilmembers and included as part of the public record.

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [Appt 03218](#) **Reappointment of Mark F. Dederer as member, Seattle Center Advisory Commission, for a term to September 28, 2028.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

2. [Appt 03298](#) **Reappointment of Sally Bagshaw as member, Seattle Center Advisory Commission, for a term to September 28, 2028.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

3. [Appt 03299](#) **Reappointment of Michael George as member, Seattle Center Advisory Commission, for a term to September 28, 2028.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

4. [Appt 03300](#) **Appointment of Adriane Musuneggi as member, Seattle Center Advisory Commission, for a term to September 28, 2028.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

5. [Appt 03301](#) **Appointment of Eric Pettigrew as member, Seattle Center Advisory Commission, for a term to September 28, 2027.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

6. [Appt 03302](#) **Appointment of Matt Roewe as member, Seattle Center Advisory Commission, for a term to September 28, 2028.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Diamatris Winston, Seattle Center

7. [Appt 03295](#) **Appointment of Jane C. Stonecipher as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: AP Diaz, Superintendent, Seattle Parks and Recreation

8. [Appt 03296](#) **Appointment of Kevin Werner as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.**

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: AP Diaz, Superintendent, Seattle Parks and Recreation

9. [Appt 03297](#) **Appointment of Daya Zhang as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.**

Supporting Documents: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: AP Diaz, Superintendent, Seattle Parks and Recreation

10. [CB 121051](#) **AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low-income customers for solid waste services; adding solid waste service categories; and amending Sections 21.36.010, 21.36.012, 21.36.016, 21.40.050, 21.40.060, 21.40.070, 21.40.080, 21.40.085, and 21.76.040 of the Seattle Municipal Code.**

Supporting Documents: [Summary and Fiscal Note](#)
[Summary Ex A - 2026-2028 Solid Waste Rate Study v2](#)
[Presentation \(8/13/25\)](#)
[Central Staff Memo](#)

Briefing, Discussion, and Possible Vote

Presenters: Karl Stickel, Seattle Public Utilities; Brian Goodnight, Council Central Staff

11. [CB 121050](#) **AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/Chief Executive Officer of Seattle Public Utilities to execute the First Amended and Restated Contract between The City of Seattle and its long-term, full and partial requirements contract holders for the supply of water; authorizing the withdrawal of funds from the Water Fund Revenue Stabilization Subfund; providing budget authority to use such funds to provide payments to Water Utilities as required under the proposed contracts; amending Ordinance 127156, which adopted the 2025 Budget, including the 2025-2030 Capital Improvement Program; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing a proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.**

Attachments: [Att A - First Amended and Restated Contract](#)

Supporting

Documents: [Summary and Fiscal Note](#)
[Presentation \(8/13/25\)](#)

Briefing, Discussion, and Possible Vote

Presenters: Alex Chen, Seattle Public Utilities; Brian Goodnight,
Council Central Staff

12. [CB 121037](#) **AN ORDINANCE relating to Seattle Public Utilities; updating side sewer regulations to conform to current standards, clarify existing requirements, allow side sewer fees to be created by Director’s Rule, and update definitions; renumbering existing subsections 21.16.240.B and 21.16.240.C of the Seattle Municipal Code as Section 21.16.241 and further amending the section; amending Sections 21.16.030, 21.16.040, 21.16.070, 21.16.077, 21.16.140, 21.16.240, and 21.16.270 of the Seattle Municipal Code; renumbering existing and repealing Sections 21.16.071 and 21.16.350 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.**

*Supporting
Documents:*

[Summary and Fiscal Note v2](#)

[Central Staff Memo](#)

[Presentation \(8/13/25\)](#)

Briefing, Discussion, and Possible Vote

Presenters: Kevin Burrell, Seattle Public Utilities; Brian Goodnight,
Council Central Staff

13. [CB 121069](#) **AN ORDINANCE relating to Seattle Public Utilities; authorizing the acquisition of certain real property rights by negotiation or eminent domain (condemnation) of ten separate permanent easements located on parcels identified as King County Parcel Number 2487201221 located at 4500 & 4502 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200505, King County Parcel Number 2488200500, King County Parcel Number 2488200495, King County Parcel Number 2488200490; and authorizing the acquisition of temporary construction easements by negotiation or eminent domain (condemnation) located on eighteen separate parcels of land identified as King County Parcel Number 2487201221 located at 4502 SW Wildwood Place, King County Parcel Number 2346700000 located at 9212 45th Avenue SW, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487200035 located at 4402 SW Brace Point Drive, King County Parcel Number 2487200050 located at 4330 SW Brace Point Drive, King County Parcel Number 2487201210 located at 4604 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200530, King County Parcel Number 2488200525, King County Parcel Number 2488200520, King County Parcel Number 2488200515 located at 4401 SW Director Street; King County Parcel Number 2488200505; King County Parcel Number 2488200500; King County Parcel Number 2488200495; and King County Parcel Number 2488200490; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute all documents and take other necessary actions to complete the Properties' permanent easement acquisitions and temporary construction easement acquisitions; authorizing payment of all costs associated with the acquisitions; and ratifying and confirming certain prior acts.**

Attachments: [Att 1 – Legal Descriptions for Permanent Easements](#)
[Att 2 - Legal Descriptions for Temporary Construction Easements](#)

Supporting
Documents:

[Summary and Fiscal Note](#)
[Summary Ex A – Easement Impacts](#)
[Summary Ex B – Parcels with Permanent and Temporary
Easement Areas](#)
[Summary Ex C - Parcels with Temporary Easements](#)
[Summary Ex D - SPU Racial Equity Toolkit Stakeholder Analysis
Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Andrew Lee, General Manager and CEO, Sierra
Gawlowski, and Jonathan Brown, Seattle Public Utilities; Brian
Goodnight, Council Central Staff

14. [Res 32175](#) **A RESOLUTION relating to Seattle Public Utilities (SPU); amending Resolution 31800, as later amended by Resolution 31825; and updating the ongoing Customer Review Panel to provide additional opportunities for young adult engagement and clarify panel eligibility for optional stipends, as SPU implements the six-year Strategic Business Plan (Plan) and conducts future Plan updates.**

Supporting
Documents:

[Summary and Fiscal Note](#)
[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Andrew Lee, General Manager and CEO, and Justin Chan,
Seattle Public Utilities

E. Adjournment



Legislation Text

File #: Appt 03218, **Version:** 1

Reappointment of Mark F. Dederer as member, Seattle Center Advisory Commission, for a term to September 28, 2028.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Mark F. Dederer		
Board/Commission Name: Seattle Center Advisory Commission		Position Title: Member
<input type="checkbox"/> Appointment OR <input checked="" type="checkbox"/> Reappointment		City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>		Term of Position: * 9/29/2025 to 9/28/2028 <input type="checkbox"/> Serving remaining term of a vacant position
Residential Neighborhood: Queen Ann	Zip Code: 98199	Contact Phone No.: [REDACTED]
<p>Background: Mark Dederer joined the Hohimer Wealth Management as Director of Philanthropic Services in 2020. Previously, he served as Senior Vice President and Community Affairs Manager for the Wells Fargo Foundation, overseeing the charitable giving program and team member involvement throughout the Washington Region. He also managed Community Affairs in Oregon and Alaska. Before rejoining Wells Fargo in 2010, he was Vice President & Director of the Safeco Insurance Foundation and developed its national contributions program.</p> <p>A Seattle native, Dederer continues a family legacy of civic duty established by his grandfather, an early Seattle business leader and passionate community advocate who was one of the chairmen on the committee that brought the 1962 World's Fair to the city.</p> <p>Dederer serves on the Capital Campaign Advisory Board for KEXP, University of Washington School of Education Board of Directors, is a commissioner for Seattle Center, a member of the Central Washington University Business School advisory board, and is Past Board Chair of Seafair, Seattle's premier summer festival.</p>		
Authorizing Signature (original signature): 		Appointing Signatory: Bruce A. Harrell Mayor of Seattle
Date Signed (appointed): May 22 nd , 2025		

*Term begin and end date is fixed and tied to the position and not the appointment date.

MARK F. DEDERER

Employment Background

Hohimer Wealth Management

2020 – Present

Director Philanthropic Services

- Provide Clients advice, planning and research on their individual philanthropic needs for multiple family members
- Oversee HWM’s philanthropic giving to LMI communities throughout Washington and work with employees to get engaged on boards in the community.
- Participate in meetings with the firm founder engaging prospects and new clients to ensure they have “white glove” service that is part of our firm values as a minority owned company.
- Serve as the company’s primary representative with all community activities and events to ensure we are represented in the community.

The Sheri & Les Biller Family Foundation, Seattle WA

2016 – 2020

Executive Director

- Provide research on issues important to the Foundation’s four focus areas as well as federal and state laws which might affect private non-operating foundations. Offer guidance and information on best practices accordingly.
- Represent the Foundation locally and nationally to a wide variety of constituents including press, elected officials, and Foundation grantee partners. Communicate effectively through various channels about the Foundation’s mission and purpose.
- Manage all outward-facing presence for the Foundation including website and social media sites. When appropriate, create PR strategies for Foundation programs or events.
- Educate board members on Foundation programs and determine appropriate opportunities to more deeply engage board members with Foundation programs.
- Develop and utilize methods to evaluate the impact and effectiveness of programs the Foundation supports. Monitor the activities of funded projects to achieve the desired impact.
- Work with administrative and legal advisors in all matters related to Foundation operations. These responsibilities will include human resources, budgeting, tax preparation, legal oversight and expense management.

Wells Fargo Bank, Seattle WA

2010 - 2016

Senior Vice President, Wells Fargo Foundation and Community Affairs

- Manages an annual contributions budget for the Northwest Region in excess of \$6.8 million and shares responsibility for allocating the annual west coast multi-market budget of \$6.5 million throughout California, Oregon, Washington and Alaska.
- Represented Wells Fargo Community Relations team in a national priorities and national relationships workgroup to build the strategic framework for Wells Fargo's philanthropy to ensure alignment with organizational mission and values and maximize impact
- Envisions, develops and oversees strategy and implementation of philanthropic giving in Washington, Alaska and Oregon
- Serves as Wells Fargo’s primary representative to community organizations and provides leadership to important initiatives essential to strengthening our region
- Identifies, builds and maintains strategic partnerships and alliances with influential organizations across public, private and nonprofit sectors
- Serves on the west coast leadership team to create an environment supporting community involvement and establishment of Wells Fargo Volunteer Chapters

Safeco Insurance Foundation, Seattle WA

2007 - 2010

Vice President & Director

- Developed long term vision and strategy for the Safeco Insurance Foundation
- Oversaw the implementation of new foundation guidelines, website and online application resulting in greater efficiency and reengagement with the community
- Managed and coached foundation team by providing colleagues with technical and community expertise.
- Conducted research, outreach and identified signature non-profit organizations across the United States suitable for Safeco Insurance Foundation’s inaugural 2007 grant awards
- Strategically directed over \$16 million in donations impacting approximately 165 community organizations across the United States.

Wells Fargo Bank, Seattle WA

2002 - 2007

Vice President & Manager, Wells Fargo Foundation and Community Relations

Wells Fargo Bank, Seattle WA

2000 - 2002

Assistant Vice President, Community Support Programs

FUND DEVELOPMENT EXPERIENCE AND CIVIC LEADERSHIP

• KEXP Radio

2013 - present

Capital Campaign Advisory Board

As an Advisory Board member I am tasked with strategizing and executing a \$15M capital campaign, which strategy includes leadership level asks of individuals and businesses, the production of small and large scale events, social media outreach and building broad based community partnerships.

• Seattle Center

2007 - Present

Board Chair / Commissioner

As board chair, I work directly with the executive director on issues and projects affiliated with building upon a community space that is so important to the city of Seattle.

• Philanthropy Northwest

2014 – 2021

Board of Directors

• University of Washington School of Education

2014 - Present

Board of directors

• Virginia Mason Hospital

2004 - 2021

Board of Governors / Board chair

• ArtsFund

2004 - 2023

Allocations Committee Chair, Allocations Committee Policy Task Force

EDUCATION

Central Washington University, International Business

B.S. 1995

Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Get Engaged Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
			1.	Member	Vacant	9/29/25	9/28/28		Mayor
			2.	Member	Vacant	9/29/25	9/28/28		Mayor
6	M	7	3.	Member	Michael George	9/29/25	9/28/28	3	Mayor
6	M	7	4.	Member	Mark F. Dederer	9/29/25	9/28/28	6	Mayor
6	F	7	5.	Member	Sally Bagshaw	9/29/25	9/28/28	2	Mayor
6	M	7	6.	Member	John Olensky	9/29/23	9/28/26	2	Mayor
6	F	6	7.	Member	Sarah C. Rich	9/29/23	9/28/26	5	Mayor
6	F	1	8.	Member	Stacey E. Hutchison	9/29/23	9/28/26	2	Mayor
6	M	4	9.	Member	Eric Berlinberg	9/29/23	9/28/26	2	Mayor
6	F	7	10.	Vice Chair	Holly Golden	9/29/23	9/28/26	5	Mayor
2	M	4	11.	Member	Matthew Mead	9/29/24	9/28/27	2	Mayor
			12.	Member	Vacant	9/29/24	9/28/27		Mayor
7	F	2	13.	Member	Lara Mae D. Chollette	9/29/24	9/28/27	2	Mayor
6	M	N/A	14.	Member	Will Ludlam	9/29/24	9/28/27	5	Mayor
3	F	2	15.	Member	Gloria Alvarez Connors	9/29/24	9/28/27	5	Mayor
			16.	Get Engaged Member	Vacant	9/1/25	8/31/26		Mayor

SELF-IDENTIFIED DIVERSITY CHART

					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	6	6				1	1			9	1		
Council													
Other													
Total	6	6				1	1			9	1		

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03298, **Version:** 1

Reappointment of Sally Bagshaw as member, Seattle Center Advisory Commission, for a term to September 28, 2028.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Sally Bagshaw</i>		
Board/Commission Name: <i>Seattle Center Advisory Commission</i>		Position Title: <i>Member</i>
<input type="checkbox"/> Appointment OR <input checked="" type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other:	Term of Position: * 9/29/2025 to 9/28/2028 <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>	
Residential Neighborhood: <i>Downtown</i>	Zip Code: 98101	Contact Phone No.: [REDACTED]
<p>Background: <i>Sally Bagshaw is a member of the Washington State Bar Association with over 40 years of municipal policy, political and organizational leadership experience. She served as an elected member of the Seattle City Council, Chief Civil Deputy for the King County Prosecuting Attorney’s Office, Assistant Attorney General for the State of Washington, and as legal counsel at both the University of Washington and Washington State University. She also was the first Minority and Women’s Business Enterprise (MWBE) Officer for the University of Washington. While at the University, then-Governor Booth Gardner selected Sally to represent all higher education institutions on the state’s Office of Minority and Women’s Business Enterprise Board. She is dedicated to reaching smart solutions by working with interested and involved stakeholders.</i></p> <p><i>While on the Seattle City Council, Sally chaired the committees that oversaw Seattle Center and the Waterfront. She believes that Seattle Center is the community heart of Seattle and the connections to the Waterfront and Downtown business community will enhance economic and cultural vitality for Seattle.</i></p> <p><i>After leaving the Seattle City Council, Sally was a Senior Fellow at Harvard University. She focused on social impact through renewed system design, addressing homelessness through a public health approach, and promoted ways to include people of all ages and abilities in decision making. As an Advanced Leadership Initiative Senior Fellow, Sally studied and taught leadership coaching while engaging in professional mentoring.</i></p> <p><i>Sally is a skilled mediator and facilitator and enjoys bringing fresh perspectives to regional coalition building. She is known for her positive energy and for solving complex problems with elected officials and leaders throughout our region.</i></p>		
Authorizing Signature (original signature):	Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor of Seattle</i>	

*Term begin and end date is fixed and tied to the position and not the appointment date.

Bruce A. Hamell

Date Signed (appointed): May 22nd, 2025

Sally Bagshaw



What I offer the Seattle Center

Decades of bringing people together to solve major community and institutional problems, a broad range of experiences as a three term Seattle City Councilmember and lawyer including ten years as Chair and Co-Chair overseeing the Seattle Center and Waterfront Committees, fourteen years at the University of Washington, fifteen years at Metro and King County, and positive energy to promote collaborative problem solving.

Education

Objective

Engage with educational leaders to reduce work place conflict and promote positive solutions together.

Harvard University, Senior Fellow, Advanced Leadership Initiative 2020-2022
Cambridge, Massachusetts

University of Idaho College of Law,
Moscow, Idaho
JD – 1976

Stanford University, Stanford, California
AB history - 1973

Employment and Community Experience

2022-Present. Board Member for Downtown Seattle’s Metropolitan Improvement

2023 – Present. Certified Master Gardener Program Washington State University/King County

2023 – Present. Urban Tree Stewardship Certification Program, WSU.

2020 -2022 Harvard Senior Fellow, Advanced Leadership Initiative

2010 to 2019 Seattle City Councilmember – elected 3 times, last two elections received over 80% of the vote.

Age Friendly Champion

- Budget Chair, 2018-2019

Chair of Finance and Neighborhoods Committee; Budget Chair

- Past chair of Human Services Committee 2016-2018
- Past chair of Seattle Public Utilities Committee, 2014-2016
- Past chair of Parks Committee, Seattle Center and Neighborhoods 2010 to 2014

1999-2008 Chief Civil Deputy, King County Prosecuting Attorney's Office,

1994 – 1999 King County Prosecuting Attorney's Office, Senior Prosecuting Attorney

1992 – 1994 Metro – Regional Transit and Water Quality Attorney (This organization merged in 1994 with King County above)

1978 – 1992 University of Washington Assistant Attorney General and Minority and Women's Business Enterprise Officer

A Sampling of Major Accomplishments

Seattle becomes an Age Friendly City

2010-2020 – Seattle City Council: served as Age Friendly Champion making Seattle the 104th Age Friendly City through AARP/ WHO. Recognized for advancing supports for All Ages and Abilities.

<https://www.3rdactmagazine.com/lifestyle/city-everyone/>

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Downtown Waterfront, design, tunnel construction, new park

2004 to present - Seattle is building a 20-acre Waterfront park, demolishing the old viaduct, and moving traffic to a newly completed tunnel. The project price tag is \$4 billion and is nearly fully funded. I have been at the heart of this project, from visioning, design, public votes, financing, creating the critical local improvement district for the past twenty years. The governor, other elected officials and I cut the ribbon on February 2, 2019. [Waterfront for All](#); [WSDOT Viaduct Project](#)

Regional Response to Homelessness

2017 to present - Homelessness is the significant problem in Seattle today. We are creating a powerful regional solution to fund thousands of units of housing and I am at the forefront of the effort. [One Table launch](#)

Gun Surrender Program

2017 to present - Working with our Municipal and Superior Courts, I budgeted, funded and led the effort to create a nationally-recognized gun surrender program in domestic violence cases. [Domestic Violence Gun Surrender Program](#)

Sound Transit Link Light Rail Expansion

2016 to present – In 2016 voters taxed themselves nearly \$54 billion to expand our light rail system. I worked to pass this ballot measure, and now serve on the Elected Leaders Group. We will reach consensus regarding alignments this year. [Sound Transit Elected Leaders Group](#)

Seattle Public Schools and Career-Centered Learning

2010 to present – Seattle Public Schools have struggled with graduation rates. Working with industrial leaders and school board members, we are creating [Career Centered Learning Opportunities](#).

Abolition of the Death Penalty

2006 to present – Beginning in my prior position as Chief Civil Deputy of the Prosecuting Attorney’s Office, I worked with leaders statewide to abolish the death penalty. This past year, Washington’s State Supreme Court held our state death penalty law unconstitutional, and this year our state legislation will pass legislation to put an end to it. [Ending the Death Penalty in Washington](#)

Family/Parental Leave

2017 to present - Modeled after what we started in Seattle, the State of Washington passed legislation in 2017 establishing a Paid Family and Medical Leave Program for injury recovery, bonding with a child, caring for a family member. [Seattle’s Paid Family Leave Program](#)

Multi-Model Transportation and Neighborhood Greenways

2011 to present -After I took trips to Portland, Oregon and Copenhagen to look at infrastructure I returned and promoted Seattle Neighborhood Greenways for bicycles and pedestrians. The Greenways are now part of our urban design and streetscape. [Seattle Neighborhood Greenways](#)

Greener Downtown and Environmental Improvements

2010 to present – As chair of Seattle Public Utilities, I advocated for rain gardens and green infrastructure in Downtown. Belltown is a Downtown neighborhood where

we have coordinated projects improving environment and pedestrian walkability. [Greener Belltown/Bluer Sound](#)

Neighborhood Involvement and Grants

2010 to present – As chair of the Department of Neighborhoods committee, I have advocated for funding neighborhood grant programs. Over time, more than 5,000 community projects throughout Seattle have received over \$64 million in funding. Here’s one of my favorites which I have actively supported and funded to the tune of \$500,000: [Market to MOHAI Neighborhood Project](#)

Age Friendly Seattle

2016 to present – Seattle received the AARP/World Health Organization’s Age Friendly City designation in 2016. This has been a major emphasis of mine, to create a city where everyone can grow up and grow old comfortably. [Age Friendly Seattle](#)

Metropolitan Park District Creation; the Campaign, the Vote, the Success

2014 to present – In 2014 I was one of the leaders to design and place a successful measure before the voters dedicating property taxes to fund parks maintenance and recreation programs. I serve on the governing board. [Seattle Metropolitan Park District](#)

Aurora Bus Crash Response

1998 -- A deranged man shot the bus driver and himself as a Metro bus was crossing over the Aurora Bridge. The bus plunged 50 feet off the bridge onto the roof of an apartment building; three people died, thirty-three miraculously survived. I developed a compassionate response which resulted in fair settlements and NO successful lawsuits. Two decades later, this approach is a national case study: See p. 8 [Risk Managers' Award](#).

King County Airport Fly Quiet Procedures

1997–2007 As a new pilot and the King County Airport’s attorney I advocated for successful “Fly Quiet” procedures for Boeing Field over residential areas and worked with FAA to create a new charted “Harbor Visual” approach. [Fly Quiet VFR Procedures and "Harbor Visual" Arrival](#)

Project Labor Agreement Harborview Hospital

2000-2006 I served as lead lawyer for Harborview Hospital, owned by King County. Before the \$257 million project got underway, I drafted the first Project Labor Agreement for King County successfully assuring labor harmony among the various trades and union workers.

Homes for Homeless Encampments

2005-2007 Along with the Church Council of Greater Seattle, I drafted the ordinance allowing religious organizations to host temporary encampments on their property. This led to state legislation [RCW 36.01.290](#) confirming that religious organizations have a right to offer food and shelter on their land despite neighborhood opposition.

Collaborative Law

2004-2007 I brought a Collaborative Law process into the King County Prosecuting Attorney’s Office and promoted this interest-based approach in the King County Bar Association. [Collaborative Law](#)

King County Prosecuting Attorney’s Office “Culture Change”

1999 I was designated the lead by the King County Prosecutor to change the culture of the Civil Division. At the time it was considered a negative office with little focus on “Getting to Yes” or offering promotional opportunities for women. The culture change was successful and I was promoted to Chief Civil Deputy over the division which offers in-house legal counsel. The positive change continues to this day, twenty years later.

Biosolids Program

1992–1994 Metro Water Quality Division created the “Biosolids” program, repurposing urban waste to fertilize forests and certain agricultural products. I was the lead lawyer and the program has been successful across the state. [Environmental Reuse Biosolids](#)

Conversion to Natural Gas for bus fleet

1993-1995 Metro Transit Board decided to convert the bus fleet to all natural-gas fueled buses for air-quality reasons. I was Metro’s lead lawyer through the Request for Proposals, contract award, implementation and we created a nationally recognized model for other cities. Later, we had to unwind the entire contract when new elected officials reversed the decision and returned to diesel fueled buses. Metro was twenty years ahead of its time, as hybrid natural gas buses are now running throughout our region.

Minority and Women’s Business Enterprise (MWBE) Program

1992-1994 Metro created an unparalleled program designed to include MWBE’s in its capital construction projects. I served as legal advisor to this program fashioning the approach to include Minority and Women-owned businesses in sustainable work. We were among the first to work with

trade unions to add apprenticeships and interns in the major projects.

**University of Washington:
Environmental Protection
Agency Resolution to PCB
violation**

1978-1983 The UW was assessed a major fine for a PCB spill. As Assistant Attorney General representing the UW, I negotiated a settlement with the EPA in lieu of the fine, allowing an alternative approach. The UW produced a video about the incident and its response, and the EPA shared the video for national release.

**University of Washington:
MWBE Officer**

1983-1992 My team created the first MWBE program for the UW, and I was appointed by the Governor to represent all six higher education institutions in the State of Washington on the state-wide Office for Minority and Women's Business Enterprises.

**University of Washington:
Special Assistant to the
Director of Purchasing and
Stores**

1983-1992 I organized a program to sell surplus University of Washington equipment that had remaining useful life to other institutions. We recouped significant funds for research programs across campus. One significant effort resulted in my transferring and shipping functioning kidney dialysis machines to Yugoslavia, coordinating all state and international laws and restrictions and receiving major thanks from the Yugoslavian government.

**University of Washington:
First Attorney Job-Share
Program**

1978-1983 – I convinced the Washington State Attorney General to pilot a job-share program for attorneys on his staff. He agreed and the first attorney job-share program was created. I then worked 3 days per week allowing time to deal with family responsibilities. Other successful job shares followed.

**Washington State
University: Title IX
implementation**

In 1976-1977, my first year out of law school, I worked with WSU athletic program to implement Title IX of the Education Act and expand their women's athletic program. This assured WSU women a place in competitive collegiate athletics with appropriate facilities and funding.

Short list of Board and Commission Projects and Accomplishments

Opioid Addiction Programs and Full Access to Health Care for Immigrants

2017 to Present - Seattle **King County Board of Public Health**. This board is one of my favorites. We can actually get things done – and we do. [Full access to health care](#)

Focusing a State-Wide response to End Homelessness and Create Green Jobs

2016 to Present – **Association of Washington Cities Board of Directors**. On this state-wide board I have developed constructive relationships to promote funding to end homelessness, add more affordable housing, fund unreinforced masonry building recovery, and support a state-wide environmental job development program called Eco-Nomics. [Eco-Nomics Washington](#). Like many other states, Washington divides into Red and Blue counties. I bridge these divides.

Funding for Seattle Seawall

2016-2018 **King County Regional Water Quality Board**, I sponsored legislation to obtain funding from the regional flood control districts to help fund Seattle’s Seawall Project, part of our Waterfront for All effort.

Gun Responsibility

2012 to present - After the disaster for the children and families at Sandy Hook I joined with local leaders to create the **Washington Alliance for Gun Responsibility**. Although I am no longer on this board, I work closely with them to draft successful state-wide initiatives such as [Safe Schools, Safe Communities](#).

Regional Transportation Equity

2014-2016 **King County Regional Transportation Board**. We created principles for new transportation service implementation, allowing data-based decisions to be made on expanding service routes. Factors included corridor productivity, social equity for low income households and geographic value for new job centers. In 2015 Seattle voters approved a \$930 million levy and these principles played an important part in assuring voters that transit in Seattle would be greatly improved. It has improved, and Seattle has seen the greatest increase in transit ridership of any US city. [Bus Ridership Increases](#)

Forest Land Protection

2010–2014 **Mountains to Sound Greenway Board (ex officio)**. This visionary organization started as a dream of one pioneering lawyer, my friend Jim Ellis. Since he started

this in the mid-80's, MTSG has purchased, begged, and exchanged land along I-90 corridor between Seattle and Central Washington cities, preserving 900,000 acres and conserving another 100,000 acres for permanent private forest. I negotiated with Jim on one of the first major parcel transfers and joined the board in 2010. [Mountains to Sound Greenway](#)

Ocean Ethic and Conservation

2010-2014 **Seattle Aquarium Board (ex officio).** Management of the Aquarium transferred from the City of Seattle to a non-profit board my first year on the Council. I chaired the Parks Committee that oversaw and completed the Aquarium transactions. The Seattle Aquarium has expanded its mission to conserve Puget Sound and educate a network of leaders to recover and protect fragile marine life in our Puget Sound region. [Seattle Aquarium Conservation Policies](#)

Innovative Electronic Journalism

2007-2009 **Crosscut Journalism Board** Crosscut was the first on-line journal focusing on news analysis rather than "breaking" news. I served as Vice President during its transition years. It has now successfully merged with local KCTS-9 and is financially viable.

Women's Shelter and Dignity Project

2003-2007 **YWCA Angeline's Kitchen Cabinet.** I organized volunteers and companies to fund the "Kitchen Cabinet" a project to fill all 100 units in Angeline's Women's Center with new kitchen equipment and supplies for every formerly homeless woman.

Legal Clinic

2003-2007 **YWCA Legal Clinic.** I led the effort to create a free legal clinic for women at Angeline's shelter. We provided legal advice every week. I was awarded King County Bar Association's Pro Bono Lawyer of the Year Award for this work and the Washington State Bar Association's award for volunteer service.

Lake Forest Park City Council

1983-1987 **Lake Forest Park City Councilmember.** I was appointed to this Council then was elected for two two-year terms.

Shoreline Public Schools

1984-1996 I served as a PTA leader and was selected as the parent representative for the Kellogg Middle School and Shorecrest High School Site Councils. I led efforts for the

first all-day kindergarten program in Lake Forest Park; with teacher union approval I created a before-school language arts project, and an accelerated Environmental Science program at the Middle School. At the high school level, our Friends of Science Education created a new science curriculum for both Shoreline high schools.

A Few Personal Items of Interest

Elections

I have been elected to public office five times – twice in Lake Forest Park, Washington in the 80’s and in the City of Seattle three times. In 2013 and 2015 I received over 80% of the vote for my Council seat and earned support from business, all major local labor unions, the Democratic party, environmental leaders, urbanists, women’s groups and more. I am known for bringing people together and solving problems. [Sally Bagshaw Election 2015](#)

Pilot, single engine land and sea

1997 to 2023 - I am a certified flight instructor, with a commercial-instrument rating.

Blue Water Sailor

In 2008, I sailed our 39’ sailboat from Seattle to French Polynesia with a four-person crew. Our longest leg was twenty-five days at sea with no land or other humans in sight. True stories about storms, sharks, whales and pirates available on request!

PADI certified diver

I became a certified diver about 15 years ago. My favorite dive was a night dive with the Manta Rays off Kona. Breathtaking.

Continuing Education Short List

Leadership Tomorrow Seattle - 1985/86

- Selected by peers as class Valedictorian

White House Fellowship Region X Finalist

- Eight months intensive self-guided preparation 1986-1987

Alki Foundation Political Involvement Project Seattle 1988

- Selected by peers as class #1 candidate

FAA Certified Pilot, Seaplane Pilot, Instrument and Commercial Pilot Region X, Seattle 1997-1998

University of Washington Certified Mediator Program, Seattle 1998

Mediator Update Training– MWI, Boston MA, 2020

FAA Certified Flight Instructor Region X, Seattle 1999 to 2023

Alhadeff Mediation Services Seattle 2000

King County Alternative Dispute Resolution Program 2004

Dispute Resolution Mediation Program 2007

Continuing Legal Education 15 credits annually 1976-2008

Sally Bagshaw Recent Publications

Failure to Fund, Just Care’s Success with Homeless Programs in Peril: [Post Alley](#)

Fed Up: Delays in Activating Tiny House Villages: [Post Alley](#)

All Dressed Up and Ready to House: [Post Alley](#)

All of the Above: Tiny Houses and More: [Post Alley](#)

Just Say No to Contempt: [AgeWise King County](#)

Reconnecting What Freeways Severed, Addressing the Historical Toll on Communities Split by Highways: [Harvard Advanced Leadership Social Impact Review](#)

Addressing Disability and Age Discrimination, Fighting Judgment of the Outside with Compassion for the Inside: [Harvard Advanced Leadership Social Impact Review](#)

Our Common Responsibility, Addressing Homelessness Post-Covid: Harvard Advanced Leadership Social Impact Review [Harvard Advanced Leadership Social Impact Review](#)

Facing the Mountain, Facing the Truth: An Historical Look at Internment of Japanese Americans and Reparations — [ALI Social Impact Review](#)

A Spirit of Hope, A Sense of Alarm: Building the Broad Coalition our Country Needs to Restore Dignity – [Harvard Advanced Leadership Social Impact Review](#)

Shifting the Shape of U.S. Elections: The Lincoln Project [Harvard Advanced Leadership Social Impact Review](#)

Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Get Engaged Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
			1.	Member	Vacant	9/29/25	9/28/28		Mayor
			2.	Member	Vacant	9/29/25	9/28/28		Mayor
6	M	7	3.	Member	Michael George	9/29/25	9/28/28	3	Mayor
6	M	7	4.	Member	Mark F. Dederer	9/29/25	9/28/28	6	Mayor
6	F	7	5.	Member	Sally Bagshaw	9/29/25	9/28/28	2	Mayor
6	M	7	6.	Member	John Olensky	9/29/23	9/28/26	2	Mayor
6	F	6	7.	Member	Sarah C. Rich	9/29/23	9/28/26	5	Mayor
6	F	1	8.	Member	Stacey E. Hutchison	9/29/23	9/28/26	2	Mayor
6	M	4	9.	Member	Eric Berlinberg	9/29/23	9/28/26	2	Mayor
6	F	7	10.	Vice Chair	Holly Golden	9/29/23	9/28/26	5	Mayor
2	M	4	11.	Member	Matthew Mead	9/29/24	9/28/27	2	Mayor
			12.	Member	Vacant	9/29/24	9/28/27		Mayor
7	F	2	13.	Member	Lara Mae D. Chollette	9/29/24	9/28/27	2	Mayor
6	M	N/A	14.	Member	Will Ludlam	9/29/24	9/28/27	5	Mayor
3	F	2	15.	Member	Gloria Alvarez Connors	9/29/24	9/28/27	5	Mayor
			16.	Get Engaged Member	Vacant	9/1/25	8/31/26		Mayor

SELF-IDENTIFIED DIVERSITY CHART

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	6	6				1	1			9	1		
Council													
Other													
Total	6	6				1	1			9	1		

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

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RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03299, **Version:** 1

Reappointment of Michael George as member, Seattle Center Advisory Commission, for a term to September 28, 2028.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Michael George		
Board/Commission Name: Seattle Center Advisory Commission		Position Title: Member
<input type="checkbox"/> Appointment OR <input checked="" type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * 9/29/2025 to 9/28/2028 <input type="checkbox"/> Serving remaining term of a vacant position	
Residential Neighborhood: Downtown	Zip Code: 98101	Contact Phone No.: [REDACTED]
Background: Michael George is a First Vice President Kidder Mathews where he leads a wide range of complex commercial real estate projects both across the US and locally. He has specialized expertise in transit-oriented development, transportation projects, public and private-sector land acquisition and disposition, affordable housing. Michael lives Downtown with his wife and two young children. Outside of work he has actively dedicated himself to making Downtown Seattle a place where people of all ages and incomes can live full lives. His civic involvement has included countless projects aimed creating a more livable downtown and serving on the Downtown Greenways committee, co-founding Parents for a Better Downtown Seattle, serving on Seattle Public School's Capacity Task Force, the Facilities Master Plan Task Force, chairing the Downtown Seattle Association's Downtown Schools Committee and serving on Urban Land Institute Technical Advisory Panels.		
Authorizing Signature (original signature):  Date Signed (appointed): May 22 nd , 2025	Appointing Signatory: Bruce A. Harrell Mayor of Seattle	

*Term begin and end date is fixed and tied to the position and not the appointment date.

MICHAEL GEORGE

Michael George is a First Vice President Kidder Mathews where he leads a wide range of complex commercial real estate projects both across the US and locally. He lives Downtown with his wife and two young children. Outside of work he has actively dedicated himself to making Downtown Seattle a place where people of all ages and incomes can live all stages of life.

PROFESSIONAL EXPERIENCE

First Vice President, Kidder Mathews

Seattle, WA — 2021-present

- Michael leads a wide range of complex commercial real estate projects at Kidder Mathews including corporate and public sector property acquisition and dispositions across the US, affordable housing site acquisitions locally, and alternative real estate investment structures.

Senior Consultant, Kidder Mathews

Seattle, WA — 2009-2021

- Leads consulting teams and provides strategic real estate advisory services.
- Specialized expertise in transit-oriented development, public-sector land acquisition and disposition, mixed-use development, and affordable housing.
- Projects include Sound Transit 3 and 4, California High Speed Rail, and King County's Northgate TOD.

Partner, TODMarkets.com

Seattle, WA – 2014 - Present

- Co-founded TODMarkets.com, a market-based approach to identifying transit-oriented real estate opportunities across the nation.

Owner, Williamson-George Inc.

Missoula, MT — 2003 -2009

- Purchased, managed, repositioned, and sold investment properties.
- Directed land development projects.
- Ran day-to-day business operations.

CIVIC EXPERIENCE

- Co-Founded, Parents for a Better Downtown Seattle
- Member, Downtown Seattle Greenways/ Seattle Greenways
- Chaired, Downtown Public School Committee/ Downtown Seattle Association
- Panelist, Tacoma Dome Technical Advisory Panel / Urban Land Institute
- Member, Facilities Master Plan Task Force / Seattle Public Schools
- Member, Capacity Task Force / Seattle Public Schools
- Chaired, Family Friendly Task Force / Downtown Seattle Association

EDUCATION

MBA

Presidio, 2012

Cert Commercial Real Estate

University of Washington, 2008

BS Business Administration

University of Montana, 2003



Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Get Engaged Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

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SELF-IDENTIFIED DIVERSITY CHART

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
	Male	Female	Transgender	NB/O/U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non- Hispanic	Pacific Islander	Middle Eastern	Multiracial
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Council													
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Total	6	6				1	1			9	1		

Key:

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RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03300, **Version:** 1

Appointment of Adriane Musuneggi as member, Seattle Center Advisory Commission, for a term to September 28, 2028.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Adriane Musuneggi</i>		
Board/Commission Name: <i>Seattle Center Advisory Commission</i>		Position Title: <i>Member</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * 9/29/2025 to 9/28/2028 <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>	
Residential Neighborhood: <i>Queen Ann</i>	Zip Code: <i>98109</i>	Contact Phone No.: [REDACTED]
Background: <i>Throughout her career as a strategic product executive, Adriane Musuneggi has specialized in guiding organizations through periods of growth, innovation, and transformation. From Fortune 50 companies to entrepreneurial startups, her work has always centered around building community connections, enhancing user experience, and driving positive change.</i> <i>Beyond her professional experience, she is deeply committed to civic engagement, including graduating from Leadership Tomorrow (Class of 2018) and actively supporting global leadership and representation initiatives through organizations such as Vital Voices and 50/50 Women on Boards. She has also served in nonprofit leadership roles, including raising over \$1M for Seattle Children's Hospital through the Run for Children's Guild and advising on executive leadership transitions for Seattle Works.</i>		
Authorizing Signature (original signature):  Date Signed (appointed): August 4 th , 2025	Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor of Seattle</i>	

*Term begin and end date is fixed and tied to the position and not the appointment date.

ADRIANE MUSUNEGGI

CHIEF PRODUCT OFFICER

Strategic product executive with a proven track record of driving revenue growth in organizations ranging from Fortune 50 category leaders to challenger brands and startups in the technology and healthcare space. Diverse experience leading innovative vision development across the product life cycle for customer, partner, and end-user groups to disrupt category dynamics and drive profitable business growth. Skilled at building world-class product teams, partnering across the C-suite, and fostering cross-functional stakeholder collaboration. Key member of leadership teams during significant transformation, M&A, and IPO activity.

Product Portfolio Management | Life Cycle Planning | Demand Generation | UX/CX Strategy | GTM Execution | B2B & Consumer Growth Planning | Innovation | Transformational Leadership | Cross-Functional Collaboration | Process Improvement

EXECUTIVE LEADERSHIP

Carrot Fertility

2023 to 2025

Senior Vice President, Global Product

Scaled and expanded global product offering for 2M+ members to provide access to culturally competent fertility care **across 5K+ medical experts and 10K+ partner clinics**. Directed a **team of 20 across product management, UX design, and content design** while building and leading the product operations function and reporting to the chief product officer. Drove product strategy and company-wide product planning to define a multi-year roadmap. Offered services through employers, consultants, and health plans for global clients, including Zoom, Henry Ford Health, and Salesforce.

- **Launched product capabilities and modularity** to support global expansion for pregnancy, menopause, and low testosterone journeys ensuring a tailored experience based on financial, regulatory, and cultural norms of each country to ensure culturally competent care.
- Launched first-in-industry gender affirming care journey, earning **Fast Company's 2024 Most Innovative Company**.
- Managed the product capabilities for financial reimbursement, including the Carrot Card, to **provide a seamless and secure payment option, supported in 50+ global currencies** to reduce payment friction and simplify complex international transactions for global workforces.
- Expanded the Carrot Rx product offering to **drive revenue diversification and decrease member Rx costs by 40%**.
- **Scaled the product platform** to support the launch of 24/7 phone support to **serve 130+ countries**.
- **Engaged 1M+ members** in partnerships with Growth and Engagement team to drive conversion and engagement across the member base.
- **Owned content strategy for educational product** content that guides members throughout their fertility journey.
- Expanded end-to-end localization and language support within the product platform by 10x.

Accomplishments

Fast Company's 2024 Most Innovative Company
Decreased member Rx costs 40%
Engaged 1M+ members

Accolade, Inc. (Nasdaq: ACCD)

2019 to 2022

Vice President, Product Management & User Experience (2021 to 2022) | Senior Director (2019 to 2021)

Led a global team of product, UX design, and research to define the product vision delivered by a 250+-member technology group; oversaw \$4M annual budget across this highly complex and matrixed organization. Scaled the portfolio of product and service offerings while consistently achieving 90%+ consumer satisfaction rating. Created product strategy, roadmap development, life-cycle management, and portfolio integration of 3 acquired companies while reporting to the chief innovation officer.

- Drove a **225%+ increase in revenue** while leading the team through a period of organizational hypergrowth by elevating existing offerings and developing new products and experiences.
- **Increased customer base by 600%+** and created the customer engagement strategy in partnership with sales and marketing to significantly grow existing accounts, which positioned the company for IPO.
- **Established collaborations with enterprise clients**—such as Meta, Comcast, Lowes, and American Airlines—to envision and implement innovative employee well-being products and programs.
- Member of the M&A team, playing a critical role in **defining and executing the company's strategic vision**, successfully integrating 3 post-acquisition organizations.

Accomplishments

Grew revenue to \$310M+
Increased customer base 600%+
10M+ members
Key member of IPO team
95% employee retention
Multi-company integration

ADRIANE MUSUNEGGI

- **Pivoted the product portfolio** to the “personalized healthcare services” category. Created and executed the strategic experience vision to reimagine the initial product suite and value proposition, identifying an untapped market niche.
- Transformed the experience by leveraging the strengths of the portfolio companies to become the **best-in-class leader in the personalized healthcare category**, a highly competitive and fast-moving market. Launched vision to enterprise customers, prospects, and investors, resulting in a 60%+ increase in RFP/RFI.
- Led the **transformation of employee experience** within the new organization to ensure synergies with the product vision by implementing a robust internal action and communication plan that garnered mission-critical feedback to redesign the organizational culture. Achieved a 95% retention rate.

Avvo (Acquired by KKR / Internet Brands 2018)

2016 to 2019

Director, Product Management & User Experience

Established the product vision and roadmap for this pioneering online legal services marketplace comprised of 300K+ active attorneys with 100M+ annual site visits. **Reported to the chief product officer.**

- Achieved **20%+ YOY revenue growth and 45%+ YOY web traffic increase** by leading a team of 25 cross-functional product, UX design, and research professionals in developing products to enable 100M+ consumers per year to acquire legal assistance from 300K+ active attorneys.
- **Increased organic web visits to 4M+** in partnership with marketing leadership to spearhead the integration of SEO best practices into the PDLC.
- **Key member of the M&A team**, positioning the company for acquisition by Internet Brands in 2018. Drove product integration into the Internet Brands legal portfolio in a highly complex and matrixed organization.

Accomplishments

Designed robust GTM strategy
45%+ YOY web traffic increase
20% YOY revenue increase

Walgreens (Acquired drugstore.com, Beauty.com, and VisionDirect.com (Nasdaq: DSCM) in 2011)

2005 to 2013

Director of Product Management

Promoted to director in 2010 to lead a team in defining and implementing strategic improvements to the entire portfolio of websites, mobile applications, and partner sites. **\$500M+ combined revenue.**

- Pivotal **member of the M&A team** providing due diligence for the \$429M acquisition by Walgreens in 2011. Appointed to the integration team to **expand and implement e-commerce functionality.**
- **Drove revenue growth and positioned the company for acquisition** by implementing a scalable third-party platform to create a digital presence for brands including Medco and Luxottica (LensCrafters and Pearle Vision).
- Led **multimillion-dollar redesign of Beauty.com** to elevate prestige positioning and transform the purchase experience to create a distinct property within the drugstore.com portfolio, earning **Internet Retailer’s “Hot 100 Award.”**

Accomplishments

M&A team member
Multimillion-dollar redesign of Beauty.com
“Hot 100 Award” from Internet Retailer

Previous positions include: Senior Director – Rivet & Sway | Program Manager – Microsoft | Technology Analyst – Accenture

ENTREPRENEURIAL EXPERIENCE

27, LLC

2013 to Present

Founder, Principal Consultant

Product and experience strategy consultancy guiding C-level leaders and founders in developing strategic product vision, life cycle, and roadmap decisions; securing multimillion-dollar seed funding; and positioning for acquisition. Provide cutting-edge product development strategies and scalable solutions in healthcare, personal care, legal, and e-commerce for brands including Beauty Brands, Paula’s Choice, Avvo, and Rivet & Sway (acquired by Glasses.com/Luxottica).

EDUCATION

Master of Science in Information Systems, University of Kansas

Bachelor of Science in Business Administration | Bachelor of Science in Mathematics, University of Kansas

PROFESSIONAL DEVELOPMENT

Women Board of Directors Program – University of Washington
Graduate – Leadership Tomorrow Seattle Class of 2018

COMMUNITY & PROFESSIONAL ENGAGEMENT

Member **Chief, Vital Voices Pacific NW Council, Private Directors Association, and Athena Alliance**
Supported the advancement of women’s leadership worldwide.

Co-Chair & Senior Member **Seattle Children’s Hospital Run for Children’s Guild**
Raised \$1M+ for the Uncompensated Care Fund

Senior Advisor & Board Member **Seattle Works**
Led the social media and auction fundraising committees in addition to the executive director search.

Mentor **Year Up**
Mentored students as part of the organizational mission to empower 3K young adults annually.

THOUGHT LEADERSHIP

Panelist – University of Washington “Breaking into Product Management”
Panel Moderator – Avvo’s “The Curiously Positive Impact of Negative Reviews”
Speaker – The Swing Shift Panel “The Power of Networking”

Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

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6	F	1	8.	Member	Stacey E. Hutchison	9/29/23	9/28/26	2	Mayor
6	M	4	9.	Member	Eric Berlinberg	9/29/23	9/28/26	2	Mayor
6	F	7	10.	Vice Chair	Holly Golden	9/29/23	9/28/26	5	Mayor
2	M	4	11.	Member	Matthew Mead	9/29/24	9/28/27	2	Mayor
2	M	N/A	12.	Member	Eric Pettigrew	9/29/24	9/28/27	1	Mayor
7	F	2	13.	Member	Lara Mae D. Chollette	9/29/24	9/28/27	2	Mayor
6	M	N/A	14.	Vice Chair	Will Ludlam	9/29/24	9/28/27	5	Mayor
3	F	2	15.	Member	Gloria Alvarez Connors	9/29/24	9/28/27	5	Mayor
2	F	7	16.	Get Engaged Member	Lauren Campbell	9/1/25	8/31/26	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	8	8				3	1			11	1		
Council													
Other													
Total	8	8				3	1			11	1		

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03301, **Version:** 1

Appointment of Eric Pettigrew as member, Seattle Center Advisory Commission, for a term to September 28, 2027.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Eric Pettigrew</i>		
Board/Commission Name: <i>Seattle Center Advisory Commission</i>		Position Title: <i>Member</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * 9/29/2024 to 9/28/2027 <input checked="" type="checkbox"/> <i>Serving remaining term of a vacant position</i>	
Residential Neighborhood: <i>Renton</i>	Zip Code: <i>98057</i>	Contact Phone No.: [REDACTED]
<p>Background: <i>Eric Pettigrew is a highly accomplished politician with eighteen years of experience in the Washington State legislature. He served as the Democratic Majority Caucus Chair for ten years and was recognized as an effective and bipartisan leader. Eric's legislative initiatives focused on reducing costs and increasing revenues in the automotive, agriculture, distribution, and aerospace industries. He also played a crucial role in securing a \$3.2 billion tax exemption for global aircraft manufacturers.</i></p> <p><i>In addition to his political career, Eric has extensive experience in healthcare insurance, property and casualty insurance, community engagement, and political strategy. He has received numerous awards and commendations for his work and has served on various boards, including the United Way of King County and the Seattle Metropolitan Chamber of Commerce.</i></p> <p><i>Eric holds a Bachelor's degree in Sociology, an MSW, and a Business Certification. He is married to Nicole, has three adult children, and enjoys being a grandparent and spending time with his two dogs, Piper and Peanut.</i></p>		
Authorizing Signature (original signature): 		Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor of Seattle</i>
Date Signed (appointed): August 5th, 2025		

*Term begin and end date is fixed and tied to the position and not the appointment date.

ERIC PETTIGREW

Experienced executive with a strong community and government relations background seeking board leadership opportunities to leverage my expertise in driving strategic initiatives and facilitating partnerships to improve community health, entertainment, public safety, business development, social service and education outcomes. I am recognized in the community for my ability to connect businesses, nonprofits, and government sectors to realize collaborative solutions.

Summary of Qualifications

Government Relations

- Accomplished state legislator with a demonstrated ability to influence policy decisions and secure funding for critical community driven initiatives.
- Established relationships with elected officials to advance community objectives and promote access to quality care.
- Led community intervention strategies that included emergency preparedness, public health and safety, education, the arts and small business development.
- Successfully secured state funding for critical community initiatives related to housing and capacity building ensuring sustainable growth and impact in marginalized communities.

Organizational Leadership

- Skilled in developing, motivating, and supervising teams to drive organizational goals and enhance service delivery.
- Proven ability to build partnerships with community organizations and stakeholders to improve access and engagement.
- Strategic thinker with a focus on innovation and continuous improvement.

Relevant Experience

- President & CEO at Pettigrew Consulting Services (2023-Present)
- VP of Government Relations and Outreach at the Seattle Kraken Hockey Team (2020-2023)
- State Legislator in the Washington State House of Representatives (2003-2020)
- VP of Business Development at Gallagher Insurance (2018-2020)
- Director of Community and Business Relations at Regence Blue Shield (2008-2018)
- Director of External Affairs at Safeco Insurance (1998-2008)
- Project Director at the University of Washington School of Social Work (1993-1998)
- Deputy Chief of Staff for Public Safety at the City of Seattle, Mayor's office (1991-1993)

Education & Leadership Development

- Master's in social work with an emphasis on community development, business, and policy development from the University of Washington (1987)
- Business Administration Certification with an emphasis on market demands and business planning from the University of Washington (1987)
- Bachelor of Science with an emphasis in policy development, counseling psychology, and sociology from Oregon State University (1983)
- Leadership Tomorrow Graduate with an emphasis on business networking, project development, and interpersonal skills from the Seattle Chamber of Commerce (1993)

Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	M	7	1.	Member	Matt Roewe	9/29/25	9/28/28	1	Mayor
6	F	7	2.	Member	Adriane Musuneggi	9/29/25	9/28/28	1	Mayor
6	M	7	3.	Member	Michael George	9/29/25	9/28/28	3	Mayor
6	M	7	4.	Member	Mark F. Dederer	9/29/25	9/28/28	6	Mayor
6	F	7	5.	Member	Sally Bagshaw	9/29/25	9/28/28	2	Mayor
6	M	7	6.	Member	John Olensky	9/29/23	9/28/26	2	Mayor
6	F	6	7.	Member	Sarah C. Rich	9/29/23	9/28/26	5	Mayor
6	F	1	8.	Member	Stacey E. Hutchison	9/29/23	9/28/26	2	Mayor
6	M	4	9.	Member	Eric Berlinberg	9/29/23	9/28/26	2	Mayor
6	F	7	10.	Vice Chair	Holly Golden	9/29/23	9/28/26	5	Mayor
2	M	4	11.	Member	Matthew Mead	9/29/24	9/28/27	2	Mayor
2	M	N/A	12.	Member	Eric Pettigrew	9/29/24	9/28/27	1	Mayor
7	F	2	13.	Member	Lara Mae D. Chollette	9/29/24	9/28/27	2	Mayor
6	M	N/A	14.	Vice Chair	Will Ludlam	9/29/24	9/28/27	5	Mayor
3	F	2	15.	Member	Gloria Alvarez Connors	9/29/24	9/28/27	5	Mayor
2	F	7	16.	Get Engaged Member	Lauren Campbell	9/1/25	8/31/26	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	8	8				3	1			11	1		
Council													
Other													
Total	8	8				3	1			11	1		

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03302, **Version:** 1

Appointment of Matt Roewe as member, Seattle Center Advisory Commission, for a term to September 28, 2028.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Matt Roewe		
Board/Commission Name: Seattle Center Advisory Commission		Position Title: Member
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * 9/29/2025 to 9/28/2028 <input type="checkbox"/> Serving remaining term of a vacant position	
Residential Neighborhood: Uptown	Zip Code: 98109	Contact Phone No.: [REDACTED]
Background: Matt Roewe is a visionary architect and urban planner with 40 years of experience working in greater Seattle & Vancouver, BC. His breadth of projects includes mixed-use transit-oriented development, commercial and many forms of multi-family housing. Matt is the owner of RoeweWORKS where he leads development planning efforts for both public and private clients providing acquisition and redevelopment feasibility studies, transit integration planning, and land use rezoning advocacy. Matt has been involved in volunteer civic activities that directly complement his professional passion of creating livable, walkable, and spirited urban places. Matt is a former City of Seattle Planning Commissioner, has served as the Chair of the South Lake Union (West) Design Review Board, and was on the board of Capitol Hill Housing (now Community Roots Housing). Currently, Matt is actively involved with the Uptown Alliance's transportation, land-use and executive committees and regularly participates in the South Lake Union Mercer Corridor Group.		
Authorizing Signature (original signature):  Date Signed (appointed): August 4 th , 2025	Appointing Signatory: Bruce A. Harrell Mayor of Seattle	

*Term begin and end date is fixed and tied to the position and not the appointment date.



**ROEWE
WORKS**

Matt Roewe AIA, LEED AP

PRINCIPAL/OWNER – RoeweWORKS

DBA: M ROEWE ARCHITECTURE & PLANNING, LLC

Matt is an innovative, collaborative, and visionary designer with 40 years of architectural design and planning experience. His breadth of projects includes mixed use TOD, commercial office/retail, and all forms of multi-family housing from affordable, special needs, market rate ownership/rental, seniors, and including low-rise through high-rise construction types. Matt leads development planning efforts on public and private sector master plans and entitlements, development agreements, station area plans, transit planning, neighborhood plans, rezoning advocacy, and develops development standards, design guidelines and incentive programs. Matt has been involved in volunteer civic activities that directly complement his professional passion of creating livable, walkable, and spirited urban places. Matt is a former City of Seattle Planning Commissioner, has served as the Chair of the South Lake Union design review board, and was on the board of Capitol Hill Housing (now Community Roots Housing).

PROFESSIONAL QUALIFICATIONS

- Registered Architect, Washington, 1991 - Present
- Urban Land Institute, 2005 - Present
- Uptown Alliance – Present
- VIA Architecture/Perkins Eastman, Principal, 2006-2022
- South Lake Union (West) Design Review Board, 2006 -2010
- Seattle Planning Commission, 2009-2015
- Capitol Hill Housing Board of Directors, 2009-2015
- MITHUN – Senior Associate, 1998-2006
- USGBC LEED Accredited Professional
- Washington State University (BArch), 1985

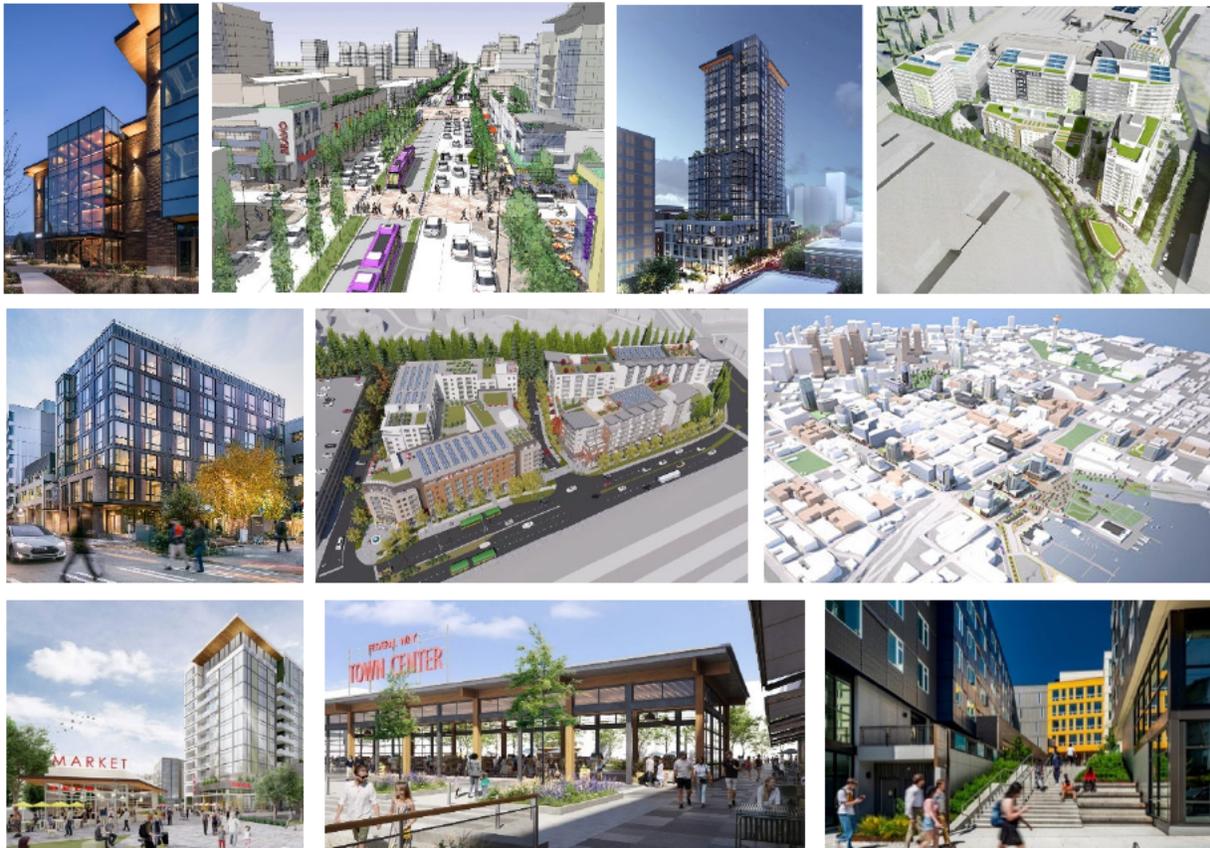
SELECTED PROJECT EXPERIENCE

- Town Center Federal Way, WA - 7.5 Acre Civic Redevelopment Mixed-Use Development Plan - Current
- Bellevue Chamber of Commerce – Wilburton BelRed Comp Plan/DEIS/LUCA & Urban Form Advocacy - Current
- Edmonds Landmark 99 - 10 Acre Mixed-Use & Civic Development Plan - 2023
- Nicola Northgate 8 Acre, 2.5 Million SF, Mixed-Use TOD Development Plan, Seattle – 2023
- Wig Properties, Bellevue, 17 Acre Mixed-Use/Multi-Tower Development Plan, 2023
- St. Luke’s Church Redevelopment with 280 Units Affordable/Market Housing Units, Seattle - 2022
- Belltown 314 – 30 Story Residential Tower, Seattle, WA - 2022
- Cedar Crossing Mixed Use/Affordable Housing TOD at Roosevelt Station, Seattle, WA - 2021
- WSDOT Kingsgate P&R TOD Development Planning, Kirkland, WA - 2010
- Poplar Office Building, Issaquah, WA - 2019
- Ballard Yards Mixed-Use, 172 Apartments, Seattle, WA - 2019
- Sound Transit Spring District OMFE 8-Acre Mixed-Use TOD Development Plan & Entitlements, Bellevue, WA - 2018
- Woodinville Civic Campus Development Plan, Woodinville, WA - 2018
- Fortin Group 11-Acre Mixed-Use Development Plan, Bellevue, WA - 2017
- Anthology 25 Acre Development Plan & Entitlements, Issaquah, WA - 2017
- Northgate Urban Design Framework, Seattle, WA - 2016
- South Lake Union Rezone Development Planning & Land-Use Advocacy, Vulcan Real Estate, Seattle, WA - 2012-2016
- E Main Street Station Area Plan, Bellevue, WA - 2015
- Aegis Madison & Queen Anne Assisted Living + Memory Care, Seattle, WA – 2014 - 2017
- Rowley Properties 72 Acre, 4 Million SF, Mixed-Use Master Plan + Devel. Agreement, Issaquah, WA – 2012 -Current
- 130th AVE NE Station Area Plan, Bellevue, WA - 2011

ROEWE WORKS

Architecture & Planning – Services

- Development planning, feasibility studies and test fits for private and public clients.
- Real estate property evaluations and acquisition studies (development capacity, land use compliance, built form/massing and zoning reviews).
- Large property master planning and visioning
 - Consulting with municipalities and agencies to evaluate zoning development standards,
 - zoning incentive programs, and design guidelines.
- Urban design and placemaking strategies.
- Transportation planning and evaluations (physical/spatial/property impacts and opportunities).
- 3D modeling, architectural rendering, and sketches.
- Neighborhood planning, sub area plans, station area plans.
- Development propensity studies.
- Architectural design:
 - Mixed-use multifamily (market rate, seniors and affordable)
 - Low, mid, and high-rise construction
 - Commercial office and retail



Seattle Center Advisory Commission

15 Members: Pursuant to Ordinances 91885 and 108936, 3-year terms; 1 Member pursuant to Ordinance 121568, 1-year term; all members subject to City Council confirmation:

- 16 Mayor- appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	M	7	1.	Member	Matt Roewe	9/29/25	9/28/28	1	Mayor
6	F	7	2.	Member	Adriane Musuneggi	9/29/25	9/28/28	1	Mayor
6	M	7	3.	Member	Michael George	9/29/25	9/28/28	3	Mayor
6	M	7	4.	Member	Mark F. Dederer	9/29/25	9/28/28	6	Mayor
6	F	7	5.	Member	Sally Bagshaw	9/29/25	9/28/28	2	Mayor
6	M	7	6.	Member	John Olensky	9/29/23	9/28/26	2	Mayor
6	F	6	7.	Member	Sarah C. Rich	9/29/23	9/28/26	5	Mayor
6	F	1	8.	Member	Stacey E. Hutchison	9/29/23	9/28/26	2	Mayor
6	M	4	9.	Member	Eric Berlinberg	9/29/23	9/28/26	2	Mayor
6	F	7	10.	Vice Chair	Holly Golden	9/29/23	9/28/26	5	Mayor
2	M	4	11.	Member	Matthew Mead	9/29/24	9/28/27	2	Mayor
2	M	N/A	12.	Member	Eric Pettigrew	9/29/24	9/28/27	1	Mayor
7	F	2	13.	Member	Lara Mae D. Chollette	9/29/24	9/28/27	2	Mayor
6	M	N/A	14.	Vice Chair	Will Ludlam	9/29/24	9/28/27	5	Mayor
3	F	2	15.	Member	Gloria Alvarez Connors	9/29/24	9/28/27	5	Mayor
2	F	7	16.	Get Engaged Member	Lauren Campbell	9/1/25	8/31/26	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	8	8				3	1			11	1		
Council													
Other													
Total	8	8				3	1			11	1		

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary, O= Other, U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03295, **Version:** 1

Appointment of Jane C. Stonecipher as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.

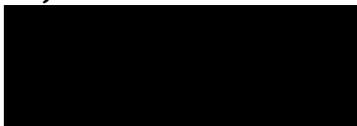
The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Jane C. Stonecipher</i>		
Board/Commission Name: <i>Board of Parks and Recreation Commissioners</i>		Position Title: <i>At-Large Position #2</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * N/A to 3 years from City Council confirmation <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>	
Residential Neighborhood: Capitol Hill	Zip Code: 98112	Contact Phone No.: [REDACTED]
<p>Background: A longtime supporter of Seattle’s parks and open spaces, Jane Stonecipher has been a business and community leader in the Seattle and Puget Sound area for over 30 years. In 2011, she became Vice President of Business Development and Finance for the Woodland Park Zoo, directly supervising a \$37M annual budget and \$20M revenue. Under her stewardship, the Zoo grew and expanded its operations and partnerships, including a major collaboration with Seattle Public Library. Since 2017, Stonecipher has served the Washington Park Arboretum Foundation, first as Executive Director and since 2024 as Director Emerita. She was integral in the successful financial negotiations surrounding the SR-520 bridge replacement project, as well as the recent agreement renewal for Seattle’s Japanese Garden. In her own words, “Over the last 15 years, I’ve had the chance to meet and work with dozens of SPR employees, and appreciate the passion and dedication they show on a daily basis. At a time of uncertain budgets yet huge opportunities like the FIFA World Cup and the renewal of the Metropolitan Park District funding, I would like to use my energies in support of a thriving Seattle Parks and Recreation.”</p> <p>Few members of the Seattle community have consistently demonstrated the knowledge, instinct, and dedication to truly move the needle on a citywide basis; even fewer have the ability, or the stamina, to do so over and over, for years. Jane Stonecipher is one of those rare few people. We are honored to present her nomination to the Board of Parks and Recreation Commissioners.</p>		
Authorizing Signature (original signature): 		Appointing Signatory: <i>Bruce A. Harrell</i> <i>Mayor of Seattle</i>
Date Signed (appointed): July 11 th , 2025		

JANE C. STONECIPHER



experience

- ARBORETUM FOUNDATION** **SEATTLE, WA**
2024-2025 **Director Emerita and Public Affairs Advisor** focused on organizational transformation project that will best position the Arboretum to fully maximize new opportunities, working in partnership with the University of Washington and the City of Seattle.
- 2017-2024 **Executive Director** with responsibility for fundraising, capacity building, volunteer management, capital planning and advocacy for the Washington Park Arboretum. Effectively guided three-way partnership with Seattle Parks and Recreation and the UW Botanic Gardens. With partners, negotiated \$22.7M mitigation payment related to SR-520 bridge replacement project, along with a \$5.3M future payment. Negotiated new 10-year agreement for management of the Seattle Japanese Garden, and significantly expanded attendance, programming and fundraising. Maintained strong relations with Board of Directors and six supporting sub-committees. Led efforts to re-create the Tsutakawa Gates, stolen during the pandemic. Secured state legislative appropriation enabling a broad-based community survey to shape programming and ensure a welcoming, inclusive Arboretum. Championed community celebration for the opening of the Arboretum Loop Trail, a new \$6M public amenity. Secured significant legacy and operating gifts totaling more than \$15M.
- WOODLAND PARK ZOO** **SEATTLE, WA**
2011-2016 **Vice President of Business Development and Finance** with oversight of \$37M budget and direct responsibility for \$20M in annual earned revenues. Served as member of Executive Leadership Team, helping to shape strategic vision for the zoo, steward the public-private partnership with the City of Seattle, motivate and mentor staff and continually evaluate opportunities to deepen the zoo's mission impact. Oversaw enterprise activities including guest services, retail operations, parking and food service. Responsible for ongrounds events including ZooTunes concert series and the launch of WildLights winter lights festival. Formulated strategies for increasing zoo attendance and optimizing visitor experience. Managed financial functions including annual audit, financial statement preparation, risk management and banking relationships. Provided oversight and long range planning for information technology team, including selection and installation of Point-of-Sale system and ongrounds wifi network. Partnered with U.S. State Department to stage the first Zoohackathon, bringing tech resources and conservation experts together to combat wildlife trafficking. Managed marketing activities such as creation of annual ad campaign, securing of corporate sponsors and building of strategic partnerships including a major collaboration with Seattle Public Library. Liaison to Board Finance and Ad Hoc Tech Committees.
- EPIPHANY SCHOOL** **SEATTLE, WA**
2007-2010 **Chief Financial Officer** with oversight of \$17M campus expansion for local independent school. Negotiated favorable bank financing package during period of financial market turmoil. Participated in architect and contractor selection. Collaborated on decisions regarding LEED certification, value engineering, campus art, neighborhood relations, land use, fundraising and space utilization. Developed and monitored budgets and cash flow models. Implemented new accounting system. Oversaw successful external audits. Liaison to Board Finance Committee. Updated investment policy and managed endowments. Implemented employee benefit plans.
- MANAGEMENT AND FINANCIAL CONSULTING** **SEATTLE, WA**
2002-2007 **Executive-level resource specializing in finance, marketing and strategic planning for small businesses and non-profits.** Established brand positioning for emerging software company. Managed network-wide technology rollout for wireless company. Coordinated cross functional teams. Analyzed customer data to establish usage patterns and profitability by segment. Created multi-year financial models.

- 1998-2001 **WESTERN WIRELESS CORPORATION** **BELLEVUE, WA**
Executive Director of Business Analysis with primary responsibility for wholesale roaming business, accounting for 30% of company revenues. Supervised corporate reporting and analysis function to facilitate more informed decision-making. Managed intercarrier relations, pricing strategies and interoperability testing. Negotiated company-wide long distance contracts valued at over \$40M. Evaluated competitor business models and formulated responses on pricing and distribution. Served on corporate steering committees for projects including new billing system and digital network launches. Served on national Cellular One Group Board approving creative concepts, revamping licensee agreement and formulating future direction for brand.
- 1995-1998 **Executive Director of Distribution** for VoiceStream market launches. Oversaw handset selection, vendor negotiations, pricing and warehousing. Managed relationships with national retailers. Supervised the creation of major accounts program. Created pilot program for telesales channel. Served as interim head of marketing for Cellular One markets, with responsibility for advertising, branding and product development.
- 1992-1994 **HEWLETT PACKARD COMPANY** **SANTA CLARA, CA**
Business Development Manager for personal computer reseller channel. Managed relationships between PC divisions and major corporate partners, tripling product line sales over eighteen months. Authored channel strategy plan and led efforts for expansion to U.S. distributor channel.
- 1991-1992 **Product Manager** for Intel 486-based personal computer systems. Managed U. S. product launch, exceeding sales goals by 200%. Provided field and customer input to R&D. Developed pricing and profitability models. Created sales and technical literature. Designed and taught product training module for sales force and resellers. Created and executed "License to Speed" promotion. Served as primary product contact for press and industry consultant interviews.
- 1989-1991 **Senior Financial Analyst** for worldwide personal computer organization. Developed target profit/loss budgets for multi-entity group. Pioneered cost-of-sales analysis implemented by selected HP entities worldwide. Analyzed dollar impact of consolidating manufacturing locations. Formulated and monitored departmental budgets.
- 1986-1987 **ARTHUR ANDERSEN** **ATLANTA, GA**
Senior Tax Accountant, CPA focused on telecommunications and real estate.
- 1985-1986 **Auditor** for clients in the telecom, banking, commercial real estate and consumer goods sectors.
- education**
- 1987-1989 **HARVARD BUSINESS SCHOOL** **BOSTON, MA**
Awarded Master of Business Administration degree, June 1989.
- 1981-1985 **UNIVERSITY OF ALABAMA** **TUSCALOOSA, AL**
Awarded Bachelor of Science degree, *summa cum laude*, in Accounting, May 1985.
- community** Board Member, Executive Committee, Enterprise Risk Committee, Governance Committee, Investment Committee, Philanthropy Committee and Luncheon Chair-**Global Partnerships**;
Vice-Chair, Audit Committee, **University of Washington**;
Oversight Committee, **Olympic Sculpture Park**
Community Advisor, **UW Medicine Finance Committee**;
Board Member, **Japan America Society of the State of Washington**;
Steering Committee, **Volunteer Park Trust**;
Trustee, VP-Marketing and Executive Committee of **Pacific Northwest Ballet**;
Trustee, Treasurer of **St. Mark's Foundation**;
Trustee, Finance Chair, Capital Campaign Committee and Head Search Team- **Epiphany School**;
Board Member- **Cellular One Group** and **Simulab Corporation**;
Leader (8 years), Finance Committee, Master Planning Task Force- **Girl Scouts of Western WA**
Co-chair of **Lakeside School** Annual Fund and member of Board Development Committee;
Member of **Harvard Business School Alumni Association**;
Member of **Fran Nordstrom Guild- Children's Hospital**;
WA Women's Foundation- Grant Committee, Arts and Culture (2010), Education (2011)

BOARD OF PARKS AND RECREATION COMMISSIONERS

15 Members: Pursuant to *Ordinance 126380*, all members subject to City Council confirmation, 3-year terms:

- 7 City Council-appointed
- 8 Mayor-appointed
- # Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	M	1	1.	At-Large	Ryan Baum	5/14/24	5/13/27	1	Mayor
6	F	3	2.	At-Large	Jane C. Stonecipher	N/A	3 years from City Council confirmation	1	Mayor
6	M	4	3.	At-Large	Steve Lerer	5/14/24	5/13/27	1	Mayor
6	M/O	3	4.	At-Large	Kevin Werner	N/A	3 years from City Council confirmation	1	Mayor
6	M	1	5.	Get Engaged	Brian Bakker	9/1/25	8/31/26	1	Mayor
2	F	4	6.	Commission Seat	Tricia Diamond	5/14/24	5/13/27	1	Mayor
1	M	7	7.	Commission Seat	Phillip Meng	9/26/23	9/25/26	1	Mayor
1	F	4	8.	Commission Seat	Whitney Nakamura	5/14/24	5/13/27	1	Mayor
			9.	City Council Dist. 1					City Council
1	F	2	10.	City Council Dist. 2	Daya Zhang	N/A	3 years from City Council confirmation	1	City Council
6	M	3	11.	City Council Dist. 3	John Flinn	5/14/24	5/13/27	1	City Council
6	F	4	12.	City Council Dist. 4	Elise Chisholm Clare	9/17/24	9/16/27	1	City Council
2	M	5	13.	City Council Dist. 5	Ammanuel Haile-Luel	7/16/24	7/15/27	1	City Council
			14.	City Council Dist. 6					City Council
2	M	7	15.	City Council Dist. 7	Stafford Mays	4/1/22	3/31/25	1	City Council

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor	4	4	0	1	2	1	0	0	0	5	0	0	0					
Council	3	2	0	0	1	2	0	0	0	2	0	0	0					
Other																		
Total	7	6	0	1	3	3	0	0	0	7	0	0	0					

Key:

- *D List the corresponding *Diversity Chart* number (1 through 9)
- **G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown
- RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03296, **Version:** 1

Appointment of Kevin Werner as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Kevin Werner		
Board/Commission Name: Board of Parks and Recreation Commissioners		Position Title: At-Large Position #4
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input type="checkbox"/> City Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * N/A to 3 years from City Council confirmation <input type="checkbox"/> Serving remaining term of a vacant position	
Residential Neighborhood: Leschi	Zip Code: 98144	Contact Phone No.: [REDACTED]
<p>Background: Greg Werner recently retired after 26 years of service with the National Oceanic and Atmospheric Administration (NOAA) with a broad focus on climate resilience. Holder of multiple advanced degrees in atmospheric sciences, public administration, and political science, Greg has dedicated his adult life to public service through his career as well as through service on several local boards, most recently the Move Seattle Levy Oversight Committee. He has worked throughout his career to achieve climate and environmental justice through science application and equity. A native of Seattle, Greg has lived in several neighborhoods including Leschi, Capitol Hill, Ballard, Fremont, the University District, and Wedgwood, and has a well-rounded perspective regarding the disparate impacts that climate and economic inequity has on populations in the city.</p> <p>Greg has consistently demonstrated the ability, and the desire, to leverage his subject matter expertise to assess and improve services to vulnerable communities around climate, including a cross-departmental program identifying means to improve NOAA’s services for the drought in California. As a member of the Board of Parks and Recreation Commissioners, we would welcome and expect Greg to bring the same level of dedication and care to our local community here in Seattle.</p>		
Authorizing Signature (original signature): 		Appointing Signatory: Bruce A. Harrell Mayor of Seattle
Date Signed (appointed): July 11 th , 2025		

KEVIN WERNER



EXECUTIVE SUMMARY

Proven executive leadership in federal agencies with extensive experience in climate adaptation, resilience, equity public administration, science, and science application. Expertise in applying scientific output to meet real world challenges in water resources, climate, and natural resources to advance climate adaptation and resilience. Exceptional communication, relationship building, and facilitation skills for supporting well informed, science based decision making by stakeholders.

EDUCATION

Doctorate in Political Science **2015**
Dissertation: States, Water, and Climate: Who’s Planning for Change?
University of Utah

Master of Public Administration **2009**
University of Utah

Master of Science in Atmospheric Sciences **1999**
University of Washington

Bachelor of Science in Atmospheric Sciences & Mathematics **1996**
University of Washington
Included more than 24 semester hours in physical science required for this position. Please see included University of Washington transcript for detailed course information.

EXPERIENCE

Director, Employee Experience **12/30/2024 to 2/28/2025**
National Oceanic and Atmospheric Administration
Seattle, WA
Grade: Senior Executive Service
40 hours per week

Leads a the NOAA Employee Experience Transformation (NEXT) initiative and the new Office of Employee Experience (OEE). NEXT and OEE are a priority of the agency to develop tools to improve the employee experience of the 12,000 geographically dispersed employees in the agency. Provides executive level leadership including setting priorities, working with and supporting

stakeholders across the agency and beyond. Stakeholders include Congress, NOAA offices, labs, and other organizations.

Science and Research Director, Northwest Fisheries Science Center 5/15/2017 to 12/29/2024

National Marine Fisheries Service
National Oceanic and Atmospheric Administration
Seattle, WA
Grade: Senior Executive Service
40 hours per week

Leads a large and complex federal research organization that delivers high quality science output to support management of the nation's fisheries and marine protected resources. The Northwest Fisheries Science Center (NWFSC) includes approximately 500 scientists, technicians, and support staff with an annual budget of approximately \$70m. The NWFSC includes scientists with diverse expertise in the life science, social science, and physical sciences as well as a full range of support staff with expertise in budgeting, facilities, communication, information technology, boats and ships, data, and more. The science output of the organization provides important and foundational information for managing west coast fisheries, protected resources including threatened or endangered salmon and marine mammals.

Provides executive level leadership including setting priorities, working with and supporting stakeholders in resource management. Stakeholders include Congress, fisheries management councils, resource managers in NOAA, action agencies at all levels of government, and other research organizations such as Universities.

Acting Assistant Administrator

7/31/23 to 3/27/24

Risk, Analysis, Planning, and Information Directorate
Resilience
Federal Emergency Management Agency
Washington, DC
Grade: Senior Executive Service
40 hours per week

Leads FEMA's newly formed Risk, Analysis, Planning, and Information Directorate (RAPID) charged with being the agency's shop for developing, maintaining, and applying the agency's and the nation's risk profile across all hazards to reduce risks. RAPID was formed in the summer of 2023 as part of a reorganization of FEMA Resilience. RAPID brought together approximately 200 FEMA experts in engineering, building codes, communication, planning, analysis, and support staff with a total budget of approximately \$700m.

The Assistant Administrator provides executive level leadership including setting vision, priorities, working with and supporting stakeholders across FEMA and beyond. Stakeholders include Congress, other federal agencies, state, local, tribal, and territorial agencies, and internal FEMA organizations.

Affiliate Professor, University of Washington

2022 to present

Evans School and the School of Aquatic and Fisheries Science
Seattle, WA

Teach and advise students including the Master of Public Administration capstone course at the Evans School. The capstone class focuses on student consulting projects where students work with public sector agencies to advance their work.

Director, Office of Organizational Excellence

1/1/2016 to 5/15/2017

National Weather Service
National Oceanic and Atmospheric Administration
Silver Spring, MD
Grade: Senior Executive Service
40 hours per week

The Office of Organizational Excellence leads and manages activities enabling NWS to become the agile and effective organization needed to build a Weather-Ready Nation. The Office plans and oversees organizational changes based on recommendations of two independent studies of the National Weather Service: “Weather Services for the Nation: Becoming Second to None,” National Academy of Sciences (NAS), 2012, and “Forecast for the Future: Assuring the Capacity of the National Weather Service,” National Academy of Public Administration (NAPA), May 2013. The Office also administers a framework for change which enables and facilitates continuous evolution of the National Weather Service. The Office focuses on large-scale, significant changes to the organizational structure, infrastructure, or operations of the National Weather Service. The Office coordinates and oversees transition activities, and evaluates if changes implemented are effective and meet the intent of study recommendations. The Office manages the framework for change process, as well as communication of change activities to both internal and external stakeholders by working closely with the Office of Planning and Programming for Service Delivery (OPPSD), Portfolio Offices, and the Communications and Legislative Affairs in the Office of the Chief of Staff.

Regional Climate Service Director, Western Region

3/1/2014 to 1/1/2016

National Oceanic and Atmospheric Administration
Seattle, WA
Grade: ZP5 (GS15 equivalent)
40 hours per week

Coordinated and advised on National Oceanic and Atmospheric Administration (NOAA) climate services investments in an eight state region in the Western United States including activities and programs from the National Weather Service (NWS), NOAA Research, the National Climatic Data Center (NCDC), and NOAA Fisheries.

Led a NOAA wide services assessment focused on understanding the impacts of the 2012-2014 California drought and the opportunities to improve or enhance services, forecasts, and data offered by NOAA supporting impacted decision makers. My role included developing the team’s charter, identifying team members, leading team calls, coordinating team fieldwork, and overseeing and vetting the team’s report.

Developed a NOAA drought and water resources pilot activity focused on incorporating climate science, data, and forecasts into existing habitat and flood protection collaborations in the Puget Sound basin.

Collaborated with key stakeholders in the region including Western Governors Association, the Western States Water Council, private sector stakeholders, and federal partners to identify needs related to climate, drought, and NOAA services in the region and to develop avenues to meet those needs.

Prepared and proposed budgets for science and technical projects including drought early warning system prototypes in the Pacific Northwest and California.

Briefed news media on various western USA climate particularly focusing on water resources, water supply, and drought as one-on-one interviews, routine or special briefings to multiple outlets, and working with public affairs staff on media roll out plans.

Service Coordination Hydrologist

3/1/2008 to 3/1/2014

Colorado Basin River Forecast Center (CBRFC)

National Weather Service; Salt Lake City, UT

Grade: GS14

40 hours per week

Utilized physical sciences knowledge to outreach and engage partners, customers and stakeholders in applications of climate information produced by the CBRFC, including the interpretation of data products. Collaborated with NOAA Regional Integrated Sciences and Assessments to develop a toolkit for stakeholder engagement, which included survey techniques, scenario exercises, and hands-on activities.

Identified emerging issues and needs for water, weather, and climate forecast information, and worked in partnership with regional providers and users, such as Weather Forecast Offices, regional water managers, and the general public, to develop, test and operationally transition new climate information products and services.

Collaborated and led interdisciplinary teams, working groups and committees to plan, coordinate and implement numerous workshops and meetings with regional stakeholders, partners and scientists. This included other Federal agency partners, state, local and tribal government stakeholders, and academic and private sector partners.

Presented weather and climate information, and documented regional needs for water, weather, and climate information for the purposes of new product development. Engaged the research community to define research questions to address the evolving needs of water managers and other consumers in the Colorado Basin. Developed new forecast products, scientific studies, and datasets to better support regional decision-makers.

Managed and led water and weather forecasting operations and service programs including during flooding events, peak flow forecasts, and water supply forecasts. This included scheduling the forecast staff, coordinating with other NWS offices and with stakeholders, and responding to requests and problems as they came up. This also included extensive experience with all aspects of generating both water and weather forecasts.

Advised on office budgeting, human resource development, and managed project budgets for research grants. This included advising on personnel selections, budget allocations, and spending plans to achieve the office mission.

Extensively evaluated and advised on organizational and technical procedures including forecast enhancements through forecast verification and evaluation and project planning. Authored several forecast evaluation and verification studies designed to identify and correct forecast deficiencies.

Developed, analyzed, and evaluated program policies, regulations, goals, and objectives through diverse avenues and activities but typically linked to stakeholder input and needs.

Evaluated cooperative agreements to ensure they were current and relevant for both parties especially the long standing NWS – NRCS water supply forecasting arrangement.

**NOAA Leadership Competencies Development Program (LCDP) Fellow
3/2012-1/2014**

Competitively selected into the NOAA Leadership Competencies VIII Program, and successfully completed three detail assignments. *Awarded the Dr. Linda Winner Peer Award for demonstrated class leadership.*

LCDP Detail 1: Climate Adaptation Advisor, EcoAdapt and The Nature Conservancy, Seattle, WA

Developed climate adaptation initiatives in partnership with EcoAdapt to assist the Nez Pierce – Clearwater National Forest in integrating climate adaptation and climate change information in their forest management plan. This National Forest is one of five nationwide to prototype the inclusion of climate change considerations in forest management plans.

Worked with The Nature Conservancy on the Floodplains by Design initiative in Puget Sound. Utilized science expertise in hydrology and outreached to flood managers, fisheries and habitat managers, and the agricultural sector to advance the goal of this initiative to build an interdisciplinary coalition of stakeholders to develop a shared vision and strategies to improve the resiliency of the Puget Sound tributaries to changing climate.

LCDP Detail 2: Science Advisor, Hurricane Sandy Rebuilding Task Force, Washington, DC

Served as Science Advisor to the Hurricane Sandy Rebuilding Task Force established by Executive Order to provide coordination support for rebuilding efforts. Advised on Hurricane Sandy Task

Force activities including providing and organizing technical science review of Task Force work, including the Task Force Strategy Report.

Successfully developed relationships between Task Force political and career staff and the federal science and technology community, and collaborated with the Office of Science and Technology Policy, Council on Environmental Quality, and other designated federal agencies to organize, convene and staff an interagency Science Coordination Group for the purposes of providing well-coordinated and timely science based information and advice.

Presented information and represented NOAA at meetings related to the Task Force, including the National Academies of Science, Army Corps of Engineers Comprehensive Study meetings, and NOAA communicating climate workshop.

LCDP Detail 3: Special Assistant to Regional Administrator, National Marine Fisheries Service, Seattle, WA

Utilized physical science expertise to advise on the Puget Sound tributary hydrology for supporting salmon habitat. Assessed science and policy environments surrounding river flow to support salmon habitat in the Puget Sound basin, and worked with other federal agencies, such as the Bureau of Indian Affairs and U.S. Geological Survey to identify intersecting interests and collaborative opportunities, and advised NMFS leadership on findings.

Regional Hydrologic Science Program Manager

6/2004 to 3/2008

Western Region Headquarters
National Weather Service; Salt Lake City, UT
Grade: GS13
40 hours per week

Managed efforts to infuse new science and development into National Weather Service (NWS) hydrologic forecasting operations, including coordination of NOAA climate observation and data experiments, such as the Hydrometeorology Testbed. Led USGS/NOAA efforts to improve debris flow warnings in Southern California; developed a water resources forecast web based tool kit, and successfully convened a regional team of experts to verify hydrologic forecasts and generate case studies, the results of which were used to inform a national program.

Evaluated local office hydrology programs as part of program reviews for the Western Region Headquarters to ensure compliance with agency directives as well as to identify opportunities to advance the state of hydrologic forecasting.

Officer, Lieutenant

6/1999 to 6/2004

NOAA Corps

Hydrologist

3/2002 to 6/2004

Colorado Basin River Forecast Center (CBRFC)
National Weather Service; Salt Lake City, UT

Conducted operations for forecasting river flows, developed new methodologies for forecasting river flows, and collaborated with research scientists inside and outside of NOAA to improve products and services and customer access. Routinely utilized River Forecast Center modeling systems to analyze diverse data including weather, streamflow, and reservoir data to produce forecasts.

Developed new techniques for improving hydrologic forecasts through my effort to develop techniques for integrating ensemble weather and climate forecasts into hydrologic ensemble forecasts. In particular developed and validated techniques that I published in the literature that formed the foundation for the Hydrologic Ensemble Forecast System that was subsequently implemented at NWS River Forecast Centers.

Officer-In-Charge **2002**
NOAA Ship OSCAR SETTE; NOAA Ship VINDICATOR

Responsible for outfitting efforts for NOAA ships in preparation for their entry into the NOAA fleet. Managed personnel and budgetary resources, and completed preparations for “going to sea” including Panama Canal transit.

Field Operations Officer **10/1999 to 2/2002**
NOAA Ship KA'IMIMOANA

Responsible for organizing day-to-day activities in support of the ship’s research mission, coordinated with ship's crew and visiting scientists, and conducted bridge watch.

Research Assistant **6/1996 to 6/1999**
Department of Atmospheric Sciences
University of Washington

Conducted research on climate variability in the tropical Atlantic climate system using numerical global climate models and analyzed climate data records. Successfully demonstrated that the entire climate system (ocean, atmosphere, lithosphere) is integral to defining climate variability in the region. Taught undergraduate Atmospheric Sciences courses.

HONORS & AWARDS

Employee of the Year, National Center for Environmental Information	2015
NOAA LCDP Linda Winner Award	2013
NOAA LCDP Fellow	2012
National Weather Service (NWS) quality step increase	2005, 2007, 2010, 2013
Pi Alpha Alpha Member	2009
G. Homer Durham MPA Scholarship	2008
NWS Special Service Act Cash Award	2004, 2005, 2006, 2007, 2008
NOAA Administrator’s Award	2007
Regional and local Isaac Cline Award	2007

PROFESSIONAL TEACHING EXPERIENCE

Public Administration Capstone

2023

Public Administration graduate course
Affiliate faculty at the University of Washington

Introduction to Meteorology

2004 to 2008

Non-majors undergraduate Meteorology course.
Adjunct instructor at the University of Utah

SELECTED PUBLICATIONS

Link, J. S., Werner, F. E., **Werner, K.**, Walter, J., Strom, M., Seki, M. P., ... & Cabana, N.. A NOAA Fisheries science perspective on the conditions during and after COVID-19: challenges, observations, and some possible solutions, or why the future is upon us. *Canadian Journal of Fisheries and Aquatic Sciences*, 78(1), 1-12, (2021).

Werner, K., & Svedin, L. States, water, and climate: Who's planning for change?. *Climate Risk Management*, 16, 59-72, (2017).

Kruk, M. C., Parker, B., Marra, J. J., **Werner, K.**, Heim, R., Vose, R., & Malsale, P. Engaging with users of climate information and the coproduction of knowledge. *Weather, Climate, and Society*, 9(4), 839-849, (2017).

Vano, J. A., ... **Werner, K.**, and Lettenmaier, D. P. Understanding uncertainties in future Colorado River streamflow. *Bulletin of the American Meteorological Society*, 95(1), 59-78, (2014).

Werner, K., Averyt, K., Owens, G. River Forecast Application for Water Management: Oil and Water? *Weather, Climate, and Society*, 5(3), (2013).

Werner, K., Yeager, K. Challenges in Forecasting the 2011 Runoff Season in the Colorado Basin. *Journal of Hydrometeorology*, 14(4), (2013).

Hobbins, M., Wood, A., Streubel, D., & **Werner, K.** What Drives the Variability of Evaporative Demand across the Conterminous United States?. *Journal of Hydrometeorology*, 13(4), 1195-1214 (2012).

Demargne, J., Mullusky, M., **Werner, K.**, Adams, T., Lindsey, S., Schwein, N., Marosi, W., Welles, E. Application of Forecast Verification Science to Operational River Forecasting in the U.S. National Weather Service. *Bulletin of the American Meteorological Society* 90: 779-784 (2009).

Restrepo, P., Jorgensen, D. Cannon, S., Costa, J., Laber, J., Major, J., Martner, B., Purpura, J., and **Werner, K.** Joint NOAA/NWS/USGS Prototype Debris Flow Warning System for Recently

Burned Areas in Southern California. *Bulletin of the American Meteorological Society* 89: 1845-1851 (2008).

Werner, K., Brandon, D., Clark, M., and Gangopadhyay, S. Incorporating medium-range numerical weather model output into the ensemble streamflow prediction system of the National Weather Service. *Journal of Hydrometeorology* 6: 101-114 (2005).

Werner, K., Brandon, D., Clark, M., Gangopadhyay, S. Climate index weighting schemes for NWS ESP-based seasonal volume forecasts. *Journal of Hydrometeorology* 5: 1076-1090 (2004).

Gangopadhyay, S., Clark, M., **Werner, K.**, Brandon, D., and Rajagopalan, B. Effects of spatial and temporal aggregation on the accuracy of statistically downscaled precipitation estimates in the upper Colorado river basin. *Journal of Hydrometeorology* 5: 1192-1206 (2004).

PROFESSIONAL DEVELOPMENT & CIVIC SERVICE

Co Chair, Move Seattle Levy Oversight Committee	2020 to present
Board Member and Policy Committee Chair, Senior Executive Association	2020 to 2023
Board Member, Outspoken Cycling Club	2023 to present
American Meteorological Society Committee on Oceans, Coasts, and the Blue Economy	2018 to 2022
Innovative culture summit	2016
Chair, Western Area Federal Support Team (westFAST)	2016 -2018
American Meteorological Society Water Resources Committee	2013 - 2014
American Meteorological Society Board on Global Strategies	2013 to 2021
NOAA Leadership Development Competencies Program	2012 - 2013
Co-convened short course on water supply forecasting American Meteorological Society Annual Meeting	January 2011
President, Board of Directors Salt Lake City Library	2010 to 2014
Selected participant in Policy Colloquium American Meteorological Society	June 2008
Charter member "1st" N State Toastmasters Club	2006 - 2008

Passed Actuaries Exam P1 - Probability

February 2006

MISCELLANEOUS INFORMATION FOR FEDERAL POSITIONS

Citizenship: USA

Selective Service Registration: Yes

Federal Employment Listed Here: All full time (40 hours per week)

Career Senior Executive Service since January 2016

Security Clearance: TSSI Security Clearance

BOARD OF PARKS AND RECREATION COMMISSIONERS

15 Members: Pursuant to *Ordinance 126380*, all members subject to City Council confirmation, 3-year terms:

- 7 City Council-appointed
- 8 Mayor-appointed
- # Other Appointing Authority-appointed (specify):

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
6	M	1	1.	At-Large	Ryan Baum	5/14/24	5/13/27	1	Mayor
6	F	3	2.	At-Large	Jane C. Stonecipher	N/A	3 years from City Council confirmation	1	Mayor
6	M	4	3.	At-Large	Steve Lerer	5/14/24	5/13/27	1	Mayor
6	M/O	3	4.	At-Large	Kevin Werner	N/A	3 years from City Council confirmation	1	Mayor
6	M	1	5.	Get Engaged	Brian Bakker	9/1/25	8/31/26	1	Mayor
2	F	4	6.	Commission Seat	Tricia Diamond	5/14/24	5/13/27	1	Mayor
1	M	7	7.	Commission Seat	Phillip Meng	9/26/23	9/25/26	1	Mayor
1	F	4	8.	Commission Seat	Whitney Nakamura	5/14/24	5/13/27	1	Mayor
			9.	City Council Dist. 1					City Council
1	F	2	10.	City Council Dist. 2	Daya Zhang	N/A	3 years from City Council confirmation	1	City Council
6	M	3	11.	City Council Dist. 3	John Flinn	5/14/24	5/13/27	1	City Council
6	F	4	12.	City Council Dist. 4	Elise Chisholm Clare	9/17/24	9/16/27	1	City Council
2	M	5	13.	City Council Dist. 5	Ammanuel Haile-Luel	7/16/24	7/15/27	1	City Council
			14.	City Council Dist. 6					City Council
2	M	7	15.	City Council Dist. 7	Stafford Mays	4/1/22	3/31/25	1	City Council

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor	4	4	0	1	2	1	0	0	0	5	0	0	0					
Council	3	2	0	0	1	2	0	0	0	2	0	0	0					
Other																		
Total	7	6	0	1	3	3	0	0	0	7	0	0	0					

Key:

- *D List the corresponding *Diversity Chart* number (1 through 9)
- **G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown
- RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Appt 03297, **Version:** 1

Appointment of Daya Zhang as member, Board of Parks and Recreation Commissioners, for a term to 3 years from Council confirmation.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: <i>Daya Zhang</i>		
Board/Commission Name: <i>Board of Parks and Recreation Commissioners</i>		Position Title: <i>City Council District 2</i>
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment	City Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Appointing Authority: <input checked="" type="checkbox"/> City Council <input type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Term of Position: * N/A to 3 years from City Council confirmation <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>	
Residential Neighborhood: Columbia City	Zip Code: 98118	Contact Phone No.: [REDACTED]
<p>Background: A licensed architect with a decade of experience in capital project management, Daya Zhang is excited to bring her professional experience – as well as her experience as a new parent – to contribute to the Board of Parks and Recreation Commissioners. Since moving to Seattle six years ago, the city’s parks and recreation facilities have been a vital part of Daya’s life. An avid jogger and biker, Daya notes that Seward Park, Hing Hay Park, and the Amy Yee Tennis Center have become integral components in her family’s experience, and have deepened her appreciation for how interconnected and impactful the park system is in supporting health, joy, and mobility.</p> <p>Daya says, “The mission of Seattle Parks and Recreation resonates with my values and personal journey. I would be honored to support its work as a commissioner, helping ensure that Seattle’s parks remain welcoming, inclusive, and responsive to the needs of all communities.” Her expertise and passion for healthy, thriving community will be a welcome and valuable addition to the BPRC.</p>		
Authorizing Signature (original signature): 		Appointing Signatory: <i>Joy Hollingsworth</i> <i>Seattle City Councilmember</i>
Date Signed (appointed): 07/28/25		

EXPERIENCE

Aug 2018 to Present

Project Architect | Perkins&Will | Seattle, WA

- Engaged in all phases of office, lab and healthcare projects, including scheduling, consultant selection, design, permitting, construction, closeout, and warranty.
- Led construction administration of a new office tower and tenant improvements, including change orders, field directives, and contingency management.
- Coordinated with owners and consultants to optimize building energy efficiency.
- Mentored staff and provided oversight of assignments.

Jun 2014 to Jun 2016

Project Designer & Manager | Lubrano Ciavarra Architects | Brooklyn, NY

- Performed floor plan layout and furnishing selection for residential and educational projects.
- Oversaw selection and coordinated activities of vendors, contractors, and consultants.
- Negotiated and administered consultant contracts.

Jun to Aug 2013

Assistant Town Planner | Jin Town Government | Kaihua, China

- Led public library facility assessment, establishing scope, schedule, and budget for renovation.
- Worked with committees and community groups during scoping and design.

Jun to Aug 2012

Intern Architect | Jurgen Johner Architekten | Hamburg, Germany

- Collaborated with engineers and developed renovation proposal for the local TV Tower.

ACTIVITIES

Sep 2019 to May 2022

Freelance Work | Vancouver, BC

- Led an Accessory Dwelling Unit project in Vancouver from concept to construction.
- Established and monitored project budgets and schedules.

Jan to Sep 2017

Research Assistant | Urban Mobility Lab at MIT | Singapore and Cambridge, USA

- Led research on autonomous vehicles' impacts on urban forms.
- Surveyed and gathered public feedback on last mile ridesharing service in Singapore.

EDUCATION

2016 to 2018

Master of Science in Architecture and Urbanism | Massachusetts Institute of Technology

2009 to 2014

Bachelor of Architecture + Minor in Finance | Syracuse University

CERTIFICATES

2024 to present

Google Project Management | Certificated by Google

2024 to present

Living Future Accreditation | International Living Future Institute

2018 to present

Registered Architect | Certified by State of Washington

2016 to present

LEED AP Building Design + Construction | U.S. Green Building Council

HONORS

2019

Honorable Mention | Buildner Architecture Competitions

Awarded to a distinguished design proposal for Iceland Volcano Museum.

2017

Studio Prize | ARCHITECT Magazine

Awarded to an urban design studio for transforming a former mining region in Poland.

SKILLS

Software Adobe Suite, ArcGIS, AutoCAD, Microsoft Office, Procore, Python, Revit, Rhino

Language English, Mandarin

BOARD OF PARKS AND RECREATION COMMISSIONERS

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6	M	1	5.	Get Engaged	Brian Bakker	9/1/25	8/31/26	1	Mayor
2	F	4	6.	Commission Seat	Tricia Diamond	5/14/24	5/13/27	1	Mayor
1	M	7	7.	Commission Seat	Phillip Meng	9/26/23	9/25/26	1	Mayor
1	F	4	8.	Commission Seat	Whitney Nakamura	5/14/24	5/13/27	1	Mayor
			9.	City Council Dist. 1					City Council
1	F	2	10.	City Council Dist. 2	Daya Zhang	N/A	3 years from City Council confirmation	1	City Council
6	M	3	11.	City Council Dist. 3	John Flinn	5/14/24	5/13/27	1	City Council
6	F	4	12.	City Council Dist. 4	Elise Chisholm Clare	9/17/24	9/16/27	1	City Council
2	M	5	13.	City Council Dist. 5	Ammanuel Haile-Luel	7/16/24	7/15/27	1	City Council
			14.	City Council Dist. 6					City Council
2	M	7	15.	City Council Dist. 7	Stafford Mays	4/1/22	3/31/25	1	City Council

SELF-IDENTIFIED DIVERSITY CHART

	Male		Female		Transgender		NB/ O/ U		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial				
Mayor	4	4	0	1	2	1	0	0	0	5	0	0	0				
Council	3	2	0	0	1	2	0	0	0	2	0	0	0				
Other																	
Total	7	6	0	1	3	3	0	0	0	7	0	0	0				

Key:

- *D List the corresponding *Diversity Chart* number (1 through 9)
- **G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown
- RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: CB 121051, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low-income customers for solid waste services; adding solid waste service categories; and amending Sections 21.36.010, 21.36.012, 21.36.016, 21.40.050, 21.40.060, 21.40.070, 21.40.080, 21.40.085, and 21.76.040 of the Seattle Municipal Code.

WHEREAS, Ordinance 126689 adopted solid waste rates for 2023, 2024, and 2025; and

WHEREAS, Resolution 30695 established financial policy targets for the Solid Waste Fund; and

WHEREAS, Resolution 31516 amended Resolution 30695 to strengthen the Solid Waste Fund’s financial policies by adding an additional debt service coverage policy; and

WHEREAS, Ordinance 125050 amended and updated certain provisions of the Utility Discount Program, which will provide discounted solid waste rates or credits to more eligible low-income customers; and

WHEREAS, Resolution 32136 adopted a six-year Strategic Business Plan for Seattle Public Utilities, which guides utility investments, service levels, and rate paths through 2030; and

WHEREAS, the Strategic Business Plan included increases in the capital and operating requirements of the Solid Waste Fund, with a resulting increase in revenue requirements; and

WHEREAS, credits for qualified low-income customers should be revised when solid waste rates change;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 21.40.050 of the Seattle Municipal Code, last amended by Ordinance 126689, is amended as follows:

21.40.050 Residential can rates and charges

A. Charges for residential can garbage and rubbish collection and disposal service shall be in accordance with the following schedules:

1. All residences with curbside/alley garbage container pickup: a charge per month or portion thereof, for once-a-week service for each service unit subscribed to, billed directly to the owner, homeowner association, or occupant thereof as follows:

((Service Units	Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
Micro-can (10-12 gallon)	\$26.45	\$26.85	\$27.55	\$28.25
Mini-can (18-20 gallon)	\$32.40	\$32.90	\$33.75	\$34.65
32 gallon can	\$42.15	\$42.80	\$43.90	\$45.05
60 to 65 gallon cart	\$84.20	\$85.45	\$87.65	\$89.95
90 to 96 gallon cart	\$126.40	\$128.30	\$131.65	\$135.05))

<u>Service Units</u>	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>
Micro-can (10-12 gallon)	\$28.25	\$29.20	\$30.15	\$31.15
Mini-can (18-20 gallon)	\$34.65	\$35.80	\$37.00	\$38.20
32 gallon can	\$45.05	\$46.55	\$48.10	\$49.70
60 to 65 gallon cart	\$89.95	\$92.90	\$95.95	\$99.10
90 to 96 gallon cart	\$135.05	\$139.50	\$144.10	\$148.85

2. All residences with backyard garbage container pickup: a charge per month or portion thereof, for once-a-week service for each service unit subscribed to, billed directly to the owner, homeowner association, or occupant as follows:

((Service Units	Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
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	Rates per Service Unit			
32 gallon can	\$58.85	\$59.75	\$61.30	\$62.90
60 to 65 gallon cart	\$118.00	\$119.75	\$122.85	\$126.05
90 to 96 gallon cart	\$177.00	\$179.65	\$184.35	\$189.10))

Service Units	Effective through March 31, 2026	Effective April 1, 2026	Effective April 1, 2027	Effective April 1, 2028
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
32 gallon can	\$62.90	\$65.00	\$67.15	\$69.40
60 to 65 gallon cart	\$126.05	\$130.20	\$134.50	\$138.90
90 to 96 gallon cart	\$189.10	\$195.35	\$201.80	\$208.45

3. Multiunit residential consolidated curbside/alley garbage collection service. Multiunit residences with a single combined utility account may consolidate garbage into fewer service units than the number of dwelling units on the premises. Upon request, multiunit residences with multiple combined utility accounts, such as townhouse complexes, may consolidate garbage service if such premises share a single water irrigation meter for which a homeowners association is financially responsible and agrees to be financially responsible for the combined utility account, or as determined by the General Manager/CEO. In the event of consolidation, the total consolidated service volume divided by the number of dwelling units must be at least equal to the minimum equivalent service volume per unit, as determined by the General Manager/CEO.

4. Minimum charge, no pickup service. A charge per month or portion thereof of \$6.85 shall be billed directly to the owner, homeowner association, or occupant of any residence not subscribing to pickup service to cover landfill closure costs, billing, collection, Low Income Rate Assistance, and hazardous waste costs. To be eligible for the minimum charge (zero container rate), a customer may not generate any garbage or rubbish for collection or disposal. With occupied premises, the customer must demonstrate a consistent and effective practice of selective purchasing to minimize refuse, of recycling materials whenever practical, and of composting any yardwaste generated on the premises, and the customer must have qualified for the rate on or

before December 31, 1988. A customer is not eligible for the zero container rate by hauling the customer’s garbage and rubbish to a transfer station or disposal site, or by disposal in another customer’s containers or by the use of prepaid stickers. Vacant dwelling units in multiunit residences where each dwelling unit receives a separate combined utility bill qualify for the minimum charge where the conditions of this subsection 21.40.050.A.4 are met. Vacant dwelling units in multiunit residences with a single combined utility account do not qualify for the minimum charge.

5. Extra bundles. A customer may place an extra bundle with its container for regular pickup. The charge will be billed directly to the owner or occupant, unless a prepaid sticker is used. A prepaid sticker authorizes pickup of the bundle when placed with the customer’s container. The sticker must be affixed to the bundle in order for the bundle to be picked up by the collector, and the customer not to be billed. The following charges will apply to each extra bundle:

- ~~((Effective through March 31, 2023: \$13.05 per bundle~~
- ~~Effective April 1, 2023: \$13.25 per bundle~~
- ~~Effective April 1, 2024: \$13.60 per bundle~~
- ~~Effective April 1, 2025: \$13.95 per bundle))~~
- Effective through March 31, 2026: \$13.95 per bundle
- Effective April 1, 2026: \$14.40 per bundle
- Effective April 1, 2027: \$14.90 per bundle
- Effective April 1, 2028: \$15.40 per bundle

6. Bulky and white goods pickup. Charges for the pickup of bulky and white goods, as well as additional charges for items containing hazardous waste such as chlorofluorocarbons (CFCs), shall be billed as follows:

	((Effective March 30, 2009
Bulky/White Goods Pickup (per item)	\$30.00
Hazardous Waste Charge (per item)	\$8.00))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Bulky/White Goods Pickup (per item)	\$30.00	\$31.00	\$32.00	\$33.00
Hazardous Waste Charge (per item)	\$8.00	\$8.25	\$8.55	\$8.80

7. Curbside electronics recycling pickup. Curbside electronics pickup service will be available by customer request to all residential can accounts. Each pickup of up to three electronic products set out at the curb shall be billed at \$20. Each pickup of compact fluorescent lightbulbs (CFLs) or household batteries shall be billed at \$5. The General Manager/CEO may establish additional conditions for electronic products eligible for pickup.

8. Included special items pickup. Special item pickup service is available by customer request to all residential can accounts. Eligible recipients shall request special assistance at no additional charge for each of the pickups no more than once per year:

Effective April 1, 2026: 1 battery bag pickup, 1 special items box pickup

Effective April 1, 2027: 1 battery bag pickup, 1 special items box pickup, 1 electronics pickup, 1 bulky pickup

((8))9. Curbside/alley compostable waste. A collection charge for weekly service will be billed monthly directly to the owner, homeowner association, or occupant, according to the following schedule:

<u>((Service Units</u>	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>
Mini can (10 to 20 gallon)	\$7.00	\$7.10	\$7.30	\$7.50
32 gallon can	\$10.50	\$10.65	\$10.95	\$11.25
90-96 gallon can	\$13.40	\$13.60	\$13.95	\$14.30
Extra bundle	\$6.75	\$6.85	\$7.05	\$7.25))

<u>Service Units</u>	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>	<u>Rates per Service Unit</u>
Mini can (10 to 20 gallon)	\$7.50	\$7.75	\$8.00	\$8.25
32 gallon can	\$11.25	\$11.60	\$12.00	\$12.40
90-96 gallon can	\$14.30	\$14.75	\$15.25	\$15.75
Extra bundle	\$7.25	\$7.50	\$7.75	\$8.00

~~((9))~~10. Mandatory curbside/alley compostable waste service and exemptions. Curbside/alley compostable waste service shall be mandatory for all residential solid waste can accounts, except customers who qualify for a home composting exemption or customers with no garbage pickup service, per the provisions of subsection 21.40.050.A.4. To qualify for the home composting exemption, customers must actively compost all vegetative food waste on-site, agree to comply with public and environmental health guidelines and allow Seattle Public Utilities representatives to evaluate their composting methods.

~~((10))~~11. New/changed account: a charge of \$10 for the establishment of a new account or for each change in an existing account. This charge shall apply when the owner or property manager of any single-family residence or multifamily structure (duplex, triplex, fourplex, or structure with five or more units) establishes a new account or requests any change in ~~((his/her))~~ the account requiring a change in account number or customer number. The new/changed account charge is not applicable to customers qualified for Low Income Rate Assistance.

~~((11))~~12. Physical disability exemption. An exemption will be provided to qualified residents to allow for backyard collection at curbside rates when the resident is physically unable to take garbage and rubbish containers to the curb. Qualifying criteria shall include, but are not limited to, the resident’s physical condition, qualification for backyard service in other City programs, a physician’s recommendation, the presence of other physically capable persons in the household, special topography, and other unique property conditions, taking into account the contractors’ ability to provide different combinations of container sizes to

make curbside pickup feasible.

B. All residential customers requesting and receiving nondetachable container (can) special, nonroutine collection service for garbage, yardwaste, or recyclable materials. The following charges shall apply to special collections of all nondetachable containers (cans), bundles, or bundles-of-yardwaste:

Service Units	((Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
First unit	\$51.65	\$52.45	\$53.80	\$55.20
Each additional unit	\$5.55	\$5.65	\$5.80	\$5.95))

Service Units	Effective through March 31, 2026	Effective April 1, 2026	Effective April 1, 2027	Effective April 1, 2028
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
First unit	\$55.20	\$57.05	\$58.95	\$60.90
Each additional unit	\$5.95	\$6.15	\$6.35	\$6.55

C. Ancillary and elective (A&E) service charges. The following charges shall apply to residential can customers receiving any of the A&E services listed in the table below.

((Service Units	Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
Deliveries/Pickups/Swap-outs of Cans or Toters	\$32.35	\$32.85	\$33.70	\$34.60
Can or Cart Pressure Washing	\$12.90	\$13.10	\$13.45	\$13.80))

Service Units	Effective through March 31, 2026	Effective April 1, 2026	Effective April 1, 2027	Effective April 1, 2028
	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit	Rates per Service Unit
Deliveries/Pickups/Swap-outs of Cans or Toters	\$34.60	\$35.75	\$36.95	\$38.15
Can or Cart Pressure Washing	\$13.80	\$14.25	\$14.70	\$15.20

* * *

Section 2. Section 21.40.060 of the Seattle Municipal Code, last amended by Ordinance 126689, is amended as follows:

21.40.060 Residential detachable container rates and charges

A. Account charges. A monthly fixed fee will be charged to each residential detachable container solid waste account, according to the following schedule:

~~((Effective through March 31, 2023: \$46.35~~

~~Effective April 1, 2023: \$47.05~~

~~Effective April 1, 2024: \$48.25~~

~~Effective April 1, 2025: \$49.50))~~

Effective through March 31, 2026: \$49.50

Effective April 1, 2026: \$51.15

Effective April 1, 2027: \$52.85

Effective April 1, 2028: \$54.60

B. Uncompacted container rates. There is imposed upon residential premises that use detachable containers without mechanical compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following formula:

$$(A * m) + ((B * cy) * m), \text{ where:}$$

A = Trip rate

B = Volume rate

m = number of trips per month

cy = number of cubic yards picked up at each collection

The following trip and volume rates will apply:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Trip Rate	\$34.70	\$35.20	\$36.10	\$37.05
Volume Rate	\$26.75	\$27.15	\$27.85	\$28.55))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Trip Rate	\$37.05	\$38.25	\$39.50	\$40.80
Volume Rate	\$28.55	\$29.50	\$30.45	\$31.45

C. Compacted container rates. There is imposed upon residential premises that use detachable containers with compactors a monthly charge for garbage and rubbish collection and disposal service in accordance with the following formula:

$$(A * m) + ((B * cy) * m), \text{ where:}$$

A = Trip rate

B = Volume rate

m = number of trips per month

cy = number of cubic yards picked up at each collection

The following trip and volume rates will apply:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Trip Rate	\$34.70	\$35.20	\$36.10	\$37.05
Volume Rate	\$54.30	\$55.10	\$56.55	\$58.00))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Trip Rate	\$37.05	\$38.25	\$39.50	\$40.80
Volume Rate	\$58.00	\$59.90	\$61.90	\$63.95

D. Pre-paid bag service. Customers located in specific areas designated by Seattle Public Utilities, and who permanently store garbage containers in the right-of-way, will be required to subscribe to pre-paid bag service, in lieu of detachable container service, for garbage and rubbish collection and disposal, subject to the following

charges:

	<u>((Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
15 gallon bag	\$5.55	\$5.65	\$5.80	\$5.95
30 gallon bag	\$7.90	\$8.00	\$8.20	\$8.40))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
15 gallon bag	\$5.95	\$6.15	\$6.35	\$6.55
30 gallon bag	\$8.40	\$8.70	\$9.00	\$9.30

Compostable waste bag rates for pre-paid bag service shall be 32 percent less than the corresponding rates above for garbage service. Recycling bags shall be provided free of charge. Yardwaste shall not be mixed with garbage, refuse, or rubbish for disposal.

Bags set out for collection that are not pre-paid shall be charged at the rate for extra bundles, per subsection 21.40.060.H.

E. Mixed-use building. The General Manager/CEO of Seattle Public Utilities will determine the appropriate residential collection service level for a mixed-use building according to the estimated amount of residential garbage or refuse generated and to be collected by the City.

F. Charges for lockable containers. Customers using detachable containers (compacted or noncompacted) may have a lock installed by the collection contractors, subject to the following charges. Only customers who own their own containers may install their own locks.

	<u>((Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Lock installation	\$127.65	\$36.00	\$36.95	\$37.90
Extra key	\$9.15	\$8.00	\$8.20	\$8.40
Extra padlock	\$18.25	\$18.00	\$18.45	\$18.95))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Lock installation	\$37.90	\$39.15	\$40.45	\$41.80
Extra key	\$8.40	\$8.70	\$9.00	\$9.30

Extra padlock	\$18.95	\$19.60	\$20.25	\$20.90
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G. All residential customers receiving detachable container special, nonroutine collection service for garbage, compostable waste, or recycling materials. The following charges shall apply to special collections of all detachable containers or bundles of garbage, compostable waste, or recycling materials. These charges shall be in addition to any charges applicable to regular solid waste collection and disposal service.

Special collections will be charged at 130 percent of the rate for a single pickup of the same size detachable container, per subsections 21.40.060.B and 21.40.060.C.

H. Extra bundles of garbage. A customer may place extra bundles of garbage with the customer’s container for regular pickup, according to the following schedule:

~~((Effective through March 31, 2023: \$13.05~~

~~Effective April 1, 2023: \$13.25~~

~~Effective April 1, 2024: \$13.60~~

~~Effective April 1, 2025: \$13.95))~~

Effective through March 31, 2026: \$13.95

Effective April 1, 2026: \$14.40

Effective April 1, 2027: \$14.90

Effective April 1, 2028: \$15.40

The charge will be billed directly to the owner or occupant.

I. Bulky and white goods pickup. Charges for the pickup of bulky and white goods, as well as additional charges for items containing hazardous waste such as chlorofluorocarbons (CFCs), shall be billed as follows:

	((Effective March 30, 2009
Bulky/White Goods Pickup (per item)	\$30.00
Hazardous Waste Charge (per item)	\$8.00))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
<u>Bulky/White Goods Pickup (per item)</u>	<u>\$30.00</u>	<u>\$31.00</u>	<u>\$32.00</u>	<u>\$33.00</u>
<u>Hazardous Waste Charge (per item)</u>	<u>\$8.00</u>	<u>\$8.25</u>	<u>\$8.55</u>	<u>\$8.80</u>

J. Curbside electronics recycling pickup. Curbside electronics pickup service will be available by customer request to residential detachable container accounts, with approval by the applicable solid waste account owner or designee. Each pickup of up to three electronic products set out at the curb shall be billed at \$20. Each pickup of compact fluorescent lightbulbs (CFLs) or household batteries shall be billed at \$5. The General Manager/CEO may establish additional conditions for electronic products eligible for pickup.

K. Included special items pickup. Special item pickup service is available by customer request to residential detachable container accounts. Eligible recipients shall request special assistance at no additional charge for each of the pickups no more than once per year:

Effective April 1, 2026: 1 battery bag pickup, 1 special items box pickup

Effective April 1, 2027: 1 battery bag pickup, 1 special items box pickup, 1 electronics pickup, 1 bulky pickup

~~(K)~~L. Residential detachable container customers who are not required to subscribe to pre-paid bag garbage service have the option to subscribe to either residential can curbside/alley compostable waste collection service per the terms of subsection ~~((21.40.050.A.8))~~ 21.40.050.A.9 or commercial compostable waste collection service per the terms of Section 21.40.070. Customers who are required to subscribe to pre-paid bag garbage service have the option to subscribe to either one or more residential can curbside/alley compostable waste collection services per the terms of subsection ~~((21.40.050.A.8))~~ 21.40.050.A.9 or pre-paid bag compostable waste collection service per the terms of subsection 21.40.060.D. Detachable container customers are not subject to the provisions of subsection ~~((21.40.050.A.9))~~ 21.40.050.A.10, which requires mandatory curbside/alley compostable waste service as of March 30, 2009. It shall be mandatory for all

residential detachable container customer accounts to subscribe to one of the compostable waste services described in this subsection (~~(21.40.060.K)~~) 21.40.060.L, except in the following circumstances:

1. Existing structures: Existing residential structures that do not have adequate storage space for compostable waste may be exempt from all or portions of this subsection (~~(21.40.060.K)~~) 21.40.060.L if so determined by the General Manager/CEO of Seattle Public Utilities. The General Manager/CEO of Seattle Public Utilities, in cases where space constraints are determined to exist, shall also evaluate the feasibility of shared compostable waste containers by contiguous businesses or multifamily structures.

2. New or expanded structures: New residential structures that have demonstrated difficulty in meeting the solid waste and recyclable materials storage space specifications required under Section 23.54.040 may be exempt from all or portions of this Chapter 21.40 as determined by the General Manager/CEO of Seattle Public Utilities.

~~(L)~~M. Ancillary and elective (A&E) service charges. The following charges shall apply to residential detachable container customers receiving any of the A&E Services listed in the table below.

((Type of Service	Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
Deliveries/Pickups/Swap-outs:				
Can/Toter	\$32.35	\$32.85	\$33.70	\$34.60
Detachable Container	\$38.85	\$39.45	\$40.50	\$41.55
Drop Box (2-8 CY)	\$51.65	\$52.40	\$53.75	\$55.15
Drop Box (10-40 CY)	\$80.95	\$82.15	\$84.30	\$86.50
Pickup Ancillary Services:				
Can/Cart Roll Out (>50 ft or up/down stairs)	\$3.30	\$3.35	\$3.45	\$3.55
Roll Out, Container (<3 CY)	\$9.55	\$9.70	\$9.95	\$10.20
Reposition, Container (>2 CY)	\$9.55	\$9.70	\$9.95	\$10.20
Entering Secured Buildings	\$6.50	\$6.60	\$6.75	\$6.95
Container Special Services:				
Detachable Container Washing and Steam Cleaning, per Container	\$48.55	\$49.30	\$50.60	\$51.90
Drop Box Washing and Steam Cleaning, per Drop Box	\$64.65	\$65.60	\$67.30	\$69.05

Can/Cart Pressure Washing	\$12.90	\$13.10	\$13.45	\$13.80
Compactor/Drop Box Special Services:				
Compactor Disconnect/Reconnect Cycle	\$54.95	\$55.75	\$57.20	\$58.70
Dry Run	\$113.20	\$114.90	\$117.90	\$120.95
Other Ancillary Services:				
Hourly Paid Special, Truck and Driver	\$291.10	\$295.45	\$303.15	\$311.05
Hourly Paid Special, Swamper	\$96.90	\$98.35	\$100.90	\$103.50))

<u>Type of Service</u>	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Deliveries/Pickups/Swap-outs:				
Can/Toter	\$34.60	\$35.75	\$36.95	\$38.15
Detachable Container	\$41.55	\$42.90	\$44.30	\$45.75
Drop Box (2-8 CY)	\$55.15	\$56.95	\$58.85	\$60.80
Drop Box (10-40 CY)	\$86.50	\$89.35	\$92.30	\$95.35
Pickup Ancillary Services:				
Can/Cart Roll Out (>50 ft or up/down stairs)	\$3.55	\$3.70	\$3.85	\$4.00
Roll Out, Container (<3 CY)	\$10.20	\$10.55	\$10.90	\$11.25
Reposition, Container (>2 CY)	\$10.20	\$10.55	\$10.90	\$11.25
Entering Secured Buildings	\$6.95	\$7.20	\$7.45	\$7.70
Container Special Services:				
Detachable Container Washing and Steam Cleaning, per Container	\$51.90	\$53.60	\$55.35	\$57.20
Drop Box Washing and Steam Cleaning, per Drop Box	\$69.05	\$71.35	\$73.70	\$76.15
Can/Cart Pressure Washing	\$13.80	\$14.25	\$14.70	\$15.20
Compactor/Drop Box Special Services:				
Compactor Disconnect/Reconnect Cycle	\$58.70	\$60.65	\$62.65	\$64.70
Dry Run	\$120.95	\$124.95	\$129.05	\$133.30
Other Ancillary Services:				
Hourly Paid Special, Truck and Driver	\$311.05	\$321.30	\$331.90	\$342.85
Hourly Paid Special, Swamper	\$103.50	\$106.90	\$110.45	\$114.10

Section 3. Section 21.40.070 of the Seattle Municipal Code, last amended by Ordinance 126689, is amended as follows:

21.40.070 Commercial collection rates and charges

A. Commercial solid waste service rates and charges. There is imposed upon all commercial establishments in the City receiving container or drop service from one of the City’s contract collectors of commercial solid waste or one of the City’s contract collectors of commercial compostable waste the following schedule of rates and charges:

1. Account charges. In addition to any fees for service charged to commercial establishments, per the provisions of this subsection 21.40.070.A, a fixed fee will be charged to each commercial solid waste account, according to the following schedule:

~~((Effective through March 31, 2023: \$31.20~~

~~Effective April 1, 2023: \$31.65~~

~~Effective April 1, 2024: \$32.45~~

~~Effective April 1, 2025: \$33.30))~~

Effective through March 31, 2026: \$33.30

Effective April 1, 2026: \$34.40

Effective April 1, 2027: \$35.55

Effective April 1, 2028: \$36.70

2. Container service rates. The following charges shall apply to commercial establishments receiving container service for solid waste. Compostable waste container service rates shall be 32 percent less than the corresponding rate for primary container service for solid waste (the basic service charge including container rent multiplied by 0.68), plus any applicable taxes. Commercial container service customers may subscribe to one or more residential can curbside/alley compostable waste collection services per the terms of

subsection ((21.40.050.A.8)) 21.40.050.A.9.

The charge for each detachable container will be calculated in accordance with the following formula:

$$(A * m) + ((B * cy) * m), \text{ where:}$$

A = Trip rate

B = Volume rate

m = number of pickups per month

cy = number of cubic yards picked up at each collection

The following trip and volume rates will apply for uncompacted or compacted material:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Trip Rate	\$20.30	\$20.60	\$21.15	\$21.70
Uncompacted Volume Rate	\$34.35	\$34.85	\$35.75	\$36.70
Compacted Volume Rate	\$69.75	\$70.80	\$72.65	\$74.55))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Trip Rate	\$21.70	\$22.40	\$23.15	\$23.90
Uncompacted Volume Rate	\$36.70	\$37.90	\$39.15	\$40.45
Compacted Volume Rate	\$74.55	\$77.00	\$79.55	\$82.20

3. Pre-paid bag service. Customers located in specific areas designated by Seattle Public Utilities, and who permanently store garbage containers in the right-of-way, will be required to subscribe to pre-paid bag service, in lieu of detachable container service, for garbage and rubbish collection and disposal, subject to the following charges:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
15-gallon bag	\$5.55	\$5.65	\$5.80	\$5.95
30-gallon bag	\$7.90	\$8.00	\$8.20	\$8.40))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
15 gallon bag	\$5.95	\$6.15	\$6.35	\$6.55
30 gallon bag	\$8.40	\$8.70	\$9.00	\$9.30

Customers required to subscribe to pre-paid bag garbage service may also subscribe to either residential can curbside/alley compostable waste collection service per the terms of subsection ((21.40.050.A.8)) 21.40.050.A.9 or pre-paid bag compostable waste collection service, at rates which shall be 32 percent less than the rates specified above for pre-paid bag garbage collection. Yardwaste shall not be mixed with garbage, refuse, or rubbish for disposal. Compostable waste service is optional.

Bags set out for collection that are not pre-paid shall be charged at the rate for extra bundles, per subsection 21.40.070.A.6.

4. Special container pickup charges. Special collections will be charged at 130 percent of the rate for a single pickup of the same size detachable container, per subsection 21.40.070.A.2.

5. Can-unit pickup rates. Customers receiving regularly scheduled can-unit pickup service for one or more cans will be charged according to the following schedule:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Per 10-20 gallon can pickup	\$9.05	\$9.20	\$9.45	\$9.70
Per 32 gallon can pickup	\$13.15	\$13.35	\$13.70	\$14.05
Per 60-65 gallon can pickup	\$25.80	\$26.20	\$26.90	\$27.60
Per 90-96 gallon can pickup	\$30.30	\$30.75	\$31.55	\$32.35))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Per 10-20 gallon can pickup	\$9.70	\$10.00	\$10.35	\$10.70
Per 32 gallon can pickup	\$14.05	\$14.50	\$15.00	\$15.50
Per 60-65 gallon can pickup	\$27.60	\$28.50	\$29.45	\$30.40
Per 90-96 gallon can pickup	\$32.35	\$33.40	\$34.50	\$35.65

When a set number of units are serviced each week, the customer may be billed at a flat monthly collection

charge equal to 4.33 times the applicable unit rate, times the number of units serviced each week.

Special collections will be charged at 130 percent of the rate for a single pickup of the same size container, per the rates listed in this subsection 21.40.070.A.

6. Extra garbage and bulky waste collection. The charges for extra garbage collection will be assessed per bundle. Any such charges will be in addition to the customer’s regular container collection service charges.

~~((Effective through March 31, 2023: \$13.05 per bundle~~

~~Effective April 1, 2023: \$13.25 per bundle~~

~~Effective April 1, 2024: \$13.60 per bundle~~

~~Effective April 1, 2025: \$13.95 per bundle))~~

Effective through March 31, 2026: \$13.95 per bundle

Effective April 1, 2026: \$14.40 per bundle

Effective April 1, 2027: \$14.90 per bundle

Effective April 1, 2028: \$15.40 per bundle

Bulky waste and white goods pickup. Charges for the pickup of bulky waste and white goods, as well as additional charges for items containing hazardous waste such as chlorofluorocarbons (CFCs), shall be billed as follows:

	((Effective January 1, 2011
Bulky Waste/White Goods Pickup (per item)	\$30.00
Hazardous Waste Charge (per item)	\$8.00))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
<u>Bulky/White Goods Pickup (per item)</u>	<u>\$30.00</u>	<u>\$31.00</u>	<u>\$32.00</u>	<u>\$33.00</u>
<u>Hazardous Waste Charge (per item)</u>	<u>\$8.00</u>	<u>\$8.25</u>	<u>\$8.55</u>	<u>\$8.80</u>

7. Overload container charges. A container whose contents exceed 1 foot above the top of the container will be charged at the applicable extra garbage collection rate, per subsection 21.40.070.A.6.

8. Drop box service rates. The following charges shall apply to commercial establishments receiving drop box service for solid waste. Compostable waste container service rates shall be 32 percent less than the corresponding rate for drop box service for solid waste (the basic service charge multiplied by 0.68).

The following price schedules shall apply for drop box service for both compacted and noncompacted material:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Permanent Account Pickup				
Up to 8 cu yd	\$191.90	\$194.80	\$199.85	\$205.05
Over 8 cu yd	\$257.65	\$261.50	\$268.30	\$275.30
Special/Temporary Pickup				
Up to 8 cu yd	\$211.15	\$214.30	\$219.85	\$225.55
Over 8 cu yd	\$283.40	\$287.65	\$295.15	\$302.80
Monthly Account/Rental	\$133.45	\$135.45	\$138.95	\$142.55))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Permanent Account Pickup				
Up to 8 cu yd	\$205.05	\$211.80	\$218.80	\$226.00
Over 8 cu yd	\$275.30	\$284.40	\$293.80	\$303.50
Special/Temporary Pickup				
Up to 8 cu yd	\$225.55	\$233.00	\$240.70	\$248.65
Over 8 cu yd	\$302.80	\$312.80	\$323.10	\$333.75
Monthly Account/Rental	\$142.55	\$147.25	\$152.10	\$157.10

9. Ancillary and elective (A&E) service charges. The following charges shall apply to commercial establishments receiving any of the A&E services listed in the table below:

	<u>Effective through March 31, 2023</u>	<u>Effective April 1, 2023</u>	<u>Effective April 1, 2024</u>	<u>Effective April 1, 2025</u>
Deliveries/Pickups/Swap-outs:				

Can/Toter	\$32.35	\$32.85	\$33.70	\$34.60
Detachable Container	\$38.85	\$39.45	\$40.50	\$41.55
Drop Box (2-8 CY)	\$51.65	\$52.40	\$53.75	\$55.15
Drop Box (10-40 CY)	\$80.95	\$82.15	\$84.30	\$86.50
Pickup Ancillary Services:				
Can/Cart Roll Out (>50 fit or up/down stairs)	\$3.30	\$3.35	\$3.45	\$3.55
Roll Out, Container (<3 CY)	\$9.55	\$9.70	\$9.95	\$10.20
Reposition, Container (>2 CY)	\$9.55	\$9.70	\$9.95	\$10.20
Entering Secured Buildings	\$6.50	\$6.60	\$6.75	\$6.95
Container Special Services:				
Detachable Container Washing and Steam Cleaning, per Container	\$48.55	\$49.30	\$50.60	\$51.90
Drop Box Washing and Steam Cleaning, per Drop Box	\$64.65	\$65.60	\$67.30	\$69.05
Can/Cart Pressure Washing	\$12.90	\$13.10	\$13.45	\$13.80
Compactor/Drop Box Special Services:				
Compactor Disconnect/Cycle	\$54.95	\$55.75	\$57.20	\$58.70
Dry Run	\$113.20	\$114.90	\$117.90	\$120.95
Other Ancillary Services:				
Hourly Paid Special, Truck and Driver	\$291.10	\$295.45	\$303.15	\$311.05
Hourly Paid Special, Swamper	\$96.90	\$98.35	\$100.90	\$103.50))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
<u>Deliveries/Pickups/Swap-outs:</u>				
Can/Toter	\$34.60	\$35.75	\$36.95	\$38.15
Detachable Container	\$41.55	\$42.90	\$44.30	\$45.75
Drop Box (2-8 CY)	\$55.15	\$56.95	\$58.85	\$60.80
Drop Box (10-40 CY)	\$86.50	\$89.35	\$92.30	\$95.35
<u>Pickup Ancillary Services:</u>				
Can/Cart Roll Out (>50 fit or up/down stairs)	\$3.55	\$3.70	\$3.85	\$4.00
Roll Out, Container (<3 CY)	\$10.20	\$10.55	\$10.90	\$11.25
Reposition, Container (>2 CY)	\$10.20	\$10.55	\$10.90	\$11.25
Entering Secured Buildings	\$6.95	\$7.20	\$7.45	\$7.70
<u>Container Special Services:</u>				

Detachable Container Washing and Steam Cleaning, per Container	\$51.90	\$53.60	\$55.35	\$57.20
Drop Box Washing and Steam Cleaning, per Drop Box	\$69.05	\$71.35	\$73.70	\$76.15
Can/Cart Pressure Washing	\$13.80	\$14.25	\$14.70	\$15.20
Compactor/Drop Box Special Services:				
Compactor Disconnect/Reconnect Cycle	\$58.70	\$60.65	\$62.65	\$64.70
Dry Run	\$120.95	\$124.95	\$129.05	\$133.30
Other Ancillary Services:				
Hourly Paid Special, Truck and Driver	\$311.05	\$321.30	\$331.90	\$342.85
Hourly Paid Special, Swamper	\$103.50	\$106.90	\$110.45	\$114.10

10. Disposal fee for MSW and processing fee for compostable waste drop box service. Disposal fees for MSW drop box service shall be assessed on each MSW drop box load at the rates set forth below, measured on a per tip basis rounded to the next highest 0.01 ton.

~~((Effective through March 31, 2023: \$219.75 per ton~~

~~Effective April 1, 2023: \$223.05 per ton~~

~~Effective April 1, 2024: \$228.85 per ton~~

~~Effective April 1, 2025: \$234.80 per ton))~~

Effective through March 31, 2026: \$234.80 per ton

Effective April 1, 2026: \$242.55 per ton

Effective April 1, 2027: \$250.55 per ton

Effective April 1, 2028: \$258.80 per ton

Processing fees for compostable waste drop box service shall be assessed on each compostable waste drop box load and measured on a per tip basis rounded to the next highest 0.01 ton. Charges for this service shall be as follows:

~~((Effective through March 31, 2023: \$110.00 per ton~~

~~Effective April 1, 2023: \$111.65 per ton~~

~~Effective April 1, 2024: \$114.55 per ton~~

~~Effective April 1, 2025: \$117.55 per ton))~~

Effective through March 31, 2026: \$117.55 per ton

Effective April 1, 2026: \$121.45 per ton

Effective April 1, 2027: \$125.45 per ton

Effective April 1, 2028: \$129.60 per ton

11. Payment of charges-Delinquency and lien

a. Collection and disposal charges shall be against the premises served, and when such charges have not been paid within 90 days after billing, service shall be discontinued and the charges may constitute a lien against the premises served. Notice of the City's lien specifying the amount due and the period covered and giving the legal description of the premises sought to be charged may be filed with the County Auditor within the time required and may be foreclosed in the manner and within the time prescribed for liens for labor and material, as authorized by RCW 35.21.140.

b. Penalty interest at the rate of 12 percent per year, computed monthly, shall be added to collection and disposal charges that become delinquent. Penalty interest shall be imposed on all such charges that remain unpaid 30 days after their bill date and shall continue until such charges are paid.

* * *

Section 4. Section 21.40.080 of the Seattle Municipal Code, last amended by Ordinance 126689, is amended as follows:

21.40.080 Recycling and disposal station rates

A. Basic rates

The following charges will apply at the City's recycling and disposal stations.

The per ton rate, subject to the minimum charge, will apply to all vehicles.

		((Effective through March 31, 2023	Effective April 1, 2023
Recyclables		No Charge	No Charge
Garbage	per ton	\$157	\$165
	minimum rate	\$33	\$35
Yard Waste	per ton	\$119	\$125
	minimum rate	\$23	\$24
Wood Waste	per ton	\$119	\$125
	minimum rate	\$22	\$24
Tires (maximum of four	per load	\$14	\$15
Appliances (maximum of	per appliance	\$30	\$32
	per appliance if included with garbage	\$8	(\$9))

		Effective through March 31, 2026	Effective April 1, 2026	Effective April 1, 2027	Effective April 1, 2028
Recyclables*		No Charge	No Charge	No Charge	No Charge
Garbage	per ton	\$165	\$174	\$183	\$193
	minimum	\$35	\$37	\$39	\$41
Yard Waste	per ton	\$125	\$132	\$139	\$146
	minimum	\$24	\$25	\$27	\$28
Wood Waste	per ton	\$125	\$132	\$139	\$146
	minimum	\$24	\$25	\$27	\$28
Tires (maximum four per lo	per load	\$15	\$16	\$17	\$18
Appliances (maximum two per lo	per applian	\$32	\$34	\$36	\$38
	per applian included w garbage	\$9	\$9	\$10	\$11

*Contaminant-free clean recyclables

* * *

D. Charitable organizations reusing goods

1. Qualified charitable organizations shall be charged on an ongoing basis, rather than on an occasional or incidental basis, for the disposal of refuse generated within Seattle only, that is deposited at City recycling and disposal stations, at the following rates.

~~((Effective through March 31, 2023: \$89.50 per ton~~

~~Effective April 1, 2023: \$94.00 per ton))~~

Effective through March 31, 2026: \$94.00 per ton

Effective April 1, 2026: \$99.20 per ton

Effective April 1, 2027: \$104.30 per ton

Effective April 1, 2028: \$110.00 per ton

2. Qualified charitable organizations may dispose of white goods at no charge under the following conditions:

a. White goods must be delivered directly to the City’s selected vendor for white good processing (“vendor”).

b. By the tenth of each month, the qualified charitable organization must provide Seattle Public Utilities with dated receipts from the vendor for all of the white goods disposed of in the previous month.

c. The number of white goods disposed of in a calendar year may not exceed the average the number of white goods delivered to City recycling and disposal stations by the qualified charitable organization in 1997 and 1998. If the ~~((above))~~ conditions listed in subsections 21.40.080.D.2.a and 21.40.080.D.2.b are not met or if limits set forth in this subsection 21.40.080.D.2.c are exceeded, qualified charitable organizations shall be charged at a per-unit rate equal to that established by contract between the City and its selected vendor.

3. For purposes of this subsection 21.40.080.D, a charitable organization shall be considered a

qualified charitable organization if found by the General Manager/CEO of Seattle Public Utilities, or the General Manager/CEO's authorized agent, after application by such organization to the General Manager/CEO, to:

- a. Be a credit customer of Seattle Public Utilities;
- b. Be a nonprofit charitable organization recognized as such by the Internal Revenue

Service; and

- c. Be engaged, as a primary form of its doing business, in processing abandoned goods

for resale or reuse.

* * *

H. The Seattle Housing Authority shall be charged for the disposal of up to 5,800 tons per calendar year of refuse that is deposited at City recycling and disposal stations, at the following rates.

~~((Effective through March 31, 2023: \$89.50 per ton~~

~~Effective April 1, 2023: \$94.00 per ton))~~

Effective through March 31, 2026: \$94.00 per ton

Effective April 1, 2026: \$99.20 per ton

Effective April 1, 2027: \$104.30 per ton

Effective April 1, 2028: \$110.00 per ton

If the actual tons delivered in a calendar year exceed this maximum, the Seattle Housing Authority shall be charged the per ton rate for refuse set forth in subsection 21.40.080.A for the additional tons.

* * *

Section 5. Subsection 21.40.085.A of the Seattle Municipal Code, which section was last amended by Ordinance 125985, is amended as follows:

21.40.085 Commercial railyard rate

A. Nonresidential, non-contract solid waste generated within the City and directed by the City to the

Argo Yard or its successor facility for transport and disposal shall be charged at the following rates per ton, with the specified total minimum charges per disposal:

((Effective date	Per ton rate	Total minimum charge
Effective through March 31, 2023	\$140.55	\$3,511.80
April 1, 2023	\$142.70	\$3,567.50
April 1, 2024	\$146.45	\$3,661.25
April 1, 2025	\$150.30	\$3,757.50))

Effective date	Per ton rate	Total minimum charge
Effective through March 31, 2026	\$150.30	\$3,757.50
April 1, 2026	\$155.30	\$3,881.50
April 1, 2027	\$160.45	\$4,009.60
April 1, 2028	\$165.75	\$4,141.95

* * *

Section 6. Subsection 21.76.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126909, is amended as follows:

21.76.040 Rate discounts

* * *

B. Solid waste. Certified customers billed directly for Seattle Public Utilities solid waste services shall receive a rate discount equal to 0.5 times the total current residential garbage can or detachable container and compostable waste collection charges. Certified customers who pay for solid waste services indirectly through their rent shall receive the following rate credits based on type of collection service and consistent with Section 21.76.050:

	((Effective through March 31, 2023	Effective April 1, 2023	Effective April 1, 2024	Effective April 1, 2025
Garbage can customers	\$21.10	\$21.40	\$21.95	\$22.50
Detachables container customers	\$17.20	\$17.45	\$17.90	\$18.35
Yard waste customers	\$6.80	\$6.90	\$7.10	\$7.30))

	<u>Effective through March 31, 2026</u>	<u>Effective April 1, 2026</u>	<u>Effective April 1, 2027</u>	<u>Effective April 1, 2028</u>
Garbage can customers	\$22.50	\$23.25	\$24.00	\$24.80
Detachable container customers	\$18.35	\$18.95	\$19.60	\$20.25
Yard waste customers	\$7.30	\$7.55	\$7.80	\$8.05

* * *

Section 7. Section 21.36.010 of the Seattle Municipal Code, last amended by Ordinance 122446, is amended as follows:

21.36.010 Definitions A-B((-))

* * *

7. "Asbestos material" means any material containing at least one ~~((1))~~ percent asbestos ~~((as determined by polarized light microscopy using the Interim Method of the Determination of Asbestos in Bulk Insulation Samples contained in Appendix A of Subpart F in 40 C.F.R. Part 763))~~, unless it can be demonstrated that the material does not release asbestos fibers when crumbled, pulverized or otherwise disturbed.

8. "Asbestos-containing waste material" means any waste that contains asbestos. This term includes asbestos waste from control devices, contaminated clothing, asbestos waste material, materials used to enclose the work area during an asbestos project, and bags or containers that previously contained asbestos.

9. "Battery bag" means a 1 gallon plastic bag containing household batteries commonly used in household items such as remote controls, flashlights, clocks, toys, smoke detectors, cameras, and cordless phones.

* * *

13. "Bundle-of-yardwaste" means ~~(("))~~yardwaste~~((defined in Section 21.36.016))~~ that is placed in a container or securely tied so that none of the ~~((material))~~ yardwaste blows away or falls out upon lifting and so that ~~((#))~~ the yardwaste is not easily broken apart. Its longest dimension may not exceed ~~((four ()))~~ 4 ~~(())~~ feet in

length; its diameter may not be over ~~((two-))~~ 2 ~~((-))~~ feet; and its weight may not exceed ~~((sixty-))~~ 60 ~~((-))~~ pounds.

Section 8. Section 21.36.012 of the Seattle Municipal Code, last amended by Ordinance 122844, is amended as follows:

21.36.012 Definitions C-E ~~((-))~~

* * *

18. "Dangerous waste" means those solid wastes designated in WAC 173-303-070 through WAC ~~((173-303-103))~~ 173-303-102 as dangerous or extremely hazardous waste.

* * *

25. "Electronics" means items no greater than 2 feet by 2 feet by 2 feet such as household batteries, televisions, computer equipment, radios, calculators, video and audio equipment, phones, cameras, and similar electronic devices ~~((which))~~ , that contain circuit boards. Electronics are ~~((further defined))~~ classified as ~~(("hand-held" Electronics, which are Electronics that are))~~ : hand-held if they are held in the hand, such as phones, cameras, and hand-held music players~~((,- etc))~~; ~~(("screened" Electronics, which are Electronics with screens))~~ screened if they contain screens, such as ~~((TV's,))~~ televisions and computer monitors~~((,- etc.))~~; and ~~(("other" Electronics which are Electronics that))~~ other if they are not held-held or screened, such as ~~((CPU's))~~ CPUs, keyboards, table radios, and DVD players~~((,- etc))~~. Electronics do not include speakers, small appliances, or other household products.

* * *

Section 9. Section 21.36.016 of the Seattle Municipal Code, last amended by Ordinance 122842, is amended as follows:

21.36.016 Definitions R-Z~~((-))~~

* * *

15. "Special ~~((Event Service))~~ event service" means services requiring container and/or drop box

delivery and pickup at events (~~which~~) that serve the general public with a duration of one (~~(1)~~) week or less, and which are not part of a series of events sponsored by the same customer. Examples of qualifying events include Bumbershoot, Folklife, and Seafair. Payment for services will include daily rental, time rates, disposal charges (~~(as well as)~~), and applicable taxes.

16. "Special items box" means a box no greater than 2 feet by 2 feet by 2 feet for multiple small special items (electronics, household batteries, small appliances, etc.) with a maximum weight limit of 60 pounds.

* * *

Section 10. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

Section 11. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 12. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the _____ day of _____, 2025, and signed by me in open session in authentication of its passage this _____ day of _____, 2025.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Spencer Huang	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low-income customers for solid waste services; and amending Sections 21.36.010, 21.36.012, 21.36.016, 21.40.050, 21.40.060, 21.40.070, 21.40.080, 21.40.085, and 21.76.040 of the Seattle Municipal Code.

Summary and Background of the Legislation: The ordinance would adjust Seattle Public Utilities’ solid waste rates on April 1st of 2026, 2027, and 2028. Rate adjustments were last approved in 2022 for the years 2023, 2024 and 2025. The ordinance proposes the following increases to most residential and commercial solid waste rates on April 1st of each year: 3.3% in 2026, 3.3% in 2027, and 3.3% in 2028. Transfer station rates will be increased on April 1st of each year: 5.2% in 2026, 5.2% in 2027, and 5.2% in 2028.

The proposed rate increases would fund operating expenses, completion of planned capital projects, and account for uncertainty during the rate period. The proposed rate adjustments are consistent with the average overall rate path of 4.7% per year as approved by the City Council through the Seattle Public Utilities Strategic Business Plan in 2024. This legislation also adjusts credits for low-income customers through the Utility Discount Program (UDP).

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

Revenue Change (\$);	2025	2026 est.	2027 est.	2028 est.
General Fund	\$0	\$903,586	\$929,520	\$956,219
Revenue Change (\$);	2025	2026 est.	2027 est.	2028 est.
Other Funds	\$0	\$6,903,893	\$12,273,508	\$10,391,385

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	2025 Revenue	2026 Estimated Revenue
General Fund			No Change	\$903,586
SWF – 45010	SPU	Rates	No Change	\$6,903,893
TOTAL				\$7,807,479

Revenue/Reimbursement Notes: 2026 revenues are estimates.

3.c. Positions

This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

Several City departments incur solid waste costs. These costs will change commensurate with the rate changes proposed in this legislation.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A.

Please describe any financial costs or other impacts of *not* implementing the legislation.

The Solid Waste Fund would not fully recover the cost of its business operations and meet its financial policy targets.

Please describe how this legislation may affect any City departments other than the originating department.

Several City departments incur solid waste costs. These costs will change commensurate with the rate changes proposed in this legislation. Utility Tax payments to the general fund will increase.

4. OTHER IMPLICATIONS

- a. **Is a public hearing required for this legislation?** No
- b. **Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?** Yes. RCW 35.21.157 requires cities that contract for the collection of solid waste, or provide for the collection of solid waste directly, notify the public of proposed rate increases.
- c. **Does this legislation affect a piece of property?** No.
- d. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
- i. **How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**
This legislation includes increased funding to the Utility Discount Program that provides rate relief to low-income customers.
 - ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**
 - iii. **What is the Language Access Plan for any communications to the public?**
SPU does extensive outreach for the Strategic Business Plan. The rate path in this legislation is consistent with the rate path outlined in the SBP. SBP outreach includes a significant Ethnic Media component with in-language advertising targeting Spanish, Chinese, Korean, and Somali speakers.
- e. **Climate Change Implications**
- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**
N/A.
 - ii. **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.

f. 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)? What mechanisms will be used to measure progress towards meeting those goals?

N/A.

g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?

N/A.

5. ATTACHMENTS

Summary Attachments:

Summary Exhibit A – 2026-2028 Solid Waste Rate Study

EXHIBIT A



Seattle Public Utilities
2026-2028
Solid Waste Rate Study

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PREFACE - STRATEGIC BUSINESS PLAN COMPARISON

Seattle City Council Resolution 32136, passed September 3, 2024, adopted a six-year Strategic Business Plan (SBP) for Seattle Public Utilities (SPU) which guides utility investments, service levels, and rate paths through 2030. While not a formal rate package, the SBP does give guidance and create accountability for the rate setting process. Table 0-1 compares the overall solid waste increases for 2026-2028 proposed as part of this legislation with those in the SBP.

Table 0-1 Comparison of Overall Solid Waste Weighted Average Rate Increases, 2026-2028

	2026	2027	2028
<i>Strategic Business Plan</i>	3.1%	3.4%	3.4%
Proposed	3.2%	3.5%	3.5%

During this time, there have been changes to the proposed increases on an annual basis, but the total increases during the overall 2026-2028 rate period stay relatively unchanged.

1. EXECUTIVE SUMMARY

Seattle Public Utilities (SPU) provides solid waste services to residences and businesses in the City of Seattle (“City”) through the Solid Waste Fund (SWF). It is supported almost entirely by utility fee revenue. Solid waste customers are either billed by SPU (residential customers) or by collection contractors (commercial customers). Contractors pick up garbage, recyclables, and organics from residences and business and deliver garbage and organics to SPU’s transfer stations and recyclables to a contractor recycling facility in SODO. SPU transfers garbage from the transfer stations to a railhead for transport to a contracted disposal site in Oregon. Organics are either picked up by processing contractors or delivered by SPU to contractor-owned sites. In addition, SPU, through the SWF, oversees the City’s Clean City program, provides conservation programs and outreach, oversees hazardous waste disposal programs in conjunction with King County, and maintains and rehabilitates historic landfill sites.

Residential and commercial rates were last increased by 1.5 percent on April 1, 2023, 2.6 percent on April 1, 2024, and 2.6 percent on April 1, 2025 as part of the 2023-2025 Solid Waste Rate Study. Transfer Station rates last increased by 5.1 percent on April 1, 2023.

Key elements of the current rate proposal include:

1. **Shifting Demand:** Solid waste demand has gradually shifted back to pre-COVID-19 pandemic levels. Residential and commercial demand have recovered since 2022, showing strong resiliency. The current projections for solid waste demand during the rate study period continue to project stable revenues as well as accounting for the shift to multifamily housing.
2. **Update to Major Contracts:** The utility has two major contracts that need to be renewed during this rate period: recycling processing in 2027 and long-haul disposal in 2028. Due to the current macroeconomic setting and additional improvements requested, SPU anticipates both new contracts to come with cost increases.
3. **Completion of Major Capital Facilities:** During this rate period, SPU will commence, build, and enter service phase two of the South Transfer Station. The impact on rates of higher capital spending is substantially offset by the availability of high cash reserves entering the rate period.
4. **Redemption of Outstanding Debt:** SPU developed a plan in 2023, identifying an opportunity for savings through debt retirement. Assuming proper market conditions, \$131 million in cash will be used from 2024-2029 to retire the SWF’s outstanding debt by 2030, resulting in interest savings of almost \$30 million.

1.1 Rate Drivers

Changes in Demand Forecast

Customer counts and subscription levels affect revenues and costs. The impact on rates is incorporated into the tables below.

Contracts, Operations and Maintenance, and Taxes

The current inflationary environment is accompanied by higher contract expense. Contract costs are expected to increase with demand in addition to inflation. For this study, the City's inflationary estimates are utilized. By 2026 contract expenses are expected to be \$152.0 million, a \$6.4 million increase from the prior year. O&M in 2026 is expected to be \$65.9 million, a \$4.0 million increase from 2025 projections. Total taxes paid will rise slightly as revenues increase.

Capital Financing

Annual capital financing expense is projected to be relatively high during this rate period, with large capital projects entering the construction phase. Current projections are \$19.8 million in 2026, \$21.2 million in 2027, and \$14.4 million in 2028, with exclusive use of operating cash to fund expenses for the rate period. Cash reserves will be used to finance the CIP through the rate period (see Other Funding Sources below).

Other Funding Sources

Other funding sources include asset sales, recycling commodity revenue, miscellaneous revenues, Rate Stabilization Fund (RSF) withdrawals, and cash contributions. Cash reserves built up during the prior rate period combined with excess revenues generated by meeting the debt service coverage ratio (DSC) binding constraints will be used to fund capital expense. There are no RSF transactions anticipated during the 2026-2028 period. Recycling commodity revenue has recovered since the 2018 recycling ban and the Covid-19 period, and stable commodity rates are expected to continue throughout the proposed rate study period.

Special Item Pickup Service

Seattle Public Utilities will introduce a new special item pickup service during the next rate period to expand solid waste offerings and support landfill diversion, as well as enforcing electronic waste and battery bans. The service will roll out in phases to allow time for customer outreach, billing system updates, and contractor capacity planning. In 2026, residential customers will receive one special item box and one battery collection bag. In 2027, the service will expand to include one large electronics box and one bulky furniture pickup. These services will be provided at no additional cost and are included in the current rates proposed.

1.2 Rate, Bill, and Financial Performance Impacts

Table 1-1 presents the change in the revenue requirement and the monthly impact of rate increases on typical residential can customers, a selection of dumpster customers, and self-haul customers.

The rate study proposes equal increases across residential and commercial rates of 3.3 percent on April 1, 2026; 3.3 percent on April 1, 2027; and 3.3 percent on April 1, 2028. Transfer station rates are proposed to increase 5.2 percent on April 1, 2026; 5.2 percent on April 1, 2027; and 5.2 percent on April 1, 2028.

Because the rate increase is only in effect for nine months of the year, an increase weighted for the April effective date is used. See Table 1-1.

Table 1-1: Proposed Solid Waste Revenue Requirements and Bill Impacts

	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
Rate Revenue Requirement				
<i>(\$ millions)</i>	\$254.5	\$263.5	\$276.7	\$288.1
Sample Bills				
Single-Family	\$59.35	\$61.30	\$63.30	\$65.40
<i>32 gallon garbage, 96 gallon yardwaste, 96 gallon recycling</i>				
Multi-Family	\$683	\$706	\$729	\$753
<i>3 cubic yard detach, 96 gallon foodwaste, 3 cubic yard recycling, typical of a 30 unit building</i>				
Commercial	\$610	\$630	\$651	\$672
<i>3 cubic yard detach, option recycling, typical of a busy coffee shop or medium size restaurant</i>				
Self-Haul, per ton	\$165	\$174	\$183	\$193
Self-Haul, minimum fee	\$35	\$37	\$39	\$41
Rate Increases				
Weighted Average		3.2%	3.5%	3.5%
April 1, Residential/Commercial		3.3%	3.3%	3.3%
April 1, Transfer Stations		5.2%	5.2%	5.2%

Solid Waste Fund (SWF) financial performance is projected to continue to remain stable during the proposed rate period. The proposed rate increases will continue to maintain this financial strength while

providing the lowest rates possible. Table 1-2 displays the current and projected financial performance for the SWF.

Table 1-1: SWF Financial Policy Performance 2024-2029 (\$ millions)

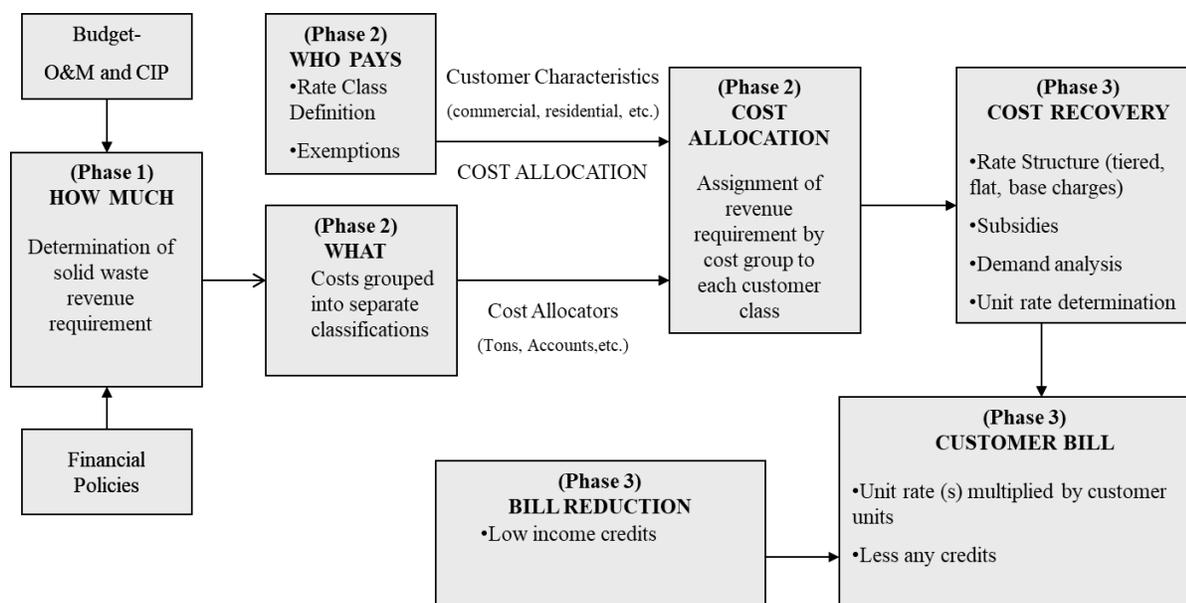
Policy	Target	2024 Actual	2025 Projected	2026 Proposed	2027 Proposed	2028 Proposed	2029 Estimated
Net Income	Generally Positive	\$62.5	\$27.3	\$17.7	\$7.8	\$0.5	\$0.2
Debt Service Coverage	1.7 (w Credit for Taxes)	8.10	12.69	16.15	14.29	13.50	13.62
	1.5 (w/o Credit for Taxes)	5.64	7.05	7.87	5.78	4.77	4.84
Cash Balance Year End	Year-End Balance:	\$194.7	\$184.2	\$180.4	\$171.5	\$165.1	\$145.0
	20 days contract expense	\$7.6	\$8.0	\$8.3	\$9.0	\$9.6	\$10.0
	45 days operating	\$27.2	\$30.5	\$31.8	\$33.8	\$35.6	\$36.9
Cash Financing of CIP	10% or \$2.5M (\$2003)	\$7.3	\$20.8	\$19.8	\$21.2	\$14.4	\$21.3
	Minimum	\$4.1	\$4.3	\$4.4	\$4.6	\$4.7	\$4.9

2. INTRODUCTION

SPU finances the acquisition, operation, and maintenance of Seattle’s solid waste system through the Solid Waste Fund (SWF). As an enterprise fund, the SWF functions like a self-supporting business that must generate operating revenues, predominately through user charges (rates), set to be sufficient to cover all operating costs and meet financial policy targets. This document provides a summary of the 2026-2028 Solid Waste Rate Study and outlines the financial and policy issues that go into calculating solid waste rates. The Solid Waste Comprehensive Plan, available on SPU’s website, provides more information about the solid waste system in general.

2.1 Ratemaking Process Overview

The following diagram displays the phases involved in the development of solid waste rates:



Chapter 3 of this document discusses Phase 1 (Revenue Requirement). Chapter 4 addresses Phase 2 (Cost Allocation), while chapters 5 and 6 discuss Demand and Rate Design, which are included in Phase 3.

2.2 Rate Setting Objectives

To set rates, SPU considers several factors to help evaluate policy and rate design decisions under consideration.

- **Revenue Requirement:** Solid waste rates should be sufficient to meet the SWF’s revenue requirement.
- **Equity:** Rates should reflect a fair apportionment of the different costs of providing service among groups of customers.
- **Customer Payment of Cost of Service:** Each customer class should generate sufficient revenue to cover both direct and indirect costs of service to the customer class over time.
- **Conservation:** The rate structure should encourage waste reduction and recycling activities.

- **Rate Stability:** The rate structure and level should be changed in an orderly manner over time.
- **Customer Understanding:** The rate structure should be clear and understandable to the customer.
- **Financial Stability:** Revenue recovery from rates and other revenue sources should ensure financial stability, consistent with financial policies of the City.
- **System and Administrative Costs:** The rate structures should minimize long and short-term administrative costs, including customer service, billing, and contract administration.
- **Rate Impact Mitigation:** Mitigation of the impacts of solid waste rate increases to certain customers based on social or economic factors may be considered and implemented.

2.3 Financial Policy Overview

Financial policies provide a guiding framework for rate setting for the solid waste utility. These policies represent a balance between the competing goals of fiscal conservatism through higher rates today and minimizing these same rates by spreading costs over time to future ratepayers. The direct effect of the policies is to determine the level at which solid waste rates shall be set, given estimated costs and demand, and to define the general manner in which the capital improvement program is to be financed.

The indirect effects of the policies are to:

- Shape the financial profile that the SWF presents to lenders and other members of the financial community;
- Establish the SWF's exposure to financial risk; and
- Allocate the SWF's costs between current and future ratepayers.

The current SWF financial policies were adopted by City Council in 2004 by Resolution 30695, except for the debt service coverage without credit for taxes policy which was adopted by Council in 2014 by Resolution 31516. The policies and associated targets are as follows:

Financial Policy Rate Impacts

In any future year, the minimum revenue requirement is the lowest amount of revenue necessary to simultaneously satisfy all financial policies in that year. Typically, rates are set to just meet all financial policies in each year, with the financial target requiring the most revenue defined as the binding constraint. For the current rate study, however, rates are set to keep rate increases relatively smooth over the three-year path. As a result, additional revenue is generated in 2026-2028 which is then used to increase cash financing of the capital program and pay off outstanding debt. Positive net income is projected to become the binding constraint in 2028.

Net Income

SPU targets generally positive net income. Positive net income is a contingency against projection variances and uncertainties regarding revenues. It is also a signal to bond rating agencies that the City is committed to establishing fees that cover costs.

Debt Service Coverage Ratio

A high debt service coverage ratio (DSC) assures that enough revenue is available to cover both debt payment obligations and ongoing operations.

The SWF has two coverage targets associated with two calculation methodologies:

- 1.7 times debt service cost in each year, with credit for City taxes
- 1.5 times debt service cost in each year, without credit for City taxes

The second policy was approved in 2014 to preserve the SWF's bond rating as the fund proceeded through its cyclical capital investment cycle. Under this policy, revenue used to pay taxes to the City is not considered available for making debt service payments. Under the bond covenant however, City taxes are subservient to debt payments.

Operating Cash Balance

The base policy is to maintain an operating cash balance of at least 20 days contract expense, sufficient cash on hand to pay operating expenses, taking into account the lag between cash disbursements and cash receipts, and to provide a reserve against projection variances. For 2024, the last year with actuals, contract costs for collection, transfer, and processing of solid waste were \$139.2 million, resulting in a 20 days cash target of \$7.6 million. In 2026 the cash target is projected to be \$8.3 million.

Since 2015 SPU has sought to maintain higher year-end SWF cash balances on a planning basis, equivalent to 45 days of operating expense. The expectation is that this higher cash balance, combined with the more stringent debt service coverage ratio described above, will enable the SWF to better maintain its bond rating and will provide flexibility in case of financial hardship or major policy changes. Under this unofficial policy, the cash target for 2024 was \$27.2 million. The projected cash target for 2026 is \$31.7 million.

Cash Contribution to the Capital Improvement Program (CIP)

The Cash-to-CIP policy mandates a cash contribution to capital investment that is the greater of 10 percent of total CIP or \$2.5 million in 2003 dollars (as adopted by Resolution 30695 in 2004). This policy mitigates rapid increase in debt and maintains a minimum investment into the system. The 2024 (last year of actuals) target, inflated from 2003 dollars, was \$4.1 million. The 2026 target, the first year of the new rate period, is \$4.4 million. SPU proposes, however, to maintain higher cash contribution levels to keep debt service coverage obligations low. Sufficient cash reserves and available revenue exist to finance the entirety of the 2026-2028 CIP without incurring any additional debt.

3. REVENUE REQUIREMENT

The Rates Revenue Requirement is the total revenue to be recovered each year from direct service rates. Rates revenues, together with other funding sources (operating cash reserves and non-rates revenues), cover Solid Waste system cash expenses and meet the SWF’s financial policy requirements (see Section 3).

Table 3-1 summarizes changes in the components of the SWF rates revenue requirement from 2025 to 2028. The 2025 revenue requirement is from the 2023-2025 rate study and any changes represent changes from the assumptions made when the last rate study was completed.

Table 3-1: Components of the Change in the Solid Waste Revenue Requirement (\$ millions)

	2025		2026		2027		2028	
	Adopted	Proposed	Change	Proposed	Change	Proposed	Change	
Expenditures (\$M)								
Operations & Maintenance (O&M)								
Contracts O&M	145.5	152.0	6.4	164.2	12.2	175.0	10.9	
Other O&M	60.9	65.9	5.0	68.5	2.6	71.3	2.7	
Total O&M	206.5	217.9	11.4	232.7	14.8	246.3	13.6	
Taxes	34.5	40.4	5.8	41.4	1.1	42.6	1.2	
Capital Financing								
Cash Financing (Target)	4.1	4.4	0.4	4.6	0.2	4.7	0.2	
Cash Financing (Additional)	20.5	15.4	(5.2)	16.6	1.3	9.7	(7.0)	
Debt Service	14.6	4.2	(10.4)	4.2	(0.0)	4.2	0.0	
Total Capital Financing	39.2	24.0	(15.2)	25.4	1.4	18.6	(6.8)	
Other Financial Policies	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	
Total SWF Funding Requirement	280.2	282.2	2.0	299.5	17.3	307.5	8.0	
Other Funding Sources								
Prior Year Operating Cash	(16.3)	(3.9)	12.5	(8.8)	(4.9)	(6.4)	2.4	
RSF Deposit (Withdrawal)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Non-Rates Revenue	(9.4)	(16.9)	(7.5)	(17.0)	(0.1)	(17.0)	0.0	
Total Other Funding Sources	(25.7)	(20.8)	4.9	(25.8)	(5.0)	(23.4)	2.4	
Net Rates Revenue Requirement	254.5	261.4	6.9	273.7	12.3	284.1	10.4	

2025 may not match documents included with the 2023-2025 Rate Study or SBP. Categories have been adjusted to be comparable to Proposed rates.

The expenditures section of Table 3-1 presents the operating fund cash spending components that make up the SWF Funding Requirement. The Other Financial Policies section of the table presents any additional revenues required to meet policy targets in excess of cash expense. The Other Funding Sources section presents non-rates sources of funding which reduce what must be recovered through direct service rates, the reduction being represented as a negative contribution to the net revenue requirement.

Under the current proposal, the SWF rates net revenue requirement rises from \$254.5 million in 2025 to \$261.4 million in 2026, with annual increases of \$6.9 million in 2026, \$12.3 million in 2027, and \$10.4 million in 2028. Expenditure increases are driven primarily by increased contract expense and, to a lesser degree, increased tax expense. 2026 branch O&M, or SPU's expenses for equipment, salaries, etc., is up \$5.0 million from 2025 adopted rates, with additional largely inflationary increases in 2027 and 2028.

Capital Financing decreases over the rate study period due to a declining debt service schedule on existing bonds. No additional bonds are expected.

The following sections include more detailed descriptions of the components of change in the rates revenue requirement.

3.1 Operations and Maintenance (O&M)

Adopted 2025 rates assumed \$145.5 million in contract O&M. Inflation is the key driver in contract and other O&M increases.

Contracts O&M consists of payments to solid waste collections and landfill contractors. In addition to the introduction of the special item pickup service, SPU anticipates a new contract for recycling processing in 2027 and a new contract for long haul disposal in 2028.

“Other O&M” consists of expenses required to maintain the solid waste system as well as the solid waste system's share of the City and SPU's overall administrative expenses (i.e., finance, customer service, etc.). O&M does not include debt service or taxes, which are discussed below.

3.2 Taxes

Table 3-2 presents the projected change in SWF tax expense between 2025 and 2028. SWF tax expenses include state and city taxes on revenues and City tonnage taxes (transfer tax).

Table 3-1: Taxes (\$ millions)

	2025 Projected	2026 Proposed	2027 Proposed	2028 Proposed
Solid Waste Utility Tax				
Solid Waste Utility Tax	28.2	29.0	29.9	30.8
Tonnage Tax	5.9	5.9	6.0	6.0
Total City Taxes	34.0	34.9	35.9	36.8
State B&O Tax	5.2	5.2	5.4	5.6
Total Taxes	39.2	40.2	41.2	42.4
<i>State Refuse Tax</i>	<i>7.2</i>	<i>7.5</i>	<i>7.7</i>	<i>8.0</i>

City and state revenue taxes increase with increased revenue. The City’s solid waste utility tax rate for the current proposal is planned at 14.2 percent, unchanged since April 1, 2017.

The tonnage tax is a City-levied per-ton tax on non-recycled solid waste transferred for disposal in Seattle. SPU pays the tax as both a collector of solid waste and an operator of a transfer station in the City. The tax is also paid by other entities for the non-contract tons they transfer within the City limits. The tax is paid to the City’s General Fund. Solid waste rates are set to recover the cost of paying the tonnage taxes to the City.

Since 2005, the SWF has classified state refuse tax expense as a payable rather than an expense. As such, these taxes (both the expense and the revenue associated with them) are not included on the SWF income statement included in *Appendix A Statement of Operating Results*. This procedure has no effect on the net income of SWF, as both revenue and expense are reduced equally. However, these taxes are included in Table 3-2 for informational purposes.

3.3 Capital Financing Expense

Solid waste system capital projects are funded through a combination of operating cash and debt. SPU is planning to fully finance CIP with operating cash through the rate period. Projects in this timeline include the construction of the South Recycling Center, the South Park remediation project, and the SWF’s shared portion of City-wide shared cost projects such as IT upgrades. Total planned capital spending for the rate period is \$55 million.

Annual capital financing expense stays steady at around \$20 million in 2026, \$21 million in 2027, and \$14 million in 2028.

Table 3-3 presents capital spending (CIP) and financing assumptions during the rate period and how this financing impacts rates.

Table 3-2: Change in Cash Financing of the CIP (\$ millions)

	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
Total CIP	\$20.8	\$19.8	\$21.2	\$14.4
<u>Cash Financial Policy Minimums</u>				
\$2.5 million (2003 nominal \$), Or;	4.1	4.4	4.6	4.7
10% of CIP	2.1	2.0	2.1	1.4
Active Financial Policy Minimum	4.3	4.4	4.6	4.7
<u>CIP Financing Breakdown</u>				
Cash Financed	24.6	19.8	21.2	14.4
Debt Financed	-	-	-	-
Cash Financed %	100%	100%	100%	100%
<u>Cash Financing Detail</u>				
Financial Policy Minimum	4.1	4.4	4.6	4.7
Additional Incremental	20.5	15.4	16.6	9.7
Total Cash to CIP	24.6	19.8	21.2	14.4
Total Debt Service	14.6	4.2	4.2	4.2
<u>Rate Drivers</u>				
Change in Cash Financing		(1.0)	1.4	(6.8)
Change in Debt Service		(1.8)	0.0	0.0
Total Rate Impact		(2.8)	1.4	(6.8)

Debt Service

SPU does not expect to issue any additional SWF debt in the foreseeable future. The utility redeemed \$60.3 million of outstanding debt in 2024 and \$26.3 million in 2025. Assuming proper market conditions, the Fund could redeem \$13.3 million in 2026, \$7.9 million in 2027, \$8.1 million in 2028, and \$15.2 million in 2029. As a result of these redemptions, annual debt service will continue to decrease

throughout the rate period. Keeping debt service low by financing as much CIP as possible through cash instead of debt will minimize the amount of revenue the SWF will need to raise in future years to satisfy debt service coverage financial policies.

Cash Financing

As discussed in Chapter 2, the minimum cash contribution to the CIP is the greater of 10 percent of the CIP in a given year or \$2.5 million (in 2003 nominal dollars converted to current nominal dollars). During the proposed rate period, the \$2.5 million target (\$4.4 to \$4.7 million per year in rate period nominal dollars) is the larger of the two targeted amounts, equating to a minimum financial target cash contribution of \$13.7 million during the proposed rate period.

The SWF is projected to fund its \$54 million in capital expenditures with operating cash between 2026 and 2028. SPU has chosen to not issue additional debt to minimize the need for future rate increases driven by debt service coverage. SWF cash reserves are sufficient to fund this increased capital financing expense due to a 2015-instituted change in the way that the fund calculates debt service coverage (see Financial Policies below). Continued strong operating results also contribute to the financial viability of cash financing the CIP during the rate period.

3.4 Financial Policies

The impact of financial policies on the revenue requirement varies depending on which target is binding (see Section 2.3 for further discussion of financial policies and binding constraints). Revenues must be sufficient to cover all cash operating expense AND to meet net income, debt service coverage, cash contribution to CIP and operating cash balance targets. Where the binding constraint is meeting cash targets, rates are set so that revenues will just equal cash expense AND retain minimum operating cash balances. Where the binding constraint is net income or debt service coverage, revenues will be greater than cash expense. This “extra cash” may be used to fund operating cash contributions to the CIP in excess of targeted levels or may be used to increase cash reserves, or some combination of the two.

As discussed in Chapter 2, the SWF is using additional cash from the proposed rates to fund cash contributions to the CIP and paying off outstanding debt. The new binding constraint will be a positive net income, continuing through the rate period to 2030, the end of the current Strategic Business Plan period.

Although cash contributions to the CIP are significantly higher than financial policy targets, this incremental expense is not driven by financial policy requirements. Rather, all CIP will be paid for by cash instead of another debt issue in an effort to keep the debt service obligation low.

3.5 Other Funding Sources

A significant portion of the total solid waste system funding requirement is paid with by other funding sources including operating cash balances, Rate Stabilization Fund withdrawals, and other operating and non-operating non-rates revenues. On aggregate, these non-rates funding sources are expected to decrease by \$5.9M in 2026, increase by \$5.0 million in 2027, and decrease by \$2.5 million in 2028.

Following is a discussion of each of the other funding sources.

Prior Year Operating Cash

Revenue generated by rates is used to fund current operating expenses, maintain a cash balance as a safeguard against unexpected expense, and to fund a portion of the current capital program. A rate may be set to increase, hold constant, or decrease the SWF’s operating fund cash balances. Decreasing, or drawing down a cash balance in a given year, lowers the rates in that year as that cash does not need to be received through rate revenues. However, just like other funding sources, what affects rates is not the level in any one year, but the year-to-year change in funding from that source.

Table 3-4 presents both how cash is used (drawn down or increased) in each year as well as the year-on-year change in use of cash. Positive changes (generating more cash than the prior year) increase rates. Negative changes (using more cash than in the prior year or generating smaller increases) reduces rates.

Table 3-3: Proposed Changes to Cash Balances (\$ millions)

	2025 Projected	2026 Proposed	Change	2027 Proposed	Change	2028 Proposed	Change
Operating Cash							
Net Cash from Operating Activities	\$(5.4)	\$(3.9)	\$1.5	\$(8.8)	\$(4.9)	\$(6.4)	\$2.4
Additional Cash from Financial Policies	-	-	-	-	-	-	-
Change in Cash Balance	(5.4)	(3.9)	1.5	(8.8)	(4.9)	(6.4)	2.4
Starting Balance	194.7	184.2		180.4		171.5	
Ending Balance	184.2	180.4		171.5		165.1	

Some totals may not add due to rounding

Stronger than anticipated operating performance during the prior rate study period has resulted in projected cash balances at the beginning of the rate period that are above the minimum policy requirements.

Cash reserves are diverted to financing CIP expense for the proposed rate period, with balances drawn down by \$3.9 million 2026, \$8.8 million in 2027, and \$6.4 million in 2028, reducing the amount of revenue that needs to be recovered through rates.

Rate Stabilization Fund Withdrawals

The 2013-2016 Solid Waste Rate Study established policies around the use of a Rate Stabilization Fund (RSF) for the SWF. The RSF was intended to help provide rate stability during a four-year rate period. RSF

balances rose to \$42 million (as of December 2024) on strong fund performance and are projected to end 2025 at approximately the same level. Withdrawals from the RSF are authorized in the event that the SWF would miss a financial target.

The SWF does not anticipate requiring a RSF withdrawal during this rate period to meet financial policies.

Table 3-4: Proposed Changes to the Solid Waste RSF (\$ millions)

	2025 Projected	2026 Proposed	Change	2027 Proposed	Change	2028 Proposed	Change
Rate Stabilization Fund							
Starting Balance	\$42.0	\$43.0	\$1.0	\$44.1	\$1.1	\$45.2	\$1.1
Withdrawal to Fund Financial Policies	-	-	-	-	-	-	-
Interest	1.0	1.1	0.0	1.1	0.0	1.1	0.0
Ending Balance	43.0	44.1	1.1	45.2	1.1	46.3	1.1

Non-Rate Revenues

Non-rate revenues are current year revenues including recycling commodity revenue, miscellaneous transfer station revenues, reimbursements from King County, the City’s General Fund and SCL, operating and capital grants, interest income and other miscellaneous revenues. As presented in Table 3-6 below, non-rate revenues are projected to increase by \$7.5 million in 2026 relative to the assumption for these revenues when 2025 rates were set and then remain relatively flat during the 2026-2028 rate period.

Table 3-5: Solid Waste Non-Rates Revenues (\$ millions)

	2025 Projected	2026 Proposed	2027 Proposed	2028 Proposed
SPU Sources				
Recycling Commodity	\$6.0	\$5.9	\$5.8	\$5.7
Other Misc.	1.8	7.4	7.6	7.9
Investment and Other	1.5	3.4	3.3	3.2
City and County				
Grants	0.1	0.2	0.2	0.2

Total Non-Rates Revenues	9.4	16.9	17.0	17.0
Change		7.5	0.1	(0.0)

Recycling Processing Revenues

Recycling processing revenues are paid by the City’s recycling processing contractor to SPU based on contract indices for different types of commodities in the recycling stream. Recycling processing expense paid by SPU is reported under contract expense. Recycling processing is currently estimated to generate \$5.9 million in 2026, \$5.8 million in 2027, and \$5.7 million in 2026 as commodity prices stay stable. This contract will be in effect until 2027, with a new contract anticipated for 2028.

3.6 Other Factors Impacting Rates

While not direct drivers of the revenue requirement, demand, rate discounts, and the timing of rate increases impact the level of rates.

Demand

Customer counts, tons and subscription levels affect revenues and the required change in rates from year to year. Tonnage decreases reduce costs in some cases, but also reduce the number of units to which the costs are allocated. The exact impact on rates depends on the relative changes in cost and revenue. In the first year of a rate study, changes from prior projections are reflected as major rate drivers. Subsequent years see less drastic change as the new baseline is used. For 2026, the change in the demand forecast from 2023-2025 Rate Study assumptions is the largest deviation, and therefore the most significant rate driver. The 2026 demand components that have varied the most from earlier projections include:

- **Residential:** Reduced container sizes among curbside garbage customers has been more than offset by increased demand for on-site detach service and organics service. Organics service was especially helped by the foodwaste ban (Ordinance 124582) which became effective in 2015. A shift in work from home due to the COVID-19 pandemic resulted in stronger than expected residential demand and that has continued through the prior rate period.
- **Commercial:** After a strong economic recovery through 2019, commercial demand experienced a severe drop-off in 2020 due to COVID-19. Demand has mostly recovered and now is expected to stay stable through the proposed rate period.
- **Self-Haul:** Self-Haul demand experienced a dip in 2020 due to COVID-19 but has since recovered and is projected for steady performance throughout the rate period.

These factors are further explained in detail in Chapter 5, Demand.

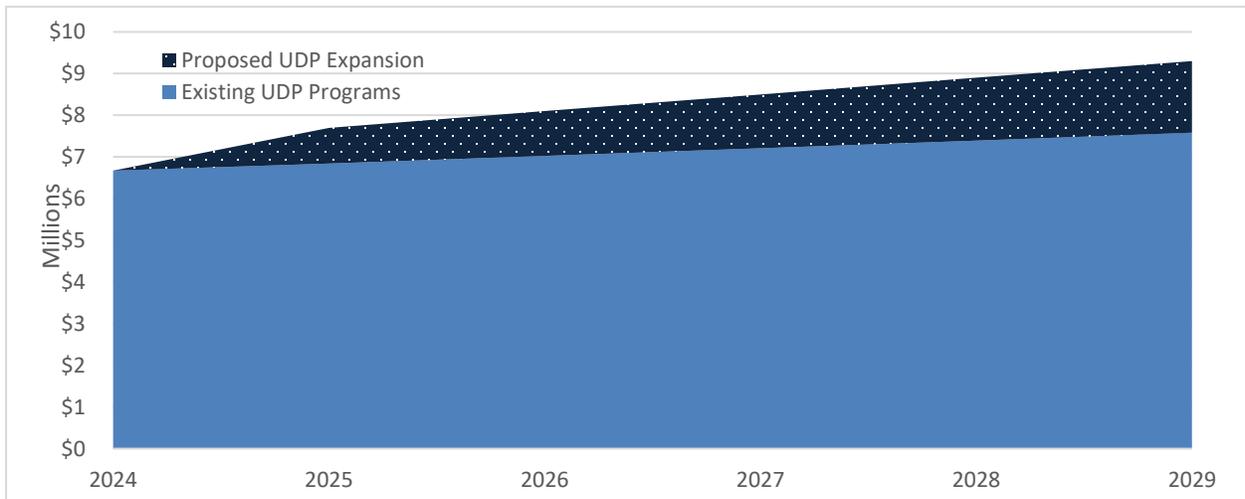
Utility Discount Program (UDP)

Like other demand components, changes in customer participation in the Utility Discount Program do not affect the SWF revenue requirement but do affect the rate increase. Increased participation in the program reduces revenues as more households pay at a discounted rate. The reduction in revenue must be made up through an increase in standard rates.

UDP growth continues to be a rate driver as the program continues to expand. Program enrollment increased during the COVID-19 pandemic. Enrollment is expected to grow as program awareness increases.

See Figure 3-1 for a breakdown and forecast of existing and proposed additional UDP revenue reductions.

Figure 3-1: Existing and Proposed UDP Revenue Reductions



4. SOLID WASTE COST ALLOCATION

After the revenue requirement has been determined, the cost allocation process allocates the revenue requirement to individual customer classes.

This process estimates the true, individual cost of serving different types of customers and provides the foundation for rate design, although actual rates may vary from the assigned cost allocations because of other (often times competing) ratemaking and policy considerations.

The cost allocation process can be broken into three basic steps:

- Group Costs into Cost Centers
- Develop Allocation Factors
- Allocate Costs to Customer Classes and Rates

4.1 Cost Centers

Solid waste costs are divided among various cost centers. All budget activities, as well as current and future budget additions, are assigned to a cost center based on primary function. Costs for contracts, taxes, and bond interest are modeled based on the latest projections for tons, subscriptions, revenues and CIP spending, and are then assigned to cost centers. Table 4-1 shows a list of cost centers.

Table 4-1: Solid Waste Cost Centers by Category

SPU Branch O&M	Contract Expense	Taxes	Non-Rate Revenue	Capital Financing and Other
Residential Billing	Single Family Garbage	Utility Tax	General Fund	Cash to CIP
Transfer Station Billing	Single Family Compost	Tonnage Tax	Investments and Interest	Debt Service
Landfills	Single Family Recycling	State Taxes	Grants	
Waste Reduction (All)	Commercial Garbage		Change in Cash	
Waste Reduction (Residential)	Commercial Compost		Change in RSF	
G&A – General	Commercial Recycling		Recycling Commodity	
G&A - Contract Management	Multi Family Garbage		Other Misc.	
Hauling (All)	Multi Family Compost			
Compost Processing	Multi Family Recycling			
Transfer Station Operations	Long Haul Disposal			
HR	Garbage Processing			
	Recycling Processing			
	Organics Processing			
	LHWMP			

4.2 Develop and Assign Allocation Factors

Once costs are grouped, each cost center is assigned an allocation factor (See Appendix B for a complete listing of allocation factors for each Cost Center). Allocation factors are multipliers that allocate cost centers into individual customer classes and eventually rates. The basis for allocation differs by cost center but always seeks to logically assign each rate its fair share of the cost of providing a service based on known data. Costs are allocated using allocation factors which are based on the following:

Tonnage

Many solid waste costs, such as contractor payments for recycling processing or garbage transfer and disposal, are directly related to tons collected or disposed. Costs are allocated based on the tonnage per rate. Tons may also be used to allocate certain other costs even though there is not a direct relationship between the given cost and tons collected or disposed. Specific garbage, organics, or recycling tonnage allocators are used to allocate waste stream specific costs, such as recycling processing.

Volume

Multi-family and commercial contracts incur cost based on the volume of service subscribed to by customers. For example, fees paid to the Local Hazardous Waste Management Program (LHWMP) are based on the total volume of customers' subscriptions. Detach (Dumpster) customers subscribe to a particular size and collection frequency of dumpster, and contractors charge SPU based on a similar formula. When costs are incurred based on volume, it is used to distribute those costs to individual customer classes.

Customer Counts and Trips

This allocation method is used when the cost of service, such as billing expenses, is related to the number of households or accounts rather than tonnage or another measure of how much service a customer receives. Transfer station billing costs are allocated based on trip counts, since each trip incurs the same cost to billing.

Management Estimates

Some allocations are based on management estimates of time spent serving different customer classes. Such estimates help determine the full cost of service for the class. For example, workload estimates are used to allocate inspection costs and, in conjunction with tons, allocate transfer station costs.

Direct Assignment

Where solid waste costs benefit only one customer class, direct assignment to that class of such costs is appropriate.

Proportional Assignment (Revenue Requirement Shares)

This method assigns costs in proportion to the sum of other allocated costs. The rate proposal uses this allocation method to assign costs such as general and administrative costs.

Revenue

Costs which are incurred based on how much revenue is earned are allocated by total revenue. State taxes are an example.

Ad Hoc

Often no single method is appropriate for allocating costs so a combination of other allocation factors is formulated to best fit the type of costs.

4.3 Customer Classes

Solid waste ratepayers are divided into 4 sectors which are divided into 10 total classes. Cost allocation is done at the class level and aggregated up to the sector level and is presented in the results below at the sector level. See Table 4-2 for a breakdown of these classes. Recycling service is available at no additional charge to all customers.

Table 4-2: Solid Waste Customer Classes

Sector	Class
Residential	Curbside (Single-Family, Can/Cart)
	On-Site (Multi-Family, Detach)
	Recycling (Curbside or On-Site)
Commercial	Non-Dropbox (Can/Cart and Detach)
	Dropbox/Rolloff (On-Demand Large Scale Service)
	Recycling (Limited Service)
Organics	Curbside (Yardwaste)
	On-Site (Foodwaste)
Transfer Stations	Garbage
	Organics

Residential Sector

This customer sector consists of garbage and recycling services for all single-family and multi-family households in the City (Organics service is a separate sector discussed below). This sector is further broken down into the following subgroups for rate-setting purposes: Curbside Can/Cart (Single-Family) and On-Site Detach (Multi-Family).

Single-family residences receive weekly curbside garbage collection and bi-weekly recycling collection. Multi-family buildings are generally serviced using dumpsters and are required to have garbage service of sufficient size and collection frequency to meet the needs of the building.

Commercial Sector

This sector covers all non-residential subscribers to garbage collection services. Businesses may subscribe to can, dumpster, or drop box collection services at SPU’s commercial rates. SPU offers limited recycling service to small businesses, but for the most part commercial recycling is not part of the City-provided services.

Organics Sector

SPU offers curbside and on-site organics service. Curbside service is regular, weekly pickup of yardwaste containers from single family residences and is the most common organic service offered. Weekly on-site collection for multi-family buildings is offered to handle foodwaste. Foodwaste is denser and thus more costly to process by volume, so rates for foodwaste service are higher than those for yardwaste. SPU also offers commercial organics service, but the vast majority of this market is served privately.

Recycling and Disposal Station (Self-Haul) Sector

These customers include residences and businesses that bring garbage and recyclable materials (including yard waste and wood waste) to the City’s Recycling and Disposal Stations

4.4 Allocation Results

Table 4-3 shows the percentage of the total revenue requirement allocated to each customer sector, by year, using the allocation factors by cost center presented in Table 4-3.

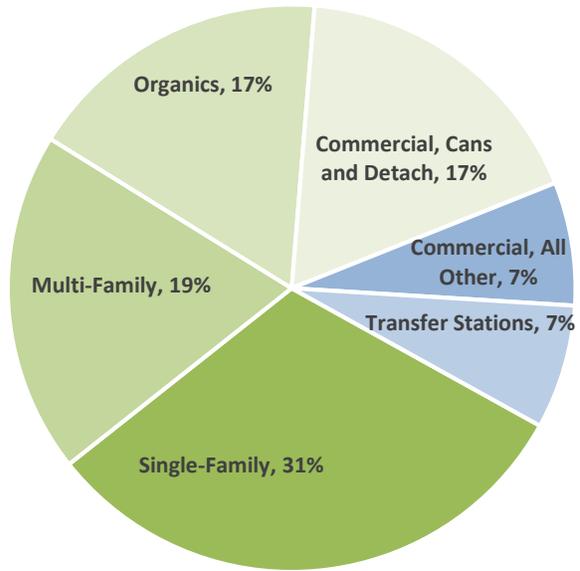
Table 4-3: Cost to Serve Each Customer Sector

Sector/Class	2026	2027	2028
Residential			
<i>Single-Family Curbside Garbage</i>	23.2%	22.5%	22.1%
<i>Recycling</i>	7.8%	8.6%	8.4%
Single-Family Garbage & Recycling	30.9%	31.0%	30.5%
<i>Multi-Family On-Site Garbage</i>	12.1%	11.7%	11.7%
<i>Recycling</i>	7.2%	7.9%	7.8%
Multi-Family Garbage & Recycling	19.2%	19.6%	19.5%
Organics (Single and Multi-Family)	17.3%	17.3%	16.9%
Residential Total	67.4%	67.9%	66.9%
Commercial			
Cans and Detach	17.4%	17.1%	17.3%
Dropbox	6.9%	6.9%	7.0%
Commercial Organics	1.2%	1.2%	1.2%
Commercial Recycling	0.0%	0.0%	0.0%
Commercial Total	25.6%	25.2%	25.4%
Transfer Stations	7.0%	6.9%	7.7%

All sectors have a stable allocation of costs throughout the entire rate period, which is very similar to that calculated for the 2023-2025 Rate Study.

See Figure 4-1 for a graphical breakdown of Revenue Requirement shares.

Figure 4-1: Allocation of Solid Waste Revenue Requirement (2026)



5. DEMAND

After the revenue requirement is set and those costs have been allocated to specific customer classes, they can be divided by units to get rates. For solid waste, however, units of demand is not a singular number but is instead made up of can subscriptions, account fees, pickup, volume, and tonnage charges, among others. As a result, the demand forecast projects out the demand and resultant revenue for individual rates and rolls them up to the customer class level. Demand also impacts the revenue requirement itself, as demand forecasts form the basis for projected contract expense.

Figure 5-1: Tonnage Forecast

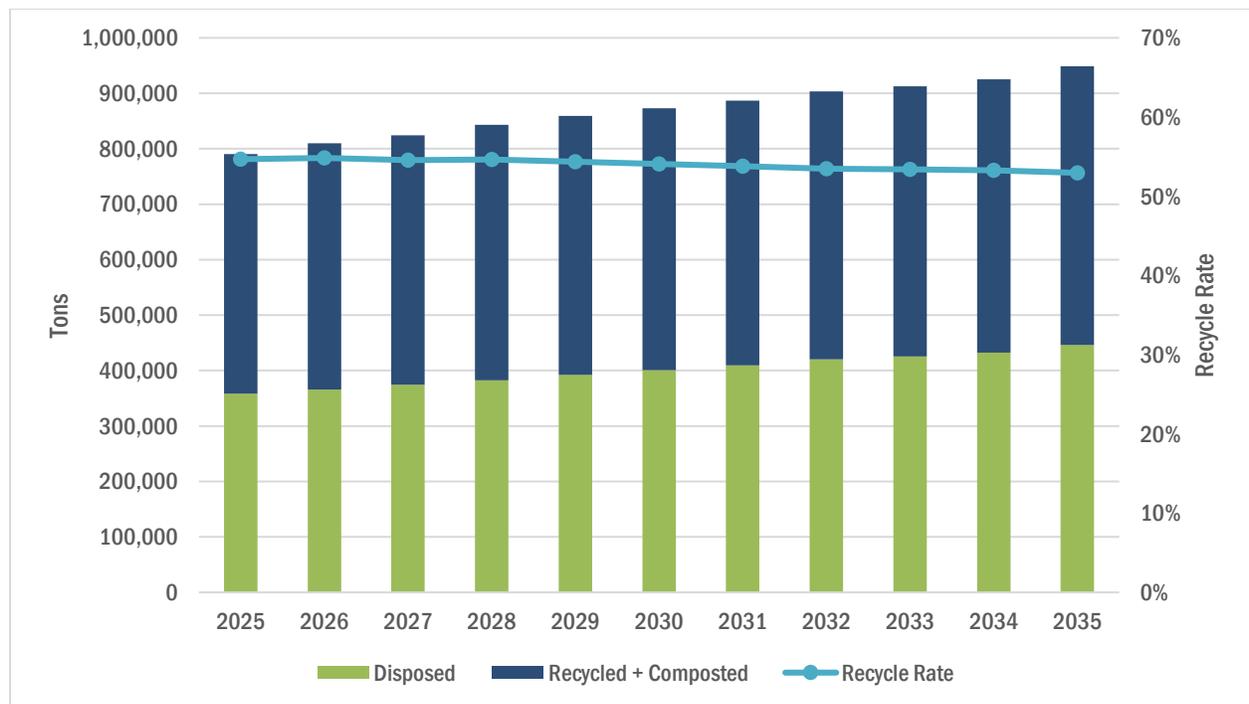
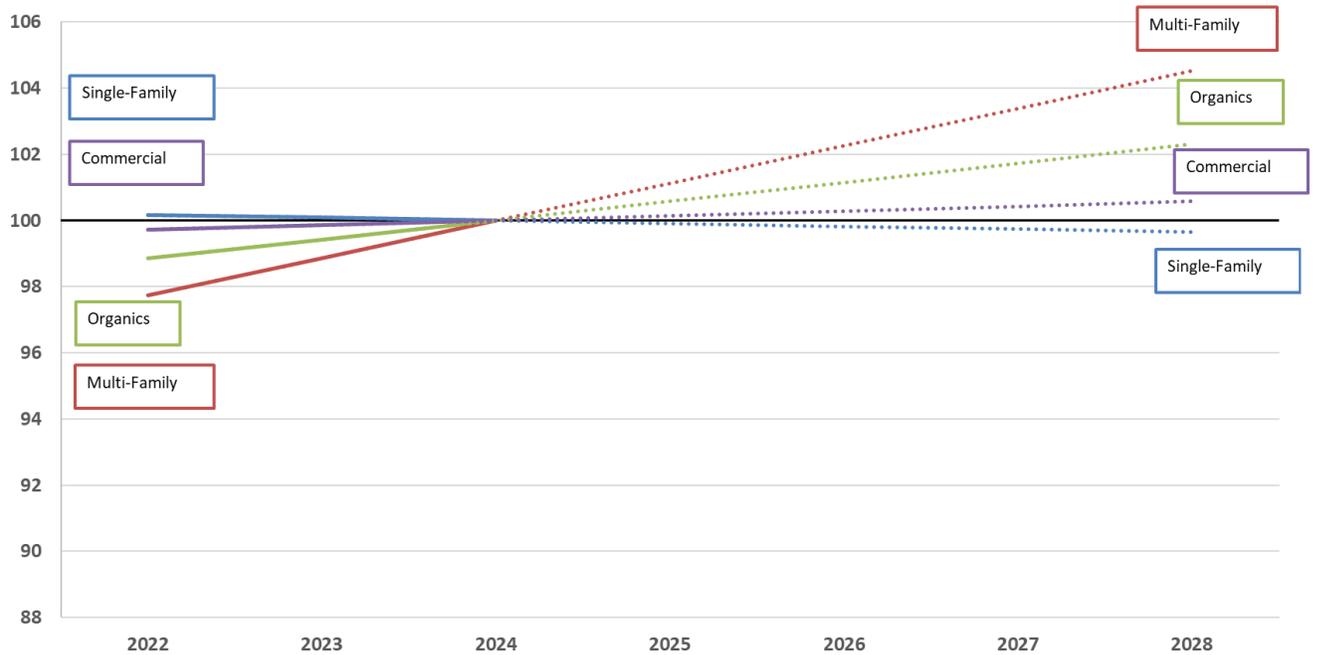


Figure 5-1 shows the current long-term tonnage forecast through 2035 (combined garbage, organics, and recycling). While tonnage is not a driver of revenue, since customers subscribe to solid waste service based on volume, it is an adequate proxy for a general overview of demand. Since 2017, the higher-than-expected tonnages have been a driver behind higher-than-expected revenues and higher than expected cash balances in the SWF.

Into the future, tonnage is not expected to change significantly. Total tonnage is expected to rise 19 percent from 2025-2035 as population grows.

Figure 5-2: Normalized Solid Waste Volume Index (2021 = 100) by Customer Sector



While overall tonnage is expected to increase slightly, there is significance among the individual components. Single-family garbage is projected to decline due to conservation and waste reduction with a 0.7 percent reduction in average residential can sizes. Commercial volume has recovered after pandemic lows but is projected to remain flat as construction activity slows. Multi-family volume is expected to increase by over four percent and organics by over two percent. While increased organics volumes appear to offset volume declines in the single-family and commercial sectors, it is not an offset in terms of revenue as organics rates per volume are lower than those for garbage by design to encourage diversion. Furthermore, part of the volume decline for these two sectors is diversion to recycling, which is free to the customer. See Table 5-1 for a full breakdown of projected volume and tonnage changes.

As noted in the introduction to this Section, solid waste “demand” encompasses multiple factors. Table 5-1 below presents changes in demand for each customer sector for the primary variables of demand.

Table 5-1: Projected Solid Waste Demand Changes 2026-2028

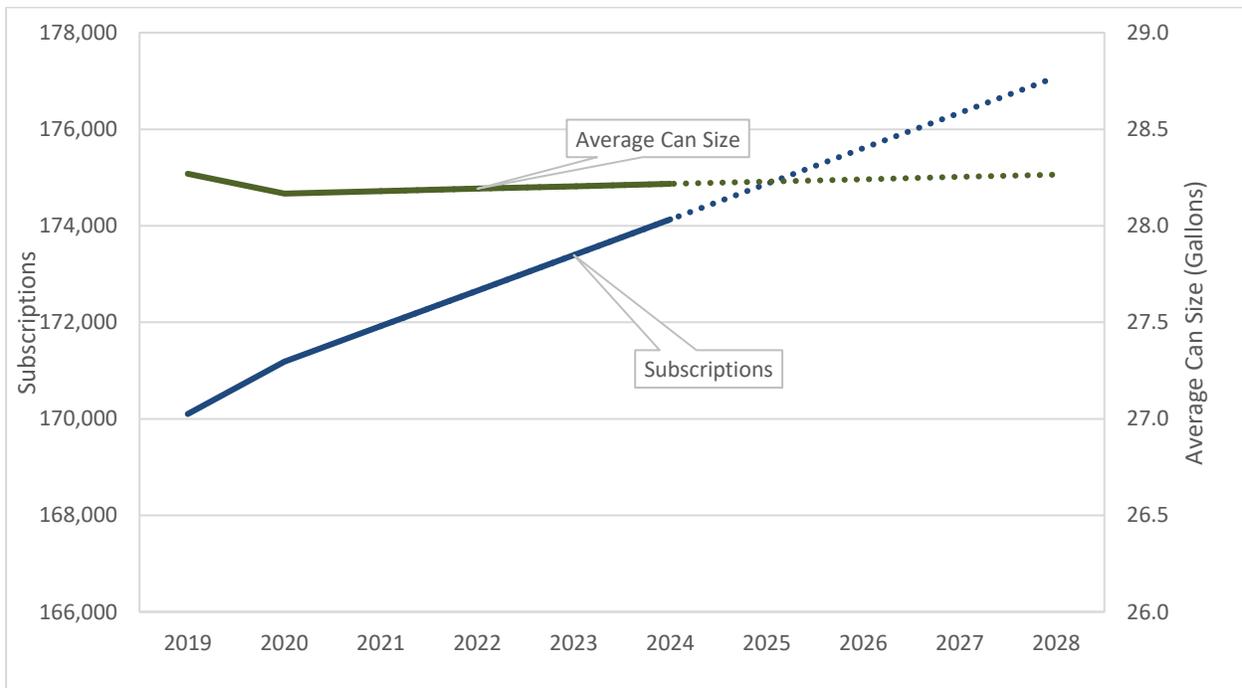
Sector	Customer Count	Volume	Tonnage
Residential Curbside (Single-Family)	0.8%	-0.2%	-0.2%
Residential On-Site (Multi-Family)	2.2%	-1.0%	2.3%
Commercial	1.1%	0.3%	2.3%
Organics	2.7%	1.1%	3.5%

A more in depth explanation of each of these revenue sectors follows.

5.1 Residential Curbside (Single-Family)

Single-Family and multi-family buildings are served by regular weekly curbside can or cart collection. Starting in 2014, subscription counts increased for single-family, driven mainly by growth in the region. In 2017, SPU transitioned to a new billing system, which modified the way subscriptions were counted for certain premises. This change led to an increase in number of subscriptions. Service counts are projected to stay relatively flat during the proposed rate period, with a 1 percent increase over the rate study period. Can sizes have been stable since 2013 and are projected to stay the same through 2028.

Figure 5-3: Historic and Projected Changes to Curbside Residential Demand



The long-term trend is expected stay relatively flat, with the increase in subscription counts from economic growth being offset by infill development, conservation, and diversion. Infill development both reduces the number of subscriptions by replacing single-family homes with multi-family buildings, and apartments and condominiums also produce less waste than single-family homes. Both factors lower the average can size demanded by customers. Conservation and diversion also decrease can sizes by decreasing the amount of waste produced by all customers, single or multi-family, or diverting it to

organics or recycling. Infill development, conservation, and diversion, particularly to organics, are expected to continue to reduce demand for curbside garbage services.

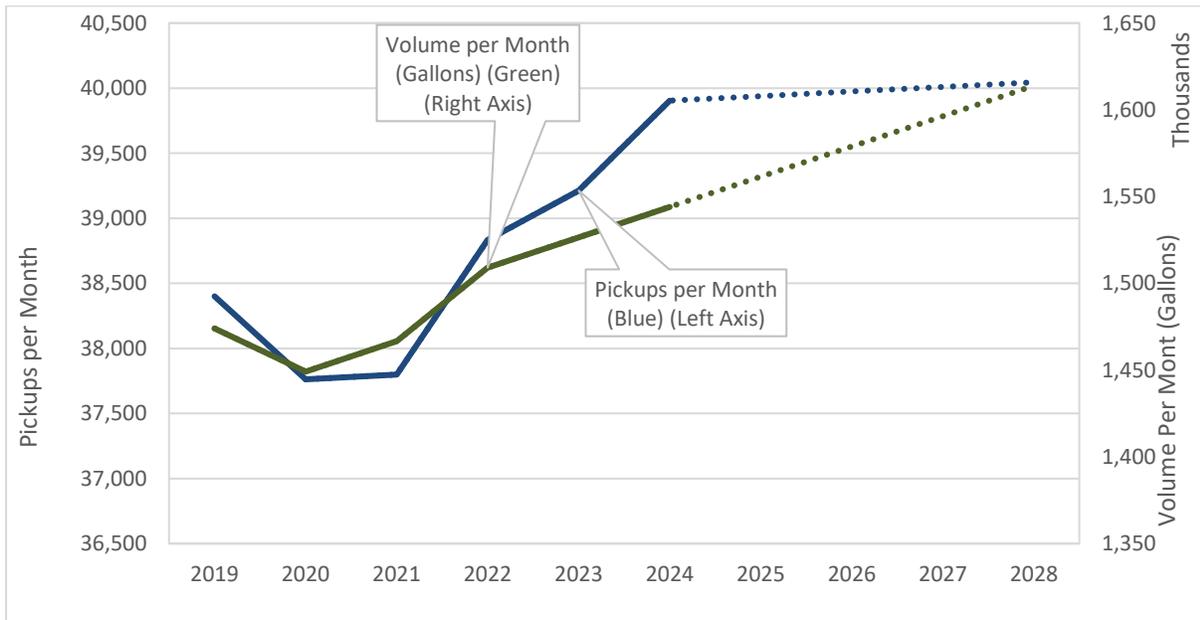
5.2 Residential On-Site (Multi-Family)

Most multi-family buildings in Seattle subscribe to on-site detach (dumpster) service. Detach customers are charged based on the frequency of pickup and the size of the container according to the following formula:

$$\text{Monthly Rate} = \text{Trip Rate} * \text{Pickups per Month} + \text{Volume Rate} * (\text{Pickups Per Month} * \text{Volume of Container})$$

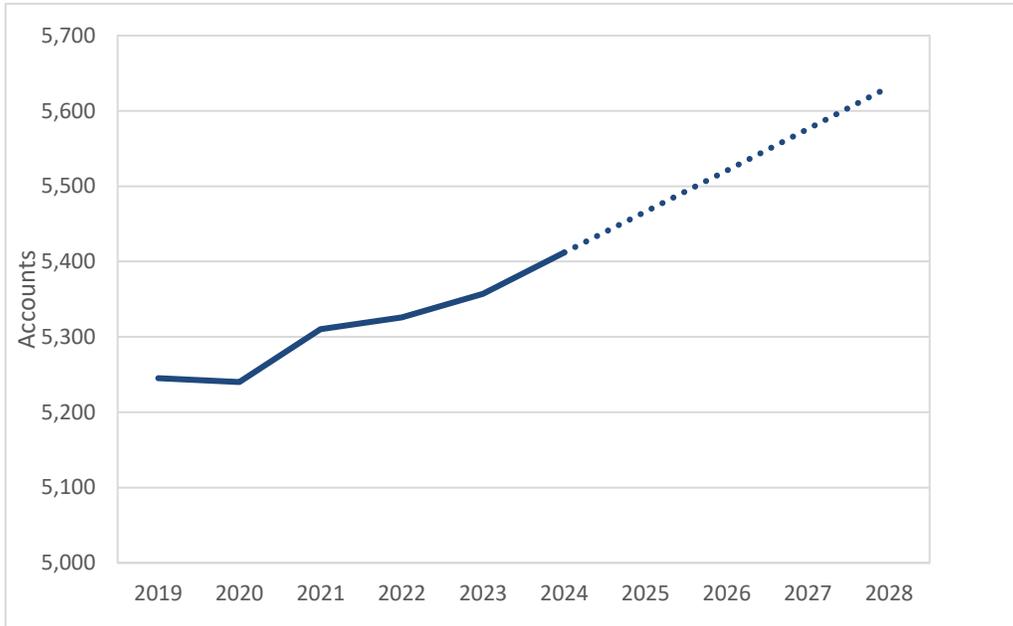
The Trip and Volume Rates are set through this rate study. The demand items to track and forecast are pickups per month and volume demanded. Growth is expected in both categories as construction of multi-family buildings within the City continues to create demand.

Figure 5-4: Historic and Projected Changes to On-Site Residential Demand



The final component of on-site demand is the number of accounts paying the monthly account fee. The account fee generates roughly six percent of total on-site revenue. Accounts are expected to increase slightly, following historical trend.

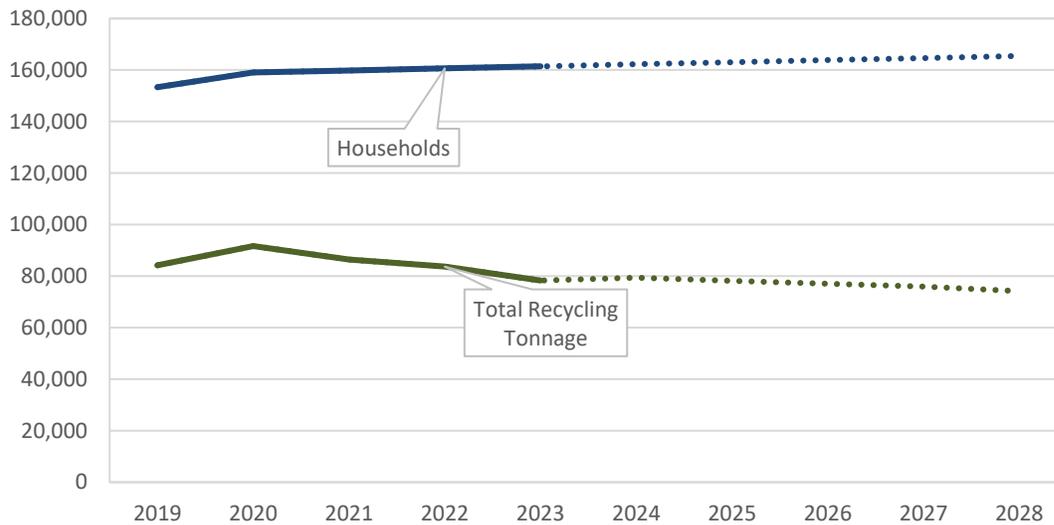
Figure 5-5: Historic and Projected Residential On-Site Accounts



5.3 Recycling

SPU offers bi-weekly curbside recycling pickup for curbside can customers and on-site variable frequency pickup for on-site customers. For the most part, can sizes are set – all curbside customers receive a 96-gallon cart, and all on-site customers receive recycling cart or detach service that has a total volume of 50 percent of their subscribed garbage volume. Larger volume services are also available. Limited recycling service is also available to small businesses, though small business recycling amounts to less than half a percent of total recycling tonnage. All recycling services are included at no cost with accompanying garbage service.

Figure 5-6: Total Recycling Households and Tonnage



Because there is less customer choice regarding container sizes, recycling is a relatively steady cost center. Customer counts are largely unchanged, and tonnage increases coming out of the recession have been slow and steady.

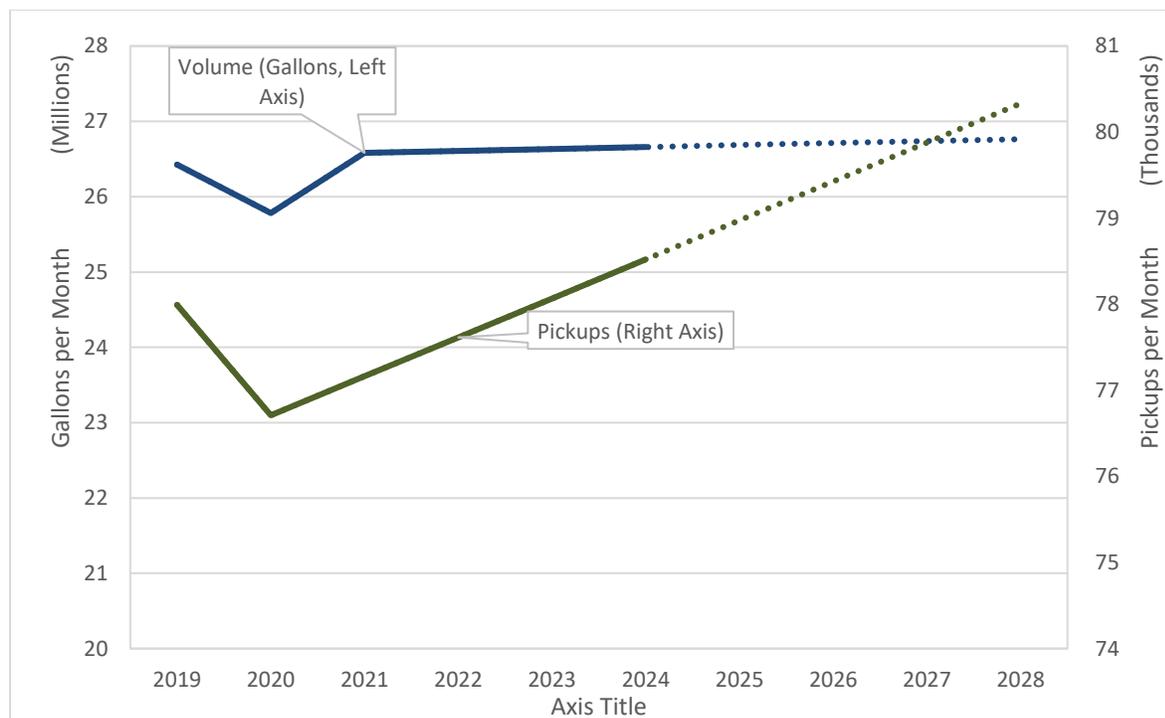
5.4 Commercial

Commercial customers subscribe to one or more options from three types of service: can, detach (dumpsters), or dropbox. Can customers may subscribe to service of any frequency with a charge per pickup based on can size. Detach customers subscribe to service with a charge based on a pickup and volume rate:

$$\text{Monthly Rate} = (\text{Trip Rate} * \text{Pickups per Month}) + (\text{Volume Rate} * \text{Pickups per Month} * \text{Volume of Container})$$

Lastly, dropbox customers pay an on-demand pickup rate and a tonnage rate.

Figure 5-7: Historic and Projected Commercial Volume and Pickups



Commercial demand is highly correlated to regional economic performance, within the larger long-term context of conservation and diversion. Commercial tonnage has gone through at least three cyclical increases and decreases over the last 25 years within a long-term decline trend. During the pandemic, tonnage fell from 140,000 tons in 2018 to 110,000 tons in 2020. As the economy has recovered, commercial tonnage has somewhat recovered, and commercial volume and pickup subscriptions have increased as well. However, a long-term trend of conservation and diversion is still projected to be the dominant theme in the commercial sector.

Commercial Recycling and Organics

SPU provides limited recycling and organics services to small business. Most recycling and organics services are provided by independent third-party companies. SPU services are offered as a courtesy.

With the implementation of the food waste ban in 2015, commercial organics subscription volumes increased 70 percent 2014 to 2016. Despite this growth, commercial organics is less than one percent of total organics tonnage and will continue to remain a service offered as a courtesy by SPU, with the intention that this industry remains largely in the realm of the private sector. Commercial organics is included under “On-Site Food Waste” in the organics section below.

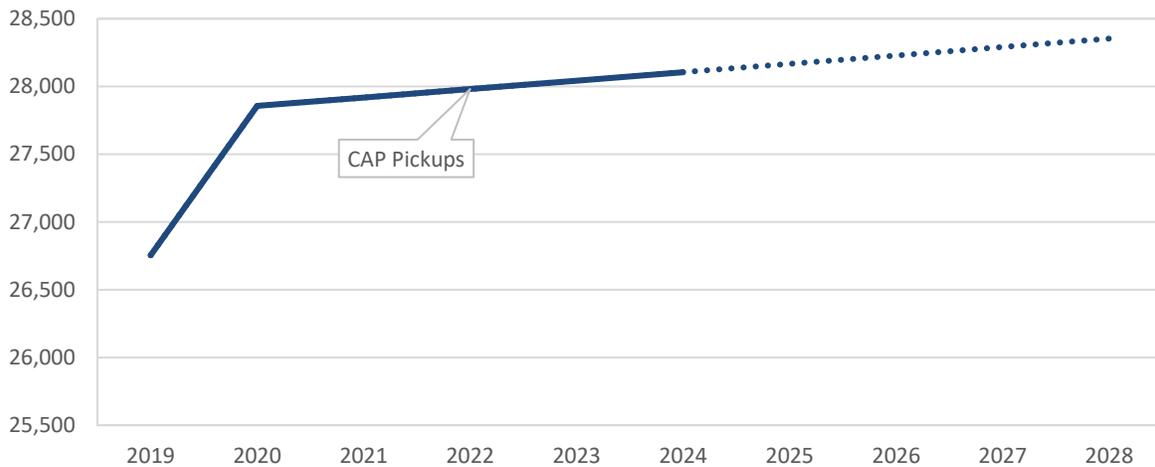
Small businesses in Seattle can also subscribe to limited recycling service, though like organics, this service is largely also private sector. The demand for this service is included under residential recycling. Total commercial recycling tonnage is less than half a percent of total recycling tonnage.

Clear Alleys Program (CAP)

In certain designated areas within the city of Seattle, residents and business are not allowed to keep solid waste containers within the public right-of-way. For customers in these areas who do not have

indoor locations for containers, the CAP program offers pre-paid bag service with multiple pickups per day. SPU is not assuming an expansion of CAP-designated areas, only changes in demand for current CAP customers. The CAP program is a small portion of SPU’s services and provides less than \$300,000 in revenue per year. SPU is projecting a slow recovery in CAP demand after the pandemic drop.

Figure 5-8: CAP Pickups



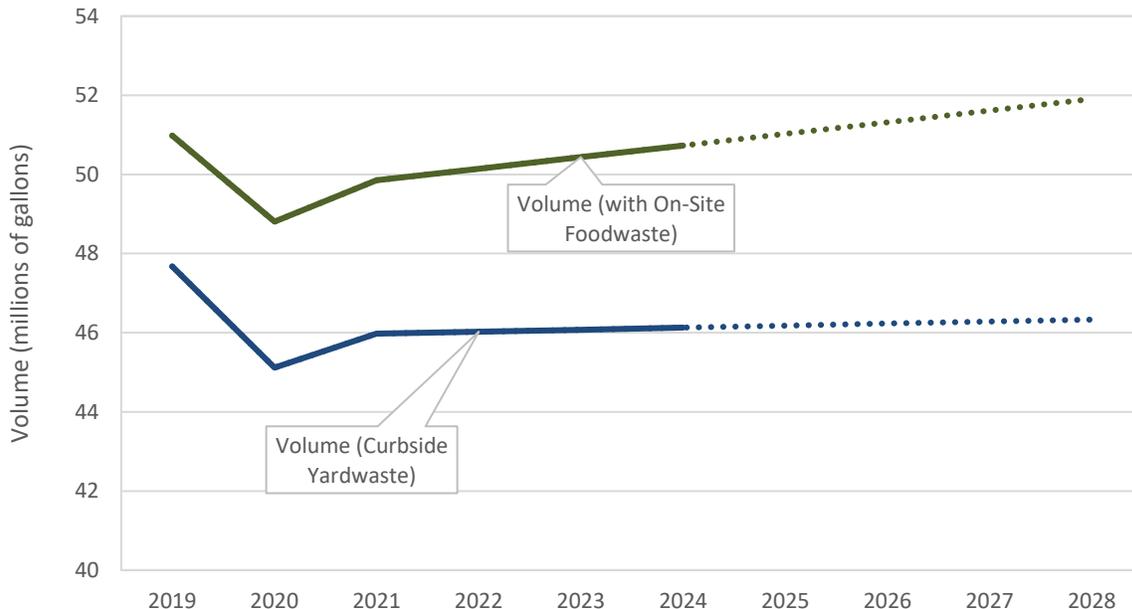
Argo Direct

SPU allows for the delivery of solid waste from third parties directly to the railroad for transport to landfill in Oregon. SPU projects 7,000 tons per year (compared to 250,000 total tons) or less delivered to the railhead.

5.5 Organics

Residential curbside and on-site customers subscribe to either curbside or on-site service. Generally, curbside garbage customers subscribe to curbside yard waste service. On-site customers generally subscribe to on-site food waste service. Food waste-specific service is charged at a higher rate because food waste tends to be denser than branches and clippings from yard waste which account for the bulk of curbside customer volumes. Some small commercial customers also subscribe to on-site food waste pickup, and their demand is included in the on-site numbers below but makes up less than one percent of the total.

Figure 5-9: Monthly Organics Volume in Gallons



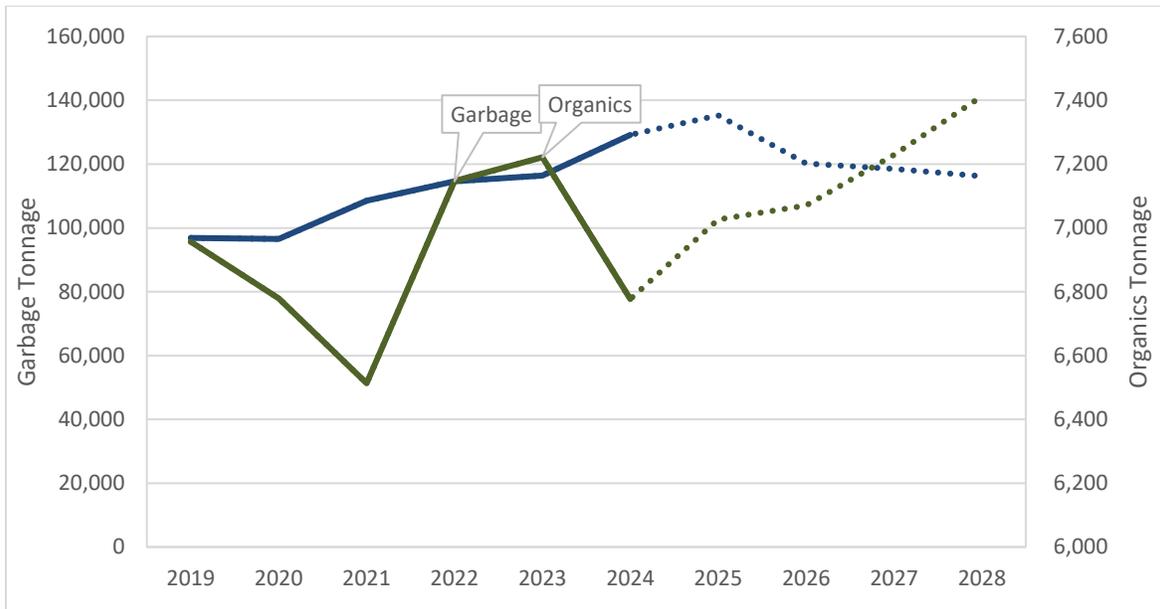
Weekly curbside volume has been declining as customers switch to smaller containers and single-family homes are replaced with multi-family development. These trends are expected to continue, especially as newer homes with smaller yards reduce the need for large yard waste containers. On-site food waste demand has increased with the expansion of multi-family housing and the increased adoption of in-home diversion of food waste away from the garbage. A large increase in organics tonnage was seen following the implementation of the food waste ban in 2015, though there was not an accompanying increase in subscriptions or subscription revenue because food waste tends to be small and dense. Regardless, on-site volume is expected to continue to increase throughout the rate study period.

5.6 Self-Haul

Self-Haul demand is measured in tonnage. Customers at transfer stations currently pay \$165 per ton for garbage and \$125 per ton for organics. There is a 0.2 ton minimum charge, currently \$35 for garbage, and \$24 for organics. All vehicles visiting the transfer station are weighed and charged for their tonnage. Self-Haul rates are proposed to increase annually for the rate study period.

The reopening of the North Transfer Station at the end of 2016 saw a recovery in tonnage numbers for the utility. Transfer stations saw a slight dip with COVID-19 closures, but recovered quickly after reopening. For the rate study period, transfer station tonnages are projected to dip due to implementation of a self-haul program to redirect construction and demolition waste to certified recovery facilities.

Figure 5-10: Historic and Projected Self-Haul Tonnage



6. RATE DESIGN

Rate design is the last step in the rate-setting process, in which the structure and level of the rates for each of the different services and service levels is determined.

Rate design is the point at which non-cost considerations such as rate gradualism, encouraging waste reduction, low-income rate assistance, and other policy issues are factored into the rates. In some cases, these considerations result in deviations from setting rates at their cost of service.

6.1 2026-2028 Rate Design Strategy

The rate study proposes equal increases across residential and commercial rates of 3.3 percent on April 1, 2026; 3.3 percent on April 1, 2027; and 3.3 percent on April 1, 2028. Transfer station rates are proposed to increase 5.2 percent on April 1, 2026; 5.2 percent on April 1, 2027; and 5.2 percent on April 1, 2028.

The following rates would remain unchanged throughout the proposed rate period:

- Zero Can/Vacancy rate: The rate paid for vacant units with no service, and a small number of legacy customers with no garbage service
- New Account Charge: \$10 fee assessed on new accounts.

6.2 Residential Curbside (Single-Family) Garbage Rates

The rates charged by SPU for residential garbage can service vary with the garbage service levels to which the customer subscribes. Currently, SPU’s variable can rates are structured so that a customer’s bill increases with the amount of garbage service to which they subscribe. Both single-family and multi-family dwellings can subscribe to variable can service though this service is sometimes synonymous with single-family, while on-site service (See Section 5.3) is synonymous with multi-family.

In addition to covering the cost of garbage collection, transfer, and disposal, residential can rates cover recycling collection and processing costs, part of compost collection and processing costs, and low-income rate assistance. Can rates are shown in Table 6-1. Increasing rates for larger cans provide important price signals to encourage customers to recycle, reduce waste and minimize their can size. A typical single-family customer is reported as a 32-gallon garbage can (and a 96-gallon yard waste cart).

Table 6-1: Residential Curbside (Single-Family) Rates

	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
Extras	\$13.95	\$14.40	\$14.90	\$15.40
Garbage Can/Cart Size				
12 Gallon (Micro)	\$28.25	\$29.20	\$30.15	\$31.15
20 Gallon (Mini)	\$34.65	\$35.80	\$37.00	\$38.20
32 Gallon (Standard)	\$45.05	\$46.55	\$48.10	\$49.70
64 Gallon	\$89.95	\$92.90	\$95.95	\$99.10
96 Gallon	\$135.05	\$139.50	\$144.10	\$148.85

6.3 Residential On-Site (Multi-Family) Garbage Rates

Residential detachable container service is available to apartment buildings with five or more residential units. Detachable rates reflect SPU’s contract payments structure and include a flat monthly account fee, a trip rate charged for each container pick-up, and a volume rate (a trip rate that varies with container size):

$$\text{Monthly Rate} = \text{Pickups per Month} * (\text{Trip Rate} + \text{Volume Rate} * \text{Container Size})$$

Dumpster rate components are designed to further encourage dumpster customers to recycle, reduce waste and minimize the number of collections per week and the number of containers. Proposed rates are below:

Table 6-2: Residential On-Site (Multi-Family) Rates

	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
Monthly Account Fee	\$49.50	\$51.15	\$52.85	\$54.60
<u>Detach Rate Components</u>				
Pickup Rate	\$37.05	\$38.25	\$39.50	\$40.80
Uncompacted Volume Rate	\$28.55	\$29.50	\$30.45	\$31.45
Compacted Volume Rate	\$58.00	\$59.90	\$61.90	\$63.95

Compacted rates are higher than un-compacted rates because a compacted container can hold up to five times the garbage of an un-compacted container. Based on SPU data, compacted containers weigh 2.03 times regular containers, on average. Therefore, the volume rate for compacted dumpsters is charged at 2.03 times that of uncompact container rates.

6.4 Commercial Rates

Commercial rates include container and drop box service for both garbage and organics. Individual rate components may vary from what allocated costs dictate in an effort to further encourage dumpster customers to recycle, reduce waste and minimize the number of collections and containers. Commercial customer rate changes are identical to those for residential customers.

Can

Can service rates are shown in Table 6-3 for weekly pickup, though customers may subscribe to any frequency of pickup which is logistically feasible.

Table 6-3: Commercial Can Rates

	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
On-Site Cans (Weekly Pickup)				
20-Gallon	\$42.00	\$43.30	\$44.82	\$46.33

32-Gallon	\$60.84	\$62.79	\$64.95	\$67.12
64-Gallon	\$119.51	\$123.41	\$127.52	\$131.63
96-Gallon	\$140.08	\$144.62	\$149.39	\$154.36

Detach (Dumpsters)

Detach services include uncompacted and compacted service. The contents of the container are tipped into the collection vehicle and customers are charged for each tip (pick up), regardless of the amount of waste within the container. The formula for commercial detachable rates is the same as for residential customers:

$$\text{Monthly Rate} = \text{Trip Rate} * \text{Pickups per Month} + \text{Volume Rate} * (\text{Pickups per Month} * \text{Container Size})$$

Table 6-4: Commercial Detach Rates

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Monthly Account Fee	\$33.30	\$34.40	\$35.55	\$36.70
Detach Rates				
Pickup Rate	\$21.70	\$22.40	\$23.15	\$23.90
Uncompacted Volume Rate	\$36.70	\$37.90	\$39.15	\$40.45
Compacted Volume Rate	\$74.55	\$77.00	\$79.55	\$82.20

Drop Box/Rolloff

Drop box service customers are delivered a roll-off container that is then picked up and transferred for disposal through one of the transfer stations. Customers are charged for the delivery of the container, the pick-up of the container, a rental/account fee, and a per ton (disposal) fee for its content. The disposal fee is intended to cover SPU’s cost of transfer and disposal, taxes on the tons disposed, and a portion of SPU’s administrative costs. Proposed drop box fees can be found in Table 6-5.

Table 6-5: Dropbox Detach Rates

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Monthly Account Fee	\$142.55	\$147.25	\$152.10	\$157.10
Pickup Rate	\$275.30	\$284.40	\$293.80	\$303.50
Tonnage Rate	\$234.80	\$242.55	\$250.55	\$258.80

6.5 Organics Rates

Organics service is divided into curbside and on-site rates. Curbside rates are generally for single-family yard waste customers, while on-site rates are for multi-family and commercial food waste customers. On-site food waste rates are based on commercial garbage can rates, but a 32 percent discount is offered for organics. Detach is also available at the same pickup and volume rate as detach commercial garbage, but again with a 32 percent discount.

Table 6-6: Organics Rates

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Curbside Yard Waste Weekly (Single-Family)				
20-Gallon (Mini)	\$7.50	\$7.75	\$8.00	\$8.25
32-Gallon	\$11.25	\$11.60	\$12.00	\$12.40
96-Gallon (Standard)	\$14.30	\$14.75	\$15.25	\$15.75
On-Site Food Waste Cans (Multi-Family, Commercial)				
32-Gallon	\$41.35	\$42.70	\$44.10	\$45.55
64-Gallon	\$81.15	\$83.85	\$86.60	\$89.45
96-Gallon	\$95.30	\$98.45	\$101.70	\$105.05

6.6 Transfer Station Rates

Transfer station rate increases are included in the rate proposal. Minimum fee vehicles are charged the 0.20 ton minimum while Per Ton vehicles are weighed and charged for their tonnage.

Table 6-7: Transfer Station Rates

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Garbage				
Minimum	\$35	\$37	\$39	\$41
Per Ton	\$165	\$174	\$183	\$193
Organics				
Minimum	\$24	\$25	\$26	\$27
Per Ton	\$125	\$132	\$139	\$146

6.7 Other Rates

Other rates include ancillary charges such as cleaning, locking and unlocking, and secured building entry fees, among others. This category also includes rates which only apply to specific customers, such as railhead disposal fees or CAP.

Ancillary charges are roughly 1.0 percent of residential garbage revenue and 1.0 percent of commercial revenue, or about \$2.6 million in 2024. A full list of ancillary rates is located in Appendix E, Rate Tables.

Railhead Disposal (Argo Direct) Fee

Non-contract commercial waste is brought by private transfer stations to the railhead in south Seattle, where it is placed on a train and taken to the landfill in Arlington, Oregon. There is a 25-ton minimum charge.

Table 6-8: Railhead Disposal (Argo Direct) Fee

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Railhead Rate per Ton	\$150.30	\$155.30	\$160.45	\$165.75
Minimum	\$3,757.50	\$3,881.50	\$4,009.60	\$4,141.95

Clear Alley Program (CAP) Bag Rates

Starting in 2009, residential and commercial customers located within areas designated by SPU, and whose containers were located in the right-of-way, were required to subscribe to a pre-paid bag service in lieu of container service. Rates for the service are designed so that customers pay a bill equivalent to those of detach customers on a volume basis.

Table 6-9: Clear Alley Program (CAP) Bag Rates

	2025	2026	2027	2028
	Adopted	Proposed	Proposed	Proposed
Garbage Bag Size				
15-Gallon	\$5.95	\$6.15	\$6.35	\$6.55
30-Gallon	\$8.40	\$8.70	\$9.00	\$9.30
Organics Bag Size				
15-Gallon	\$4.00	\$4.15	\$4.30	\$4.45
30-Gallon	\$5.80	\$6.00	\$6.20	\$6.40

7. UTILITY DISCOUNT PROGRAM

Qualified low-income customers receive a 50 percent discount on their solid waste bill or a fixed credit on their Seattle City Light bill (if they do not receive an SPU bill directly). For can customers, the fixed credit is equal to 50 percent of the typical solid waste customer’s bill (i.e., 50 percent of the single can rate plus food and yard waste). For apartment dwellers the fixed credit is equal to 50 percent of the average dumpster bill per household. This approach is consistent with the other City utilities.

There is no discount on extra garbage or food and yard waste charges for qualified low-income customers. Extra garbage or food and yard waste is billed at full rates. Low-income rate credits can be found in Table 7-1.

Table 7-1: Proposed UDP Rates and Credits

Customer Type	2025 Adopted	2026 Proposed	2027 Proposed	2028 Proposed
Seattle Public Utilities Discounts				
SPU Customer Discount	50% Discount	50% Discount	50% Discount	50% Discount
Seattle City Light Credits				
Multi-Family Can Customer	\$22.50	\$23.25	\$24.00	\$24.80
Multi-Family Detach Customer	\$18.35	\$18.95	\$19.60	\$20.25
Organics	\$7.30	\$7.55	\$7.80	\$8.05

Utility Low Income Emergency Assistance Program

The Emergency Assistance Program offers eligible low-income customers facing shut off due to delinquent bills an emergency credit of 50 percent off their past-due combined bill, up to a maximum credit of \$518 (in 2024) for wastewater, water, and solid waste bills combined. They are eligible to receive this credit once per calendar year or twice per calendar year if children under the age of 18 live in the household. In 2012 the eligibility requirements were changed from 120 percent of the federal poverty level to 70 percent of state median income, leading to increased usage of this service. Annual solid waste charges to this program do not exceed \$300,000 and are not a significant expense to the SWF.

APPENDIX A STATEMENT OF OPERATING RESULTS

The Statement of Operating Results shows all components of the debt service coverage calculations. It does not display non-cash expenses.

Statement of Operating Results (\$ Millions)

	2024	2025	2026	2027	2028	2029
	Actual	Projected	Proposed	Proposed	Proposed	Estimated
Operating Revenue						
Direct Service	\$171.8	\$174.3	\$176.3	\$180.2	\$187.3	\$194.6
Commercial	75.7	76.4	77.0	79.3	81.9	85.0
Other	37.8	35.8	34.6	35.6	36.5	36.8
RSF Withdrawals (Deposits)	-	-	-	-	-	-
Total Operating Revenue	285.3	286.6	288.0	295.1	305.8	316.4
Operating Expenses						
Contracts	139.2	146.4	152.0	164.2	175.0	182.0
Branch O&M	43.5	61.9	65.9	68.5	71.3	74.1
Taxes	38.0	39.4	40.4	41.4	42.6	43.0
Total Operating Expenses	220.6	247.7	258.2	274.1	288.9	299.1
Net Operating Income	64.7	38.9	30.7	22.0	17.9	18.4
Adjustments	40.9	37.6	38.4	39.2	40.1	40.1
Revenue Available for Debt Service						
With Credit for Taxes	105.6	76.5	68.1	60.2	56.9	57.4
Without Credit for Taxes	73.5	42.5	33.2	24.4	20.1	20.4
Annual Debt Service	13.0	6.0	4.2	4.2	4.2	4.2
Debt Service Coverage						
With Credit for Taxes (Target = 1.7)	8.10	12.69	16.15	14.29	13.5	13.62
Without Credit for Taxes (Target = 1.5)	5.64	7.05	7.87	5.78	4.77	4.84

APPENDIX B STATEMENT OF CASH FLOW

	2024	2025	2026	2027	2028	2029
	Actual	Projected	Proposed	Proposed	Proposed	Estimated
Starting Balance	\$204.0	\$194.7	\$184.2	\$181.3	\$173.5	\$168.2
Additions to Cash						
Operating Revenues	285.3	286.6	288.0	295.1	305.8	316.4
Non-Operating Revenues	14.9	3.6	3.4	3.4	3.2	3.1
Grants	0.2	0.2	0.2	0.2	0.2	0.2
Total Additions to Cash	300.4	290.3	291.6	298.6	309.2	319.7
Deductions from Cash						
Contracts	139.2	146.4	152.0	164.2	175.0	182.0
Branch O&M	50.3	61.9	65.9	68.5	71.3	74.1
Cash Contributions to CIP	7.3	20.8	19.8	21.2	14.4	21.3
Taxes	38.0	39.4	40.4	41.4	42.6	43.0
Debt Service	14.6	6.0	4.2	4.2	4.2	4.2
Debt Service Redemptions	60.3	26.3	13.3	7.9	8.1	15.2
Total Deductions from Cash	309.7	300.8	295.5	307.4	315.6	339.8
Ending Cash Balance	194.7	184.2	180.4	171.5	165.1	145.0

APPENDIX C COST ALLOCATION

This appendix contains a list of cost centers, budgeted costs for 2026, and an allocation to general customer classes. Some totals may not add up due to rounding; table is in thousands of dollars.

Cost Center	Allocation Method	Residential	Commercial	Transfer Station	Total
SPU Branch O&M		24%	22%	33%	24%
Billing	Customer Counts and Trips	6,224	0	0	6,224
Environmental	Garbage Tonnage	605	787	754	2,145
G&A - Contract Management	Management Estimates	7,335	2,445	0	9,780
Transfer Stations - Hauling (All)	Tonnage	267	185	133	586
Transfer Stations - Operations	Tonnage	6,232	4,315	3,099	13,646
G&A - General	Tonnage	22,620	7,646	2,327	32,593
HR	Proportional Assignment	1,231	416	127	1,773
Contract Expense		57%	51%	45%	55%
N000156 Single Family Garbage	Direct Assignment	22,002	-	-	22,002
N000159 Single Family Recycling	Direct Assignment	14,281	-	-	14,281
N000157 Single Family Compost	Direct Assignment	22,417	104	-	22,521
N000156 Multi Family Garbage	Direct Assignment	8,922	-	-	8,922
N000159 Multi Family Recycling	Direct Assignment	13,700	-	-	13,700
N000157 Multi Family Compost	Direct Assignment	863	-	-	863
N000156 Commercial Garbage	Direct Assignment	-	23,015	-	23,015
N000157 Commercial Compost	Direct Assignment	-	1,687	-	1,687
N000159 Commercial Recycling	Direct Assignment	-	57	-	57
N050501 Long-Haul Disposal	Tonnage	6,632	8,628	8,263	23,523
N050107 Garbage Transfer/Processing	Tonnage	-	-	-	-
N050107 Recycling	Tonnage	8,457	-	-	8,457
N050107 Compost	Tonnage	4,944	366	390	5,700
N050201 LHWMP	Volume	4,410	2,392	-	6,082
Taxes		14%	17%	13%	15%
City Utility Tax	Ad-hoc	20,398	8,610	0	29,007
City Tonnage Tax	Tonnage	1,672	2,175	2,083	5,930
State B&O Tax	Revenue	3,528	1,489	397	5,415
		5%	9%	9%	6%

CIP, Financial Policies, and Non-Rates Revenues	Ad-hoc	9,332	6,431	1,715	17,478
Solid Waste Fund Total	Total in Dollars	186,070	70,747	19,287	276,106
	Class Share of SWF Total	67%	26%	7%	100%

APPENDIX D DEMAND ANALYSIS

The following is an overview of the demand projection for the major demand categories. Actuals may not match those published elsewhere by SPU.

Customer Class	Rate	2024	2025	2026	2027	2028	2029
		Actual	Projected	Proposed	Proposed	Proposed	Estimated
Residential Curbside Can Pickups	0 Can	2,619	2,720	2,821	2,821	2,887	2,887
	12 Gallon	21,136	20,991	20,846	20,846	20,751	20,751
	20 Gallon	50,350	50,270	50,190	50,190	50,138	50,138
	32 Gallon	82,120	82,634	83,148	83,148	83,484	83,484
	64 Gallon	11,476	12,117	12,758	12,758	13,177	13,177
	96 Gallon	4,684	4,974	5,264	5,264	5,454	5,454
	Total		172,385	173,706	175,027	175,027	175,891
Residential On-Site Detach	Accounts	5,412	5,493	5,579	5,667	5,752	5,838
	Pickups	37,487	37,939	37,974	38,010	38,045	38,080
	Volume (Cubic Yards)	91,368	92,773	93,810	94,847	95,887	96,925
Commercial Garbage	Accounts	8,190	8,313	8,443	8,576	8,705	8,835
	Pickups	86,350	78,974	79,426	79,879	80,332	80,785
	Volume (Cubic Yards)	112,319	102,367	102,515	102,662	102,810	102,958
	Dropbox Tonnage	3,838	3,679	3,631	3,584	3,536	3,488
Organics Yardwaste Pickups	13 Gallon	40,074	40,715	41,415	42,115	42,818	43,518
	32 Gallon	37,121	39,068	41,078	43,088	45,103	47,113
	96 Gallon	93,189	92,377	91,813	91,249	90,684	90,120
	Total	170,384	172,160	174,306	176,452	178,604	180,751
Organics Foodwaste Pickups	Pickups	2,148	2,154	2,153	2,152	2,151	2,151
	Volume (Cubic Yards)	15,975	16,996	17,839	18,682	19,528	20,371
Transfer Station Tonnage	Garbage	129,161	135,288	120,244	118,466	116,230	120,324
	Organics	6,777	7,026	7,071	7,229	7,413	7,545
System-wide Tonnage	Garbage	352,658	358,350	365,807	374,373	382,319	392,110
	Organics	96,026	97,505	99,974	102,533	104,712	107,468

Recycling	86,430	85,336	84,359	83,409	81,804	81,561
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APPENDIX E RATE TABLES

Most solid waste rates are rounded to the nearest nickel.

Customer	Rate	2025	2026	2027	2028
		Adopted	Proposed	Proposed	Proposed
Residential Curbside Can	0 Can	\$6.85	\$6.85	\$6.85	\$6.85
	12 Gallon	28.25	29.20	30.15	31.15
	20 Gallon	34.65	35.80	37.00	38.20
	32 Gallon	45.05	46.55	48.10	49.70
	64 Gallon	89.95	92.90	95.95	99.10
	96 Gallon	135.05	139.50	144.10	148.85
	Extras	13.95	14.40	14.90	15.40
Residential On-Site Detach	Account Fee	49.50	51.15	52.85	54.60
	Pickup Charge	37.05	38.25	39.50	40.80
	Uncompacted Volume	28.55	29.50	30.45	31.45
	Compacted Volume	58.00	59.90	61.90	63.95
Yardwaste	13 Gallon	7.50	7.75	8.00	8.25
	32 Gallon	11.25	11.60	12.00	12.40
	96 Gallon	14.30	14.75	15.25	15.75
	Extras	7.25	7.50	7.75	8.00
Commercial Cans	20 Gallon	42.00	43.30	44.82	46.33
	32 Gallon	60.84	62.79	64.95	67.12
	64 Gallon	119.51	123.41	127.52	131.63
	96 Gallon	140.08	144.62	149.39	154.36
Commercial Detach	Account Fee	33.30	34.40	35.55	36.70
	Pickup Rate	21.70	22.40	23.15	23.90
	Uncompacted Volume	36.70	37.90	39.15	40.45
	Compacted Volume	74.55	77.00	79.55	82.20
Commercial Dropbox	Account Fee	142.55	147.25	152.10	157.10

	Pickup Rate	275.30	284.40	293.80	303.50
	Tonnage Rate	234.80	242.55	250.55	258.80
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Clear Alley Rates	15 Gallon Garbage Bag	5.95	6.15	6.35	6.55
	30 Gallon Garbage Bag	8.40	8.70	9.00	9.30
	15 Gallon Organics Bag	4.00	4.15	4.30	4.45
	30 Gallon Organics Bag	5.80	6.00	6.20	6.40
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Ancillary Rates	Can/Cart Delivery	34.60	35.75	36.95	38.15
	Dumpster Delivery	41.55	42.90	44.30	45.75
	Small Roll-off Delivery	55.15	56.95	58.85	60.80
	Large Roll-off Delivery	86.50	89.35	92.30	95.35
	Can/Cart Rollout/Reposition	3.55	3.70	3.85	4.00
	Detach Rollout/Reposition	10.20	10.55	10.90	11.25
	Enter Secure Building	6.95	7.20	7.45	7.70
	Dumpster Cleaning	51.90	53.60	55.35	57.20
	Roll-off Cleaning	69.05	71.35	73.70	76.15
	Can/Cart Cleaning	13.80	14.25	14.70	15.20
	Connect/Disconnect	58.70	60.65	62.65	64.70
	Dry Run	120.95	124.95	129.05	133.30
	Truck, Hourly Special	311.05	321.30	331.90	342.85
	Swamper, Hourly Special	103.50	106.90	110.45	114.10
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Misc., Bulky, Etc.	Garbage Curbside Extra	13.95	14.40	14.90	15.40
	Organics Curbside Extra	7.25	7.50	7.75	8.00
	CFCs Charge	8.00	8.25	8.55	8.80
	Electronics	20.00	20.00	20.00	20.00
	Bulky Item/Appliance	30.00	31.00	32.00	33.00
<hr/>					
Transfer Station Rates	Garbage, per Ton	165.00	174.00	183.00	193.00
	Garbage, Minimum Charge	35.00	37.00	39.00	41.00
	Organics, per Ton	125.00	132.00	139.00	146.00
	Organics, Minimum Charge	24.00	25.00	27.00	28.00
	Vehicle Tires	15.00	16.00	17.00	18.00
	Large Appliances	32.00	34.00	36.00	38.00

2026 - 2028 Solid Waste Rates Proposal

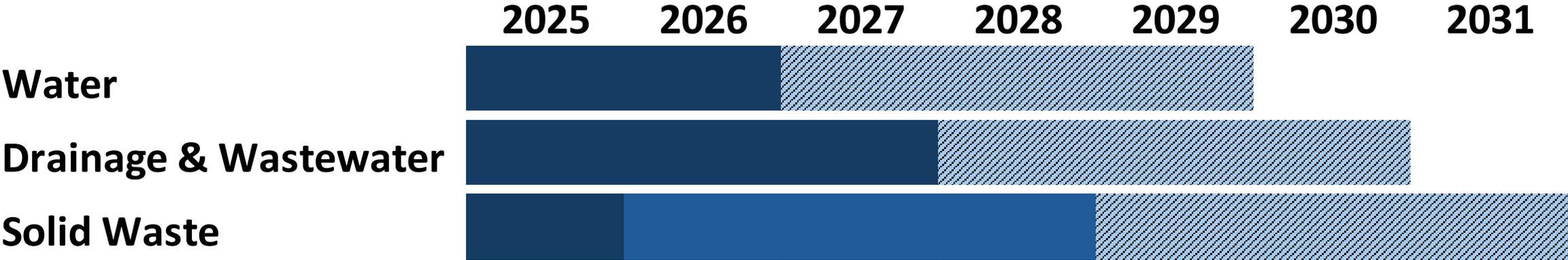
Parks, Public Utilities & Technology Committee

August 13, 2025



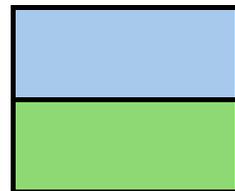
SPU Rates Schedule

Rates are typically set for a three-year period:



Proposed 3-Year Rate Path and Forecast

Line of Business	2025	2026	2027	2028	2029	2030	2025-30
Water	2.0%	2.0%	6.3%	3.3%	6.5%	3.8%	4.0%
Wastewater	5.0%	5.0%	5.0%	6.2%	7.0%	5.1%	5.5%
Drainage	5.0%	5.0%	5.1%	6.6%	6.3%	7.2%	5.9%
Solid Waste	2.4%	3.2%	3.5%	3.5%	3.4%	2.6%	3.1%
Combined	3.7%	3.9%	4.9%	5.0%	5.9%	4.6%	4.7%



Approved Legislation currently in effect

Proposed Solid Waste Rates

SWF Rate Increase Comparison to SBP

	2025	2026	2027	2028	2029	2030	2025-30
SOLID WASTE RATE PATH IN SBP	2.5%	3.1%	3.4%	3.4%	3.8%	2.5%	3.1%
Solid Waste Collection Service*	2.6%	3.3%	3.4%	3.4%	3.9%	2.0%	
Solid Waste Transfer Stations*	0.0%	3.3%	3.4%	3.4%	3.9%	2.0%	
SOLID WASTE RATE STUDY PROPOSAL	2.4%	3.2%	3.5%	3.5%	3.4%	2.6%	3.1%
Solid Waste Collection Service*	2.6%	3.3%	3.3%	3.3%	3.2%	2.1%	
Solid Waste Transfer Stations*	0.0%	5.2%	5.2%	5.2%	5.2%	5.2%	

*Annual April 1st Rate Increase

Solid Waste Rates: Typical Bills

	Adopted	Proposed					
Collection Service	2025	2026	% Chg	2027	% Chg	2028	% Chg
Single Family	\$59.35	\$61.30	3.3%	\$63.30	3.3%	\$65.40	3.3%
Multifamily	\$30.48	\$31.48	3.3%	\$32.52	3.3%	\$33.60	3.3%
Small Business	\$603.99	\$623.92	3.3%	\$644.51	3.3%	\$665.78	3.3%

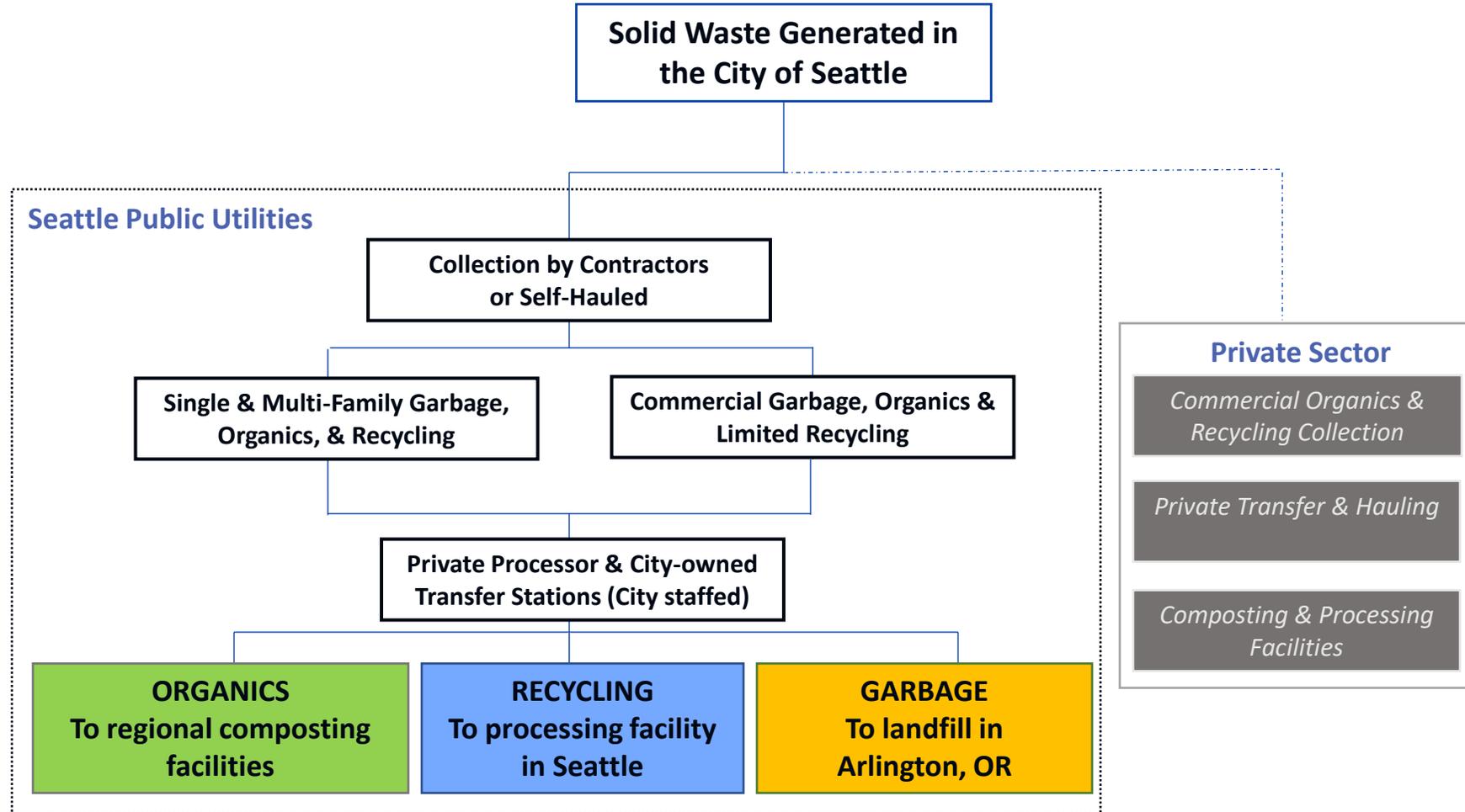
	Adopted	Proposed					
Transfer Stations	2025	2026	% Chg	2027	% Chg	2028	% Chg
Garbage (Per Ton)	\$165	\$174	5.2%	\$183	5.2%	\$192	5.2%
Garbage (Minimum Fee)	\$35	\$37	5.2%	\$39	5.2%	\$41	5.2%
Organics (Per Ton)	\$125	\$132	5.2%	\$138	5.2%	\$146	5.2%
Organics (Minimum Fee)	\$24	\$25	5.2%	\$27	5.2%	\$28	5.2%

2025 Residential Bill Comparison



Tacoma has collection every other week, and Portland has garbage collection every other week, typical bills have been adjusted to reflect service levels similar to Seattle.

Solid Waste System



2024 Solid Waste Customers

Residential Can

172,385



Multi-Family

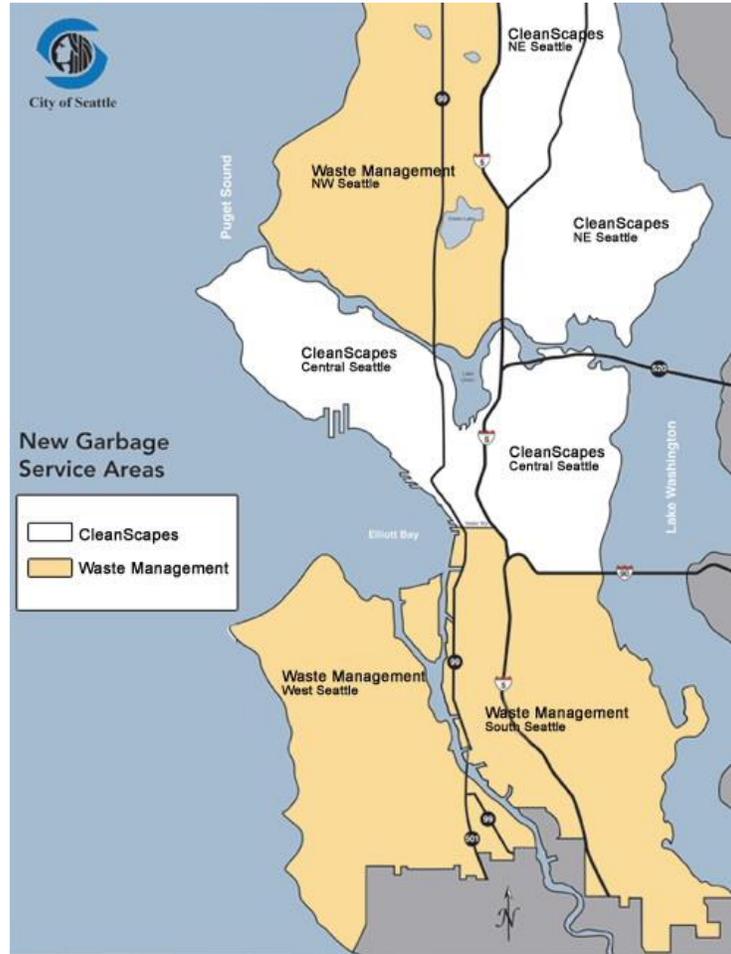
5,412



Commercial

8,190

Solid Waste System - Collection



**Contracts run through 2029
with City options to extend
to 2031 or 2033**

Solid Waste System - Processing & Disposal

Recycling

- Collection contractors haul recycling directly to Republic Services facility in Seattle



Organics

- Delivered to SPU transfer stations, then transported to processing facilities



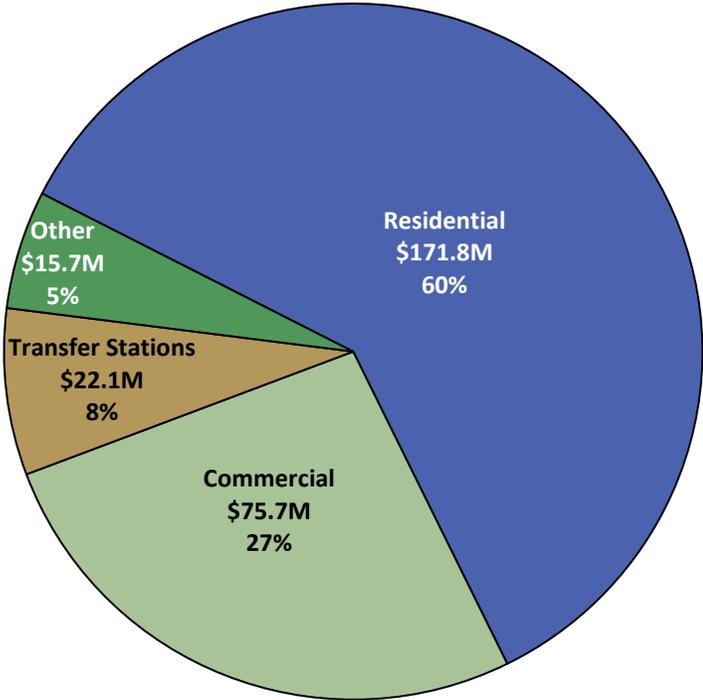
Garbage

- Delivered to SPU transfer stations, then transported to railhead by SPU
- Waste Management disposes of garbage at their landfill in Oregon

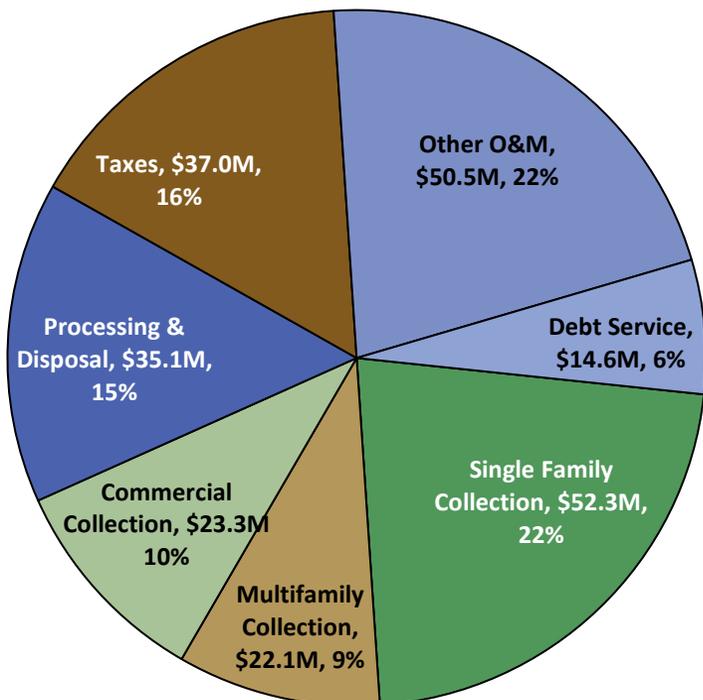


2024 Revenue and Expenses

Revenue: \$285M



Expenses: \$235M



Excess cash used to meet financial policies and pay down debt

Solid Waste Financial Policies

Parameter	Solid Waste Fund
Net Income	Generally Positive
Debt Service Coverage (Adopted)	1.70 times 1.50 times (less taxes)
Year-End Cash Balance (Adopted)	20 days contract expense (\$7.6M)
Year-End Cash Balance (Internal)	45 days operating cash (\$27M)
Cash Financing of CIP	Greater of 10% CIP or \$4.3M

New: *Special Item Pickup Service*

- Goal to divert items from landfill and enforce e-waste and battery disposal bans
- Improves awareness of special pickup services available to customers

	Year of implementation	Annual Cost	Sample Items
One special items box (≤2'x2'x2' & ≤ 60 lbs.)	2026	\$456 k	Multiple small special items (electronics, small appliances)
One battery bag			Household batteries that fit in a gallon plastic bag.
One large electronic (>2'x2'x2')	2027-2028	\$4.3 million/year	TVs, speakers, computers
One bulky item			Large furniture, appliances

Next Steps

- **August 13: PPUT Committee briefing**
- **September 10: PPUT Committee consideration and possible vote**
- **September 16: Full Council Consideration**
- **April 1, 2026: Solid Waste rates effective**

Questions?

September 9, 2025

MEMORANDUM

To: Parks, Public Utilities, and Technology Committee
From: Brian Goodnight, Analyst
Subject: Council Bill 121051: 2026–2028 Solid Waste Rates

On September 10, 2025, the Parks, Public Utilities, and Technology Committee (Committee) will continue its consideration of [Council Bill \(CB\) 121051](#) that would establish Seattle Public Utilities' (SPU's) solid waste rates for 2026–2028. SPU briefed the committee on the proposed bill at the committee's August 13, 2025, meeting.

This memorandum provides relevant background information, compares the proposed rate increases to the rates adopted in the 2025–2030 Strategic Business Plan, describes rate drivers and highlights, and summarizes the impact to customers.

Background

SPU operates three distinct utilities: drainage and wastewater, water, and solid waste, which is the subject of the proposed legislation. The solid waste system provides for the collection, processing, and disposal of garbage, recyclables, and organics from residents and businesses within the city. Contractors provide collection services and deliver the garbage and organics to SPU transfer stations, where SPU staff facilitates the transfer of the materials to either a disposal site or to organics processing facilities. Collection contractors deliver recyclables directly to a recycling facility in SODO for processing. SPU's solid waste utility also oversees the City's Clean City program, partners with King County on hazardous waste disposal, and maintains and rehabilitates historic landfill sites.

The Council typically considers rate-setting legislation for one of SPU's three utilities each year, with rates being set for a three-year period. The most recent update to solid waste rates occurred in October 2022, via [ORD 126689](#), which established rates for 2023–2025.

The Council also typically adopts an updated Strategic Business Plan (SBP) for SPU every three years. The SBP process is an opportunity for SPU to re-evaluate its priorities and project its operating and capital program requirements for the following six years for all three of its utilities. The updates also offer the Council an opportunity to determine whether it agrees with SPU's proposed direction and rate path or wants to make adjustments. In September 2024, Council adopted [RES 32136](#) that approved an updated SBP covering 2025–2030.

Proposed 2026–2028 Rates and SBP Comparison

The proposed legislation would establish solid waste rates for 2026 through 2028, including collection rates for residential and commercial garbage and organics service, special service fees and charges (e.g., extra bundle charges), and transfer station rates for self-haul customers. The bill would also revise the low-income assistance credits for qualifying customers. Recycling service costs are covered by garbage rates rather than being assessed separately, and therefore there are no recycling rates to adjust with this bill. The proposed solid waste rate increases for 2026–2028 are shown in Table 1, alongside an updated forecast for 2029 and 2030 and the endorsed rate increases from the SBP.

Table 1. Comparison of Proposed Solid Waste Rates vs 2024 SBP

	Adopted	Proposed				Forecast		6-Year Avg
	2025	2026	2027	2028	2029	2030		
Proposed Rates	2.5%	3.2%	3.5%	3.5%	3.4%	2.6%	3.1%	
2024 SBP	2.5%	3.1%	3.4%	3.4%	3.8%	2.5%	3.1%	

Note: The proposed legislation would only establish rates for 2026–2028. The forecasted rates for 2029 and 2030 are included for reference purposes only. Blue shading indicates previously approved rates.

As shown in Table 1, the proposed solid waste rate increases are one-tenth of a percentage point higher in each year than the adopted SBP rates. Overall, however, after accounting for the updated forecasts for 2029 and 2030, the six-year average rate increase would be the same as the average rate in the SBP, 3.1 percent.

The variations between the SBP rates and the proposed rates are the result of SPU staff performing a detailed solid waste rate study (attached as [Exhibit A](#) to the Summary and Fiscal Note) that determines the solid waste system revenue requirement for the studied time period, updates the demand forecast for services, incorporates new services or initiatives, and ensures that the department’s financial policies for the Solid Waste Fund are met.

Rate Drivers and Highlights

For this rate study period, the proposed rates were influenced by solid waste demand gradually returning to pre-pandemic levels, expectations of cost increases associated with two major contract renewals that are forthcoming (the recycling processing contract in 2027 and the long-haul disposal contract in 2028), and the opportunity to retire outstanding debt which would result in interest savings.

Special Item Pickup Service

One highlight of the solid waste rate proposal is the inclusion of a new special item pickup service to be rolled out over the next two years. In April 2026, SPU intends to offer customers the ability to, once per year, dispose of one special items box (two cubic feet or smaller, 60 pounds or less) that includes electronics and small appliances and one battery bag (household batteries that fit in a gallon-size plastic bag). Beginning in April 2027, customers would also be allowed the special pickup of one large electronic item (greater than two cubic feet), such as televisions or computers, and one bulky item, such as large furniture or appliances.

SPU currently offers an on-call special item pickup service¹, but usage of the service is low. To receive a special item pickup, customers must submit a request online or by phone, schedule the timing of the pickup, and pay a fee for each type of item. For example, SPU charges \$5 per pickup for small propane canisters and bags of household batteries, and \$30 per item for large furniture, appliances, and large televisions.

SPU's goals for the new special item pickup structure are to improve awareness of the services, divert items from the landfill, and enforce existing e-waste and battery disposal bans. The costs for implementing this service are impactful to the proposed solid waste rates, however. Once the special item pickup service is fully operational, SPU estimates it will cost approximately \$4.8 million per year. Forgoing the inclusion of the new service would reduce the average solid waste rate increase in 2027 from 3.5 percent to 2.9 percent, and would reduce the increase in 2028 from 3.5 percent to 2.8 percent.

Other Highlights

A few additional notable elements of the rate study are:

- Consistent with past practice, CB 121051 would amend [SMC 21.76.040](#) to increase the Utility Discount Program (UDP) rate credit amounts for customers not billed directly by SPU to keep pace with the proposed solid waste rate increases. Participants in the UDP that are billed directly for their solid waste services receive a 50 percent discount on their SPU bills. Customers that pay for solid waste services indirectly through their rent receive a rate credit on their Seattle City Light bills. More broadly, the rate study assumes increased enrollment in the program of four to five percent per year. While it is difficult to tell whether these growth estimates are appropriate, the Executive is currently pursuing efforts to increase enrollment in the UDP based on a study performed in response to [RES 32139](#).
- Consistent with the previous rate study and solid waste rate setting cycle, SPU is proposing to fund its entire solid waste capital program with cash rather than issuing additional debt. This is possible due to the relatively small size of the capital program, the amount of revenue projected to be raised in order to meet financial policies, and the available cash on hand. Total capital spending planned for the rate period is \$55.4 million.
- The new binding financial policy constraint for the Solid Waste Fund will be a positive net income. The binding constraint is the financial target for the fund that requires the most revenue to fulfill. Between 2015–2025, the binding constraint for solid waste was debt service coverage. As stated above, SPU intends to continue funding its solid waste capital program with cash and SPU has also been redeeming outstanding debt, reducing its need to focus on debt service coverage ratios. In 2024 and 2025, the utility redeemed \$86.6 million in outstanding debt and SPU hopes to redeem an additional \$29.3 million over the next three years.

¹ <https://www.seattle.gov/utilities/special-items>

Overall, the proposed solid waste rates would increase Solid Waste Fund revenues by approximately \$6.9 million in 2026 (relative to 2025), approximately \$12.3 million in 2027 (relative to 2026), and approximately \$10.4 million in 2028 (relative to 2027). Due to the City’s imposition of a utility tax on solid waste revenues, the City’s General Fund would receive additional revenues totaling approximately \$5.5 million during the three-year period.

Customer Impact

Table 2 shows the impact of the proposed solid waste rate increases on the monthly bills for a typical single-family residential customer, a multi-family residential customer such as an apartment building, and a commercial customer such as a coffee shop or medium-sized restaurant. The table also shows the impact to self-haul customers disposing of garbage at transfer stations. The information for this table is largely drawn from Table 1-1 of SPU’s solid waste rate study.

Please note that the annual percentage increases shown in the table for each customer type do not match the overall proposed rate increases shown in Table 1. The overall proposed rate increases are influenced by an April 1 effective date for the rates (resulting in the revised rates only applying for a portion of each calendar year) and by the relative impact that each customer type has on the solid waste system’s costs.

Table 2. Impact of Proposed Rate Increases to Customers

	2025	2026	2027	2028
Single-Family Residential ^a	\$59.35	\$61.30	\$63.30	\$65.40
<i>\$ Change from Prior Year</i>	--	\$1.95	\$2.00	\$2.10
<i>% Change from Prior Year</i>	--	3.3%	3.3%	3.3%
Multi-Family Residential ^b	\$457.17	\$472.24	\$487.58	\$503.62
<i>\$ Change from Prior Year</i>	--	\$15.07	\$15.34	\$16.04
<i>% Change from Prior Year</i>	--	3.3%	3.2%	3.3%
Commercial ^c	\$603.99	\$623.71	\$644.35	\$655.63
<i>\$ Change from Prior Year</i>	--	\$19.72	\$20.64	\$11.28
<i>% Change from Prior Year</i>	--	3.3%	3.3%	1.8%
Self-Haul ^d	\$165.00	\$174.00	\$183.00	\$193.00
<i>\$ Change from Prior Year</i>	--	\$9.00	\$9.00	\$10.00
<i>% Change from Prior Year</i>	--	5.5%	5.2%	5.5%

a – 32-gallon garbage, 96-gallon yard waste, 96-gallon recycling

b – Typical 15-unit building, including 2-cubic yard detached garbage, 96-gallon food waste, 2-cubic yard recycling

c – Typical busy coffee shop or medium-sized restaurant: 3-cubic yard detached garbage, optional recycling

d – Amounts shown are costs per ton

Next Steps

The Committee is scheduled to discuss and possibly vote on CB 121051 at its meeting on September 10. If the Committee votes to recommend passage of the bill at that time, the City Council could consider the legislation at its meeting on September 16, at the earliest.

cc: Ben Noble, Director
Calvin Chow, Lead Analyst



Legislation Text

File #: CB 121050, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/Chief Executive Officer of Seattle Public Utilities to execute the First Amended and Restated Contract between The City of Seattle and its long-term, full and partial requirements contract holders for the supply of water; authorizing the withdrawal of funds from the Water Fund Revenue Stabilization Subfund; providing budget authority to use such funds to provide payments to Water Utilities as required under the proposed contracts; amending Ordinance 127156, which adopted the 2025 Budget, including the 2025-2030 Capital Improvement Program; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing a proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

WHEREAS, Seattle, through its Water Fund, serves 16 cities and water utilities under long-term full and partial requirements contracts for water supply that were authorized in 2001 by Ordinance 120362 and in 2011 by Ordinance 123559; and

WHEREAS, these contracts have periodic reopeners to amend certain portions of the contracts, with the current reopener period concluding in 2025; and

WHEREAS, Seattle has completed negotiations with all 16 of the cities and water utilities to amend the 2001 and 2011 City of Seattle Full and Partial Requirements Contract for the Supply of Water; and

WHEREAS, the amendments provide: (a) certainty for Seattle and its contract holders via the automatic extensions of the contract term every 10 years and the expansion of stranded cost provisions; (b) flexibility and modernization via updates to many contract provisions; (c) expanded authority for the joint Seattle-customer Operating Board; and (d) the same contract for both partial and full requirements customers with each water utility's specific requirements established in an exhibit to the amended contracts; and

WHEREAS, one of these contract updates provides for the direct return of up to \$27,000,000 of past overpayments to the contract holders and this payment will affect the Water Fund's financial policy performance; and

WHEREAS, the Water Fund Revenue Stabilization Subfund represents past overpayments by customers and Seattle intends to use these funds as the source of the payment to customers; and

WHEREAS, the withdrawal of Water Fund Revenue Stabilization Subfund will mitigate the impact on financial performance; and

WHEREAS, Ordinance 121761, passed on March 28, 2005, established a minimum balance for the Water Fund Revenue Subfund of \$9,000,000, and permits funds in excess of this amount to be withdrawn, as authorized by ordinance of the City Council, with the anticipation that such withdrawn funds are to be used to meet operating expenses, pay Capital Improvement Program expenditures, or to comply with financial policies; and

WHEREAS, the current balance in the Water Fund Revenue Stabilization Subfund exceeds the minimum balance; and

WHEREAS, pursuant to the Proposed First Restated and Amended Contract with Water Utility for the Supply of Water, this return of overpayment will occur within 60 days of the execution of the First Restated and Amended Contracts with every Water Utility, which may occur in 2025 or 2026; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The General Manager/Chief Executive Officer (GM/CEO) of Seattle Public Utilities is authorized to enter into First Amended and Restated Contracts between The City of Seattle and the following Water Utilities for the Supply of Water: the Cedar River Water and Sewer District, City of Bothell, City of Duvall, City of Mercer Island, City of Renton, Coal Creek Utility District, Highline Water District, North City Water District, Olympic View Water and Sewer District, Soos Creek Water and Sewer District, Water Districts 20, 49, 90, 119, 125, and Woodinville Water District in

substantially the form of the contract attached to this ordinance as Attachment A, including any changes the GM/CEO deems necessary and that are consistent with the purposes of this ordinance.

Section 2. The GM/CEO of Seattle Public Utilities is authorized to make one or more withdrawals of funds in the amount of the payment to contract holders authorized under Attachment A, up to a maximum of \$27,000,000, from the Water Fund Revenue Stabilization Subfund to Operating Cash.

Section 3. To pay for necessary costs and expenses incurred or to be incurred in 2025, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2025 Budget, appropriations for the following items in the 2025 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
3.1	Seattle Public Utilities	Water Fund (43000)	General Expense (43000-BO-SU-N000B)	\$27,000,000
Total				\$27,000,000

Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

Section 4. This ordinance imposes a proviso as follows:

“Of the appropriations made by Section 3 of this ordinance, \$27,000,000 is appropriated solely to pay the Water Utilities mentioned in Section 1 of this ordinance within 60 days of the First Amended and Restated Contracts authorized by Section 1 of this ordinance being signed with every Water Utility, and may be spent for no other purpose.”

Section 5. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 6. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and

1.04.070.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2025, and signed by me in open session in authentication of its passage this _____ day of _____, 2025.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

(Seal)

Attachments:

Attachment A - First Amended and Restated Contract Between The City of Seattle and [Water Utility] for the Supply of Water

FIRST AMENDED AND RESTATED CONTRACT
BETWEEN
THE CITY OF SEATTLE AND
[WATER UTILITY]
FOR THE
SUPPLY OF WATER

DATE: _____

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FIRST AMENDED AND RESTATED CONTRACT BETWEEN THE CITY OF SEATTLE AND [Water Utility] FOR THE SUPPLY OF WATER

THIS FIRST AMENDED AND RESTATED CONTRACT (“Contract”) is entered into between the CITY OF SEATTLE (“Seattle”), a municipal corporation of the State of Washington, and the [Water Utility] (“Water Utility”), a municipal corporation of the State of Washington.

RECITALS

1. Seattle owns and operates a system for the supply, treatment, transmission, and distribution of potable water and is authorized to sell and distribute water to its residents and to other persons and customers located outside the corporate limits of Seattle.
2. Seattle's water system is integral to the health and welfare of the residents located within the retail and wholesale water service areas shown in Seattle's Water System Plan. Seattle intends to provide water from the system to meet the current and future needs of the residents of the wholesale water service areas pursuant to long-term water supply contracts.
3. In meeting this service commitment, Seattle must ensure that this role does not place financial burdens on its retail customers for which they do not receive a corresponding benefit.
4. This Contract and contracts of a similar nature with other Wholesale Customers of Seattle located within Seattle's wholesale water service area are intended to provide those Wholesale Customers and Seattle with the assurance of a long-term service commitment for reliable and sustainable high quality water supply and to describe the terms and conditions associated with that commitment.

5. Under this Contract, Seattle intends to provide wholesale water to Water Utility at an equivalent Wholesale Level of Service with the same pricing and operational principles as it provides itself.
6. Given the extensive growth of Seattle and the surrounding areas and the impacts upon infrastructure and costs, this Contract is intended to provide sufficient water for growth. As a general philosophy for cost sharing purposes, the parties desire to adopt the principle that “growth should pay for growth.”
7. Seattle and Water Utility, together with other Wholesale Customers of Seattle, have agreed to establish an Operating Board comprised of representatives from Seattle and Wholesale Customers, along with an independent representative, all pledged to represent the best interests of the region, to provide advice and direction in certain areas to the Administrator of the Seattle Regional Water Supply System.
8. Pursuant to Section II.A.4.a, Seattle, Water Utility and the other Wholesale Customers have undertaken a review of the Contract and have mutually agreed to amend certain terms and conditions of the Contract to update and clarify obligations of the parties and to strengthen the partnership, resiliency and sustainability of the Seattle Regional Water Supply System.

NOW, THEREFORE, in consideration of mutual covenants herein, the parties mutually agree as follows:

SECTION I. DEFINITIONS

For the purposes of this Contract, the following terms have been defined as:

“Administrator” - The General Manager of Seattle Public Utilities or any other title given to that person who maintains the executive authority to operate and manage the Seattle Regional Water Supply System.

“Alternate Supply(ies)” – The Emergency, Independent and Purchased Supplies, if any, available to Water Utility.

“Annual O&M Costs” – The annual total O&M Costs included in each cost pool as determined in Section IV.D.3.

“Automatically Allowed Reduction” – The purchase reduction amount automatically allowed as defined in Section II.B.5.d.viii.

“Avoided Costs” – The proportional share of the projected capital and operating cost of the next planned source of supply of the Seattle Regional Water Supply System represented by the size of a Wholesale Customer's qualifying reduction in demand, as more particularly defined in Section II.B.5 and Exhibit IX.

“Block Purchase Contract” – A contract in which Seattle sells a fixed quantity of water to a block wholesale customer on a take or pay basis.

“Customer-driven Demand Fluctuations” – Demand fluctuations that are out of Seattle or Water Utility's control and result from retail customer discretion or behavior, such as weather or economic-related demand, use of efficient fixtures, use of reuse water alternatives or redevelopment of property, etc.

“Eastern Subregional Facilities” – Certain subregional transmission facilities used, in part, to serve those Wholesale Customers in the Eastern Subregion as more particularly described in

Section I of Exhibit VII.

“Emergency Supply(ies)” – Water supplies that Water Utility receives or purchases from another water purveyor to use on an emergency or temporary basis as specifically identified in Section I of Exhibit I. Emergency Supplies do not include Independent or Purchased Supplies, or periodic or intermittent water supplies used for peak or seasonal demand or other domestic demand.

“Existing Regional Facilities” – Components of the Seattle Regional Water Supply System which consist of supply and transmission resources and facilities that Seattle exclusively owns and operates; related deferred costs; and facilities owned by others for which Seattle has entered into an agreement to use, all of which are used to produce, treat and convey water to the Seattle Retail Distribution System, Water Utility, other Wholesale Customers, and block or other wholesale customers as set forth in Section 1 of Exhibit VI. This does not include New Supply, New Transmission or Subregional Facilities.

“Facilities Charges” – Facilities Charges (FCs) are the product of the Equivalent Residential Unit (ERU) Charge and the ERU Factor, as further described in Section IV.D.2.c. and Exhibit V. FCs are only as described in this Contract.

“Firm Yield” - Firm yield is the amount of water that Seattle is able to supply system-wide as published in the Seattle Water System Plan.

“Full Requirements Contract” – A contract in which Seattle supplies a Wholesale Customer with its Full Water Requirements.

“Full Water Requirements” – All of the water, except for Emergency Supplies, if any, that Water Utility needs to meet the demand of its present and future retail water customers within its retail distribution service area, as shown in Water Utility’s water system plan in effect on the Effective Date of this Contract, as may be amended according to the provisions of this Contract.

“Independent Supply(ies)” – Water supplies that are owned and operated by Water Utility pursuant to existing or transferred water rights, claims or permits as specifically identified in Section II of Exhibit I or new water supplies acquired by Water Utility through a merger with another water purveyor not supplied by Seattle water. Independent Supplies do not include Emergency or Purchased Supplies.

“Index O&M Costs” – The portion of O&M Costs used to support the Seattle Regional Water Supply System only, except those identified as Non-Index O&M Costs, as more particularly described by the O&M Cost categories specified in Exhibit VIII.

“Infrastructure Adder” –1.5% that is added as a component of the Rate of Return on Investment to the Net Book Value of facilities recognized under the Utility Basis.

“Mixed-use Assets” – Capitalized facilities or assets that are shared between or used to support both the Seattle Retail Distribution System and the Seattle Regional Water Supply System.

“Mixed-use O&M Costs” –The portion of O&M Costs that are shared between or used to support both the Seattle Retail Distribution System and the Seattle Regional Water Supply System.

“New Supply Facilities” – New resources and facilities developed after January 1, 2002, or portions of rehabilitated or replaced Existing Regional Facilities as may be allocated by the Operating Board, that expand the supply capacity of the Seattle Regional Water Supply System as set forth in Section II of Exhibit VI. This does not include Existing Regional, New Transmission or Subregional Facilities.

“New Transmission Facilities” – New resources and facilities developed after January 1, 2002, or portions of rehabilitated or replaced Existing Regional Facilities as may be allocated by the Operating Board, that expand the transmission capacity of the Seattle Regional Water Supply System as set forth in Section III of Exhibit VI. This does not include Existing Regional, New

Supply or Subregional Facilities.

“Non-index O&M Costs” – A portion of O&M Costs to support the Seattle Regional Water Supply System only but not included in the Index O&M Costs because they are nonrecurring or other special circumstances, as determined by Seattle, which may include, but are not limited to pre-or post-capital expenses, claims or net disposition costs.

“Operating Board” – A board of representatives established by Section V of this Contract and having the specific roles and limited authorities as more particularly set forth throughout this Contract.

“O&M Costs” - The fully loaded costs of labor (i.e. all wages and fringe benefits); costs of materials, supplies, and equipment; and other direct or indirect costs or expenses that are not capitalized; or portions thereof, required or expended to operate, maintain, repair and support the Seattle Regional Water Supply System and the Seattle Retail Distribution System in good working order consistent with all applicable local, state and federal laws, policies and standards and to meet the obligations of this Contract.

“Partial Requirements Contract” - A contract in which Seattle supplies a Wholesale Customer with its Partial Water Requirements during the Contract term.

“Partial Water Requirements” – All of the water that is over and above the aggregate amount of Water Utility’s Independent and Purchased Supplies that Water Utility needs to meet the demand of its present and future retail water customers within its service area as shown in Water Utility’s water system plan in effect on the Effective Date of this Contract, as may be amended according to the provisions of this Contract.

“Purchase Commitment” – Water Utility’s Full or Partial Water Requirements, as appropriate, as specified in Exhibit I.

“Purchased Supplies” – Water supplies Water Utility purchases from another water purveyor to meet the demand of its present or future retail water customers as specifically identified in Section III of Exhibit I.

“Qualified Partial Requirements Contract” - A contract in which Seattle supplies a Wholesale Customer with its future partial or full requirements during the Contract term following a customer's demand reduction due to Purchased Supplies.

“Qualified Partial Water Requirements” – Water Utility’s Partial Water Requirements less the amount of a new Purchased Supply that becomes effective pursuant to a reduction of Water Utility’s Purchase Commitment under Section II.B.5.

“Rate of Return on Investment” - Seattle’s Average Cost of Debt plus the Infrastructure Adder.

“Regional Facilities” – All of the Existing Regional, New Supply and New Transmission Facilities.

“Regional Water Conservation Program” - A regional program, implemented collaboratively between Seattle and Wholesale Customers, to help retail customers use water efficiently, defer development of new supply resources and meet applicable regulations and agreements as more particularly described in Section II.E.

“Renton Subregional Facilities” - Certain subregional transmission facilities used, in part, to serve those Wholesale Customers in the Renton Subregion as more particularly described in Section III of Exhibit VII.

Seattle’s Average Cost of Debt (“ACOD”) - The weighted average interest rate on Seattle’s water system debt outstanding over the course of a calendar year calculated at the end of each calendar year during the term of this Contract.

“Seattle’s Cash Pool Rate” - The interest rate earned by the Seattle Water Fund for cash deposited

in the City of Seattle’s cash pool.

“Seattle Retail Distribution System” – Seattle’s retail water distribution system consisting of its retail customers within the Seattle retail water service area as defined in its Water System Plan, and including storage facilities, distribution mains, pumps, disinfection facilities, retail service connections, and all other facilities not included in the Seattle Regional Water Supply System.

“Seattle Regional Water Supply System” - Seattle's regional water supply system consisting generally of water rights (including permits and claims), real property rights, dams, impounded water, supply and transmission mains, pumps, treatment facilities, Subregional Facilities, Service Connections and all other resources and facilities utilized in producing, treating and conveying water up to but not including the Seattle Retail Distribution System, and through to the end of the Service Connections of the Water Utility and other Wholesale Customers, and block or other wholesale customers.

“Seattle’s Service Area Boundary” - Seattle’s then current designated place of use of Seattle’s water certificates, permits, claims or service area under Seattle’s approved Water System Plan.

“Seattle Water Enterprise Fund” - A public utility enterprise fund of the City of Seattle established to account for activities of the water system operated by Seattle.

“Seattle Water System Plan” - Seattle's 2019 Water System Plan, dated August 2019, and amendments and updates thereto, prepared by Seattle to comply with the requirements of WAC 246-290-100, and successor regulations, including each successive Water System Plan issued approximately every 10 years.

“Service Connection” - The Seattle-owned and operated metered delivery locations as specified in Exhibit II, beginning at the outlet from the regional supply pipeline (which may be a subregional pipeline) to the end of the Seattle-owned vault, or the first isolation valve downstream

of the vault; including the water meter and associated appurtenances through which Seattle delivers water at a defined level of service from the Seattle Regional Water Supply System to a Wholesale Customer's retail distribution water system.

“Southwest Subregional Facilities” - Certain subregional transmission facilities used, in part, to serve those Wholesale Customers in the Southwest Subregion, as more particularly described in Section II of Exhibit VII.

“Stranded Costs” – Those portions of infrastructure costs that Seattle has incurred and fixed operations costs committed for the Seattle Regional Water Supply System, but not yet recovered through rates and charges, at the time a Wholesale Customer reduces or terminates its Purchase Commitment, that other Wholesale Customers, including Seattle, would have to pay due to the loss of expected revenue resulting from that Wholesale Customer’s reduction or termination as more particularly described in Exhibit IX.

“Subregional Facilities” – All of the Eastern, Southwestern and Renton Subregional Facilities, or other subregions, if any, that may be added during the term of this Contract.

“Wholesale Customer” – Those water utilities who purchase water from Seattle under a Full or Partial Requirements Contract for the purposes of reselling to their retail customers.

“Wholesale Level of Service” – Water delivered by Seattle to the Service Connection(s) in accordance with the conditions listed in Exhibit II and this Contract intended for Wholesale Customers’ distribution to their retail customers through their own distribution systems. Except as may be specifically provided in this Contract, Seattle is not responsible for, and Wholesale Level of Service does not include, compliance with Department of Health (“DOH”) standards, including fire flow, emergency back-up and water quality within Water Utility’s retail service area or distribution system.

SECTION II. TERM OF CONTRACT AND GENERAL CONDITIONS

II.A. Term of Contract

1. Term. This First Amended and Restated Contract shall be in effect beginning at 12:01 AM on the Effective Date and shall remain in effect until 12:00 AM on January 1, 2062 (“Contract Term”).
2. Effective Date. This First Amended and Restated Contract shall be effective on January 1, 2026 (“Effective Date”).
3. Review of the Contract Term. The parties acknowledge and agree that it is desirable to manage the expiration or extension of this Contract Term prior to expiration and therefore agree that the Contract Term in Section II.A.1 shall be automatically extended for an additional ten (10) years (“Extension”) on January 1, 2032, and every ten (10) years thereafter (“Extension Date”). The Water Utility may opt out of such extension of the Contract Term by providing written notice to Seattle prior to the Extension Date. If Water Utility opts out of the Extension, Seattle shall plan to supply water to Water Utility for only the remaining Contract Term and shall plan for Water Utility to not purchase any water supplies from Seattle as of the expiration of such Contract Term.
4. Periodic Review and Right to Change Certain Terms and Conditions. The parties may review and change certain terms and conditions governing the sale of water under this Contract by January 1, 2042 (“1st Review”), and January 1, 2062 (“2nd Review”), and by January 1 every 20 years thereafter during the term of this Contract or as soon as practicable after the respective January 1, as follows.
 - a. Mutual Agreement. On or before January 1, 2041, and then again on or before January 1, 2061, and every 20 years thereafter, respectively, Seattle, Water Utility

or any Wholesale Customer may provide the other party and Wholesale Customers with a written proposal to amend the Contract terms. All parties, including Seattle, Water Utility, and other Wholesale Customers, shall consider the proposal(s), if any. If the parties mutually agree to the proposal(s), or as negotiated, prior to January 1, 2042 or January 1, 2062, or every 20 years thereafter, respectively, or a date later than January 1 as may be mutually and reasonably agreed to by the parties to continue negotiations, a written amendment to this Contract shall be approved and executed by both parties and this Contract shall be amended accordingly.

- b. Seattle's Right to Amend. If the parties are unable to mutually agree on a proposal by Seattle pursuant to subsection II.A.4.a above within the one-year period associated with the 1st Review, or mutually agreed later date, Seattle may propose in writing its desired amendment to the Operating Board by March 31, 2042, or by 90 days past the expiration of a mutually agreed later date. The Operating Board shall review and recommend revisions, if any, to the proposed amendment. Seattle and the Operating Board shall use reasonable efforts to resolve any concerns in the proposal. After 90 days from Seattle's written proposal to the Operating Board, Seattle may propose its desired amendment to the Seattle City Council. If the Operating Board does not agree with Seattle's proposal, it may submit a revised proposal to the Seattle City Council within 90 days of Seattle's submission of its proposal to the Seattle City Council. After receiving the Operating Board's alternate proposal, or after the lapse of the 90 day period for the Operating Board to make an alternate proposal, the Seattle City

Council may then deny both proposals or approve one of them and issue an amendment to this Contract, which shall be in effect for the remaining term of the Contract from the date of issuance, unless later amended pursuant to this subsection II.A.4, or by mutual agreement. Seattle shall not have the right to unilaterally amend the Contract after the 1st Review period and all subsequent Contract amendments must be mutually agreed to by Seattle and Water Utility.

- c. Limitation on Seattle's Right to Amend. Notwithstanding subsection II.A.4.b above, Seattle shall not have the right to amend the Contract under that provision in a manner to: (i) reduce its obligation to provide the Full or Partial Water Requirements of Water Utility, as appropriate; (ii) cease to provide wholesale water to Water Utility at an equivalent Wholesale Level of Service as it provides to itself; (iii) charge a higher wholesale rate for water supply and transmission to Water Utility than that charged to the Seattle Retail Distribution System; (iv) reduce its water quality obligations for the Seattle Regional Water Supply System; (v) change the methodology for calculating Rate of Return on Investment; (vi) restrict Water Utility's right to terminate or reduce its Purchase Commitment; (vii) disband or significantly reduce the powers of the Operating Board; (viii) amend any Contract provision that will apply only to Water Utility; (ix) change the definition of the Seattle Regional Water Supply System; (x) extend or expand its contractual rights to any portion of Water Utility's retail water distribution systems; (xi) include taxes or surcharges beyond what the water rate setting industry would consider normal in wholesale rates or that are not in accordance with applicable laws and regulations; (xii) amend any Contract

provision relating to Seattle's obligation to approve Water Utility's proposal to introduce Alternate Supplies into Water Utility's retail distribution system as provided in Section II.D.9; (xiii) change the criteria for approval of Alternate Supplies.

- d. Intent. The purpose and intent of the provisions allowing Seattle a limited right to amend the Contract as provided in Section II.A.4.b-c. are to provide Seattle with flexibility to administer numerous Full and Partial Requirements Contracts in a consistent manner when changes to the Contract are desired by Seattle but are not approved by the Operating Board and/or all of the Wholesale Customers as well as to make reasonable changes in response to changing conditions, laws, and regulations over the course of this long-term Contract. Any proposed amendments to the Contract are subject to the procedures and limitations provided in Section II.A.4.b-c. In 2062, when Seattle no longer has this limited right to amend, Wholesale Customers may agree to different contract terms which could necessitate the creation of separate Full and Partial Requirements Customer Classes, each with their own Wholesale Statements and administered according to each Class's agreed-to contract terms.

II.B. Agreement to Supply and Purchase Water

1. Full or Partial Requirements Commitment. Seattle shall supply, and Water Utility shall purchase, Water Utility's Full or Partial Water Requirements as specified in Exhibit I, for the term of this Contract, unless amended pursuant to the provisions below.
2. Expansions in Water Utility's Service Area. Seattle shall supply the Full or Partial Water Requirements, as appropriate, if Water Utility acquires additional service area that is: 1)

located outside of the service area as defined in Water Utility’s Water System Plan in effect on the Effective Date of this Contract and 2) which is not already served with water from the Seattle Regional Water Supply System, subject to a) the availability of water in the Seattle Regional Water Supply System as reasonably determined by Seattle; b) the limitation of Seattle’s Service Area Boundary; and c) Water Utility’s payment of Facilities Charges (“FCs”) for the retail service connections in that additional service area in accordance with Section IV.D. The parties will cooperate to amend, by letter agreement Exhibits I and II, as appropriate, for the limited purpose of documenting the changed circumstances resulting from acquiring the additional service area.

3. Contractions in Water Utility’s Service Area. In the event Water Utility’s entire service area and service responsibilities, or portion thereof, are assumed by or are transferred to another utility or utilities, then this Contract shall become null and void at the time, and to the extent, the assumption or transfer becomes effective; provided, however, 1) this Contract will remain in full force and effect for Water Utility’s remaining service area, if any; and 2) if the transferee of the service area is a Wholesale Customer, Seattle shall provide water to the transferee according to the terms of the transferee’s water supply contract with Seattle. Seattle, Water Utility and the transferee Wholesale Customer will cooperate to amend, by letter agreement Exhibits I and II, as appropriate, for the limited purpose of documenting the changed circumstances resulting from the transfer. If the transferee is not a Wholesale Customer, then Seattle may offer the transferee a water supply contract for the transferred service area subject to terms and conditions as Seattle shall determine.
4. Annexation by Seattle. If Water Utility’s entire service area, or a portion thereof, is

annexed to Seattle, then this Contract shall become null and void to the extent of the annexation and upon the effective date of Seattle's assumption of Water Utility's water system or a portion thereof. In the event Water Utility has remaining service area after the assumption, this Contract will remain in full force and effect for the remaining service area, and Seattle and Water Utility will cooperate to amend, by letter agreement Exhibits I and II, as appropriate, for the limited purpose of documenting the changed circumstances resulting from the annexation of a portion of Water Utility's service area.

5. Water Utility's Right to Terminate or Reduce Purchase Commitment. Water Utility may terminate or reduce its Purchase Commitment subject to the terms and conditions set forth below.

a. Notice Required:

i. Timing: Water Utility must submit 5 years' advance written notice ("Notice Period") to Seattle indicating its desire to terminate or reduce its Purchase Commitment ("Notice"), except as provided below.

(a) If Seattle amends the terms and conditions of this Contract pursuant to Section II.A.4.b above, Water Utility must submit 1 years' advance written notice to Seattle to terminate its Purchase Commitment within 1 year of the effective date of the amendment.

(b) Any notice previously issued by Water Utility to Seattle prior to December 31, 2022, in accordance with the terms and conditions of the Contract then in existence shall be effective to terminate or reduce Water Utility's Purchase Commitment under the Contract. All such notices will be described in Exhibit I.

- ii. Contents of Notice: The Notice shall include the following:
 - (a) A resolution of Water Utility’s governing body approving the Notice and acknowledging Water Utility is subject to the relevant conditions in Section II.B.5.c.
 - (b) A description of the relevant information, including but not limited to: a description of any new Alternate Supply consistent with the information in Exhibit I; the scope (e.g. termination or reduction, amount); and brief description of actions necessary to put the proposed Alternate Supply into use (e.g. regulatory approvals, capital projects, water quality analysis, contract approvals, etc.) or that it is terminating based on Section II.B.5.a.i.(a) above.
 - (c) Except for a termination pursuant to Section II.B.5.a.i.(a) above, Water Utility may include a request for a Notice Period shorter than 5 years, which request shall include a justification.
 - (d) Water Utility will provide additional information upon reasonable request by Seattle or the Operating Board.
- iii. Pre-Notice Request for Calculation of Stranded Costs: Water Utility shall have the right to request Seattle to perform a calculation of Stranded Costs that would be incurred by Water Utility if it issues a Notice to terminate or reduce its Purchase Commitment (“Pre-Notice Request”). A Pre-Notice Request shall be made by Water Utility in writing and shall include the amount of the reduction in its Purchase Commitment and the anticipated effective date of such reduction. Seattle shall respond to Water Utility’s

Pre-Notice Request by providing a written estimate to Water Utility within thirty (30) days (“Pre-Notice Calculation Estimate”). Water Utility agrees to provide Seattle with additional information requested by Seattle that is necessary to allow Seattle to perform the Pre-Notice Calculation Estimate. The Pre-Notice Calculation Estimate will not be binding on either party and will be based on Stranded Cost only; any Avoided Cost calculation will not be included. The Pre-Notice Calculation Estimate shall be completed as described in Exhibit IX, will be based on the current asset schedule, and will not include any changes that occur or information that becomes known between the estimate and the notice.

- b. Effective Date: The termination or reduction will become effective 5 years from the date of the Notice, or 1 year in the case of a termination under Section II.B.5.a.i.(a). Alternatively, if Water Utility requested, and the Operating Board approved a shorter notice period, the termination or reduction will become effective upon the date approved by the Operating Board. In either case, Water Utility must meet the relevant conditions in Section II.B.5.c. below for the termination or reduction to become effective. Additionally, upon Operating Board approval, the parties may mutually agree in writing to extend the 5-year or approved shorter Notice Period for a reasonable and specific amount of time to allow Water Utility additional time to meet the relevant conditions or complete actions to put the Alternate Supply into use. The Operating Board may approve a shorter or extended notice period upon a determination that it is in the best interests of the Seattle Regional Water Supply System. Water Utility may rescind its Notice in writing any time prior to the effective

date. For any notice other than those provided under Section II.B.5.a.i.(b), if Water Utility has not met the conditions by the effective date, the Notice will be rescinded automatically. In either case, when a Notice is rescinded, the Contract will remain in full force and effect.

c. Conditions/Effect of Termination or Reduction:

i. Termination: Water Utility will be subject to the following conditions if it terminates its Purchase Commitment in its entirety:

- (a) Water Utility will lose representation or membership on the Operating Board upon the date of the Notice.
- (b) This Contract will terminate in its entirety as of the effective date of the Notice as specified in Section II.B.5.b above.
- (c) Water Utility will pay the full costs for Seattle to decommission Water Utility's Service Connections as listed in Exhibit II. This obligation will survive the termination of the Contract.
- (d) Water Utility will pay, or receive credit, as the case may be, for its proportional share of any deficit or surplus running balances in any cost pool as of the end of the year of the Effective Date, which shall be prorated by Water Utility's share of total demand (e.g. flow) since the most recent year the running balances were zero.
- (e) Water Utility will pay the Final Net Stranded Cost Payment, or receive the Final Net Billing Credit, as described below in Section II.B.5.c.ii (e)(i) as determined by Seattle pursuant to Exhibit IX.
- (f) Seattle, in its sole discretion, may offer Water Utility a new water

supply contract if Water Utility wants to purchase water from the Seattle Regional Water Supply System again in the future, however any new contract will be subject to: i) Seattle’s determination of the availability of water; ii) no guarantee of a Full or Partial Requirements Contract; and iii) terms and conditions as Seattle may require, including but not limited to, special charges and rates, provided the terms and conditions are consistent with the Ratemaking Principles in this Contract.

ii. Reduction: Water Utility will be subject to the following conditions if it reduces its Purchase Commitment in part:

- (a) The parties will cooperate to amend, by letter agreement, Exhibits I and II, as appropriate, for the limited purpose of documenting the reduction in Water Utility’s Purchase Commitment, the new Alternate Supply, and the amount and effective date of any Purchase Commitment reductions. Water Utility’s Full or Partial Requirements Contract may be converted to a Partial Water Requirements or Qualified Partial Water Requirements Contract, as the case may be, consistent with this Section II.B.5.c.
- (b) Water Utility will pay the full costs for Seattle to decommission Water Utility’s Service Connections listed in Exhibit II or add new Service Connections, if appropriate.
- (c) Water Utility will pay the Final Net Stranded Cost Payment, or will receive the Final Net Billing Credit, as described below in

II.B.5.c.ii(e)(i), if applicable, as determined by Seattle pursuant to Exhibit IX, unless Water Utility provided Seattle with written notice of its intention to reduce its purchase commitment between January 1, 2009 and December 31, 2022.

(d) Will receive a Facilities Charge Allowance pursuant to Section IV.D.2.c.

(e) For reductions related to the use of new or increased production of Independent Supplies only, Water Utility:

(i) May be eligible for an Avoided Cost offset to Stranded Costs (or if the offset is large enough, a Net Billing Credit) as determined by Seattle pursuant to Exhibit IX and if Seattle determines the Independent Supply:

1. Will be used entirely within Water Utility's retail distribution system;
2. Results in Avoided Costs of future supply for the Seattle Regional Water Supply System; and
3. Meets all applicable eligibility criteria that Seattle may develop in consultation with the Operating Board to ensure the offset (or Net Billing Credit) is only applicable to independent supplies that provide reliable, high-quality water, which criteria will include, but not be limited to operational reliability, water quality, and environmental impact.

(f) For reductions related to the use of new or increased Purchased Supplies, Water Utility:

(i) Will be converted to a Qualified Partial Requirements Contract.

If Water Utility loses its Purchased Supply, in whole or in part, and wants to purchase additional water from the Seattle Regional Water Supply System to replace the lost Purchased Supply, the purchase may be subject to: availability of water as determined by Seattle or terms and conditions such as special charges to convert back to a Full or Partial Requirements Contract, provided the terms and conditions are consistent with the Ratemaking Principles in this Contract.

(ii) May not use Purchased Supplies in a manner that will have adverse impacts on the Seattle Regional Water Supply System due to constraints or other terms and conditions in the contract for the Purchased Supply. Seattle, in consultation with the Operating Board, reserves the right to require terms and conditions to protect against adverse impacts or constraints, such as prohibiting impacts to seasonal shaping or peak demands or waiving rights under Section II.C.2.

(iii) Exhibit I will be updated by Seattle whenever Water Utility or other Wholesale Customer terminates or reduces purchases pursuant to this section and such update will be provided to all Wholesale Customers and the Operating

Board.

- d. Not Considered Reduction: For the purposes of this Section II.B.5, reductions under the following circumstances are not considered a reduction of Water Utility's Purchase Commitment and this Section II.B.5 will not apply:
- i. The use of Emergency Supplies listed in Section I of Exhibit I;
 - ii. Customer-driven Demand Fluctuations;
 - iii. Participation in the Regional Water Conservation Program;
 - iv. Participation in Regional Shortage Management Contingency Plan or similar plans requiring restrictions on water deliveries.
 - v. Contraction of Water Utility's service area pursuant to Sections II.B.3 and 4 above.
 - vi. Acquisition of additional Independent Supplies through a merger or acquisition of another water purveyor that is not currently a customer of Seattle.
 - vii. Reductions defined in any notice previously issued by Water Utility to Seattle prior to December 31, 2022, in accordance with the terms and conditions of the Contract then in effect.
 - viii. Reductions in demand, or portions thereof, that result in aggregate reductions under this Contract for Water Utility that are equal to or less than the Automatically Allowed Reduction applicable to Water Utility, which shall be equal to 5.0% of Water Utility's average purchases from Seattle for the five most recent calendar years at the time of Water Utility's initial Purchase Commitment Reduction as described in Exhibit I.

- ix. Demand fluctuations that are out of Seattle or Water Utility’s control and result from new laws or regulations, including rulings, that require the use of reuse water by Water Utility.
6. New or Extended Water Supply Contracts. The full terms and conditions of any new, amended, or extended water supply contracts, along with Seattle’s analysis and explanation of the same, will be submitted to the Operating Board for review and comment prior to adoption.

II.C. Continuity of Service within the Term of the Contract

1. Parity of Service. Seattle shall provide wholesale water to Water Utility at an equivalent Wholesale Level of Service that it provides to the Seattle Retail Distribution System.
2. Emergency and Water Shortage Contingency Planning. Seattle shall adopt, as part of its Water System Plan, emergency plans to provide for water supply in the event of drought or disaster. It is recognized by both parties that Seattle may adopt plans to manage emergencies or water shortages that are implemented on a regional basis in order to meet an emergency condition or a water shortage that impacts the Seattle Regional Water Supply System and may offer trainings or coordinate emergency preparedness activities amongst water utilities within the Seattle Regional Water Supply System. Seattle will follow the Seattle Water Shortage Contingency Plan or any other emergency plan in effect as of the effective date of this Contract, and as may be added or amended from time to time. The Operating Board may review and recommend revisions to any amended water shortage contingency plans or other relevant emergency plan before Seattle adopts the plan. Restrictions placed on water deliveries under any adopted plan will be applied consistently to Water Utility, other Wholesale Customers, and the Seattle Retail

Distribution System. Water Utility shall assist with and support all procedures or emergency plans, including cooperating with restrictions on water deliveries, that are implemented under Seattle’s then current Water Shortage Contingency Plan, or another adopted emergency plan that impacts the Seattle Regional Water Supply System. Water Utility is responsible for adopting its own plans for emergencies or water shortages from Alternate Supplies or within its retail distribution system. Seattle may offer assistance or coordinate with Water Utility to make mutual aid plans together, including via WA WARN or other platform as mutually agreed.

3. Other Emergencies or Interruptions to Service. It is recognized by both parties that Seattle may temporarily interrupt or reduce deliveries of water or revise conditions of service (e.g. minimum hydraulic gradient) (collectively “Temporary Interruptions”), to Water Utility if Seattle determines that Temporary Interruptions are necessary or reasonable in case of system emergencies or in order to conduct necessary operations and maintenance, including but not limited to, installing equipment, making repairs, replacements, investigations and inspections or performing other maintenance work on the Seattle Regional Water Supply System. Except in cases of emergency, and in order that Water Utility's operations will not be unreasonably interrupted, Seattle shall give Water Utility and the Operating Board reasonable notice of any Temporary Interruptions, the reasons for and the probable duration. Seattle shall use its best efforts to minimize Temporary Interruptions to Water Utility.
4. Waiver of Charges. If Temporary Interruptions require that Water Utility draw water supply in a manner that would potentially subject Water Utility to demand charges under Section IV.G.5.a, Seattle shall waive the demand charges during the period of the

Temporary Interruption.

II.D. Water Quality

1. Seattle Regional Water Supply System. Seattle shall be responsible for water quality within the Seattle Regional Water Supply System. Seattle and Water Utility shall work collaboratively to address water quality concerns raised by Water Utility. The Water Utility may request Operating Board review of any water quality concerns that it believes are not reasonably resolved by Seattle. Seattle shall construct, operate and maintain water quality treatment and other facilities and programs and use its best efforts to carry out its water quality responsibilities to deliver safe, high-quality water in the most cost-effective manner for the region.
2. Applicable Standards. Seattle shall at all times during the term of this Contract deliver water through the end of the Service Connection(s) that meets or exceeds all applicable Federal and State regulations as may be amended from time to time. The parties acknowledge and agree that a minor regulatory violation (e.g. missed sample collection) is not considered a default of Seattle's water quality obligations under this Section II.D except to the extent it is significant in duration and risk to public health and Seattle has not made good faith efforts to correct the violation consistent with the applicable regulations.
3. System-wide Water Quality Program. Seattle, in consultation with the Operating Board, may develop and implement a system-wide water quality program, portions of which will guide its obligations for water quality within the Seattle Regional Water Supply System under this Section II.D consistent with applicable regulatory requirements, industry standards and operational needs. The system-wide program may include, but not be

limited to objectives, policies and procedures, and roles and responsibilities for water quality treatment, regulatory and non-regulatory monitoring, reporting, water quality incident response, cross-connection control, and best or adaptive management practices. Seattle will allocate these program costs to the appropriate cost pools as provided in Section IV.

4. Role of Operating Board. The Operating Board may:
- a. review and recommend revisions to the relevant portions of Seattle’s system-wide water quality program related to the Seattle Regional Water Supply System or obligations under this Contract;
 - b. recommend best or adaptive water quality management practices for the Seattle Regional Water Supply System;
 - c. approve allowances for flushing when Seattle or Operating Board determines flushing is the best available option to maintain or improve regional water quality;
 - d. review and recommend revisions to the water quality criteria Seattle adopts and applies prior to: (1) approving the introduction of a new water source into the Seattle Regional Water Supply System or into Water Utility’s retail distribution system if the new water source will be mixed with water from the Seattle Regional Water Supply System under Section II.D.9 and Seattle can establish that the revisions to the water quality criteria are related to the Seattle Regional Water Supply System, or (2) determining whether a new or increased Independent Supply may be eligible for an offset or Billing Credit under Section II.B.5.c.ii;
 - e. approve any changes to the water quality obligations under this Section II.D upon recommendation by Seattle, resulting from changes in regulatory requirements during the

term of this Contract. The parties will amend this Section II.D by letter agreement in the event the Operating Board approves changes to the water quality obligations under this subsection; and

f. establish a technical subcommittee(s) to assist in its roles under this Section II.D.4.

5. Distribution Systems. Water Utility shall be responsible for compliance with all applicable federal, state, and local water quality laws and regulations within its retail distribution system. Seattle is not responsible for water quality compliance for water from Alternate Supplies.

6. Monitoring. Monitoring generally consists of sample collection, testing and reporting. Seattle is responsible for water quality monitoring for the Seattle Regional Water Supply System and Water Utility is responsible for water quality monitoring for its retail distribution system. Notwithstanding the foregoing, the parties acknowledge and agree that it is in the best interests of the region for Seattle to perform certain monitoring responsibilities as described below within those Wholesale Customers' retail distribution systems that have not opted out of the monitoring services as described below and to include the costs of such monitoring services in the appropriate cost pools under Section IV of this Contract. Seattle will not monitor the water within a Wholesale Customer's retail distribution system that opts out of monitoring services. A Wholesale Customer that elects to opt out of Seattle's monitoring services shall submit a written notice to Seattle of its election to opt out of these monitoring services. Water Utility may contract with Seattle to perform water quality monitoring and reporting services that are in addition to Seattle's obligations under this Section II.D as an elective service under Section IV.F. of this Contract. Specific monitoring procedures for Rules identified in the Federal Safe

Drinking Water Act (40 CFR 141) and Chapter 246-290 WAC are described below:

- a. Surface Water Treatment Rule (“SWTR”) and Groundwater Rule (“GWR”).
Seattle shall perform all monitoring for the water sources it owns in the Seattle Regional Water Supply System, and any chlorine residual sample collection and testing in Water Utility’s distribution system, which is done in conjunction with Seattle’s TCR monitoring consistent with Section II.D.6.c below. Seattle will report SWTR and GWR results to WA DOH and chlorine residual data to Water Utility. Water Utility is responsible for any applicable monitoring for its Independent or other Alternate Supplies and any other chlorine residual monitoring within its retail distribution system required under the SWTR.
- b. Lead and Copper Rule (“LCR”). Seattle shall perform monitoring within retail distribution systems for Wholesale Customers who hold Full Requirements Contracts under a regional LCR program. If Water Utility is a holder of a Full Requirements Contract, Water Utility is responsible for coordinating the location and collection of samples and reporting results to property owners as part of the regional LCR program. If Water Utility is the holder of a Partial Requirements Contract, Water Utility is responsible for all monitoring for LCR within its retail distribution system. In that case, Water Utility may elect to use the Seattle WQ Lab to test any LCR samples it collects as an Elective Service pursuant to Section IV.F.
- c. Total Coliform Rule (“TCR”). Seattle shall perform all routine sample collection and testing within Water Utility’s retail distribution system, unless Water Utility notifies Seattle in writing that it will be responsible for all routine TCR

monitoring within its retail distribution system. When Seattle performs routine TCR monitoring, Seattle shall report results to Water Utility and WA DOH, and Water Utility shall verify number and location for routine sample collection. Water Utility is responsible for performing any repeat sample collection, testing, and required reporting to WA DOH. Water Utility may elect to use the Seattle WQ Lab to test any samples it collects as an Elective Service under Section IV.F and Seattle will report results to Water Utility and WA DOH.

- d. Disinfection By-Products Rule (“DBP”). Seattle shall perform all routine sample collection at designated sample stands and testing of those samples within Water Utility’s retail distribution system unless Water Utility notifies Seattle in writing that it will be responsible for all DBP monitoring within its retail distribution system. When Seattle performs routine DBP monitoring, Seattle shall report results to Water Utility and WA DOH, and Water Utility shall verify number and location for sample collection. Water Utility is responsible for any routine sample collection at sites that are not designated sample stands and any additional sample collection, testing of samples it collects, and required reporting to WA DOH. Water Utility may elect to use the Seattle WQ Lab to test any samples it collects as an Elective Service under Section IV.F and Seattle will report results to Water Utility and WA DOH.
- e. Unregulated Contaminant Monitoring Rule (“UCMR”). Seattle shall perform all applicable monitoring required under the UCMR within the Seattle Regional Water Supply System. Water Utility will be responsible for all applicable monitoring required under the UCMR within its retail distribution system. Upon

recommendation by Seattle, the Operating Board may approve an alternate allocation of monitoring responsibilities under the UCMR when it is in the best interests of the Seattle Regional Water Supply System. The costs of any monitoring Seattle performs within the Seattle Regional Water Supply System or as approved by the Operating Board will be allocated to the appropriate cost pool under Section IV of this Contract.

- f. Other Monitoring. Seattle shall perform any other regulatory or non-regulatory monitoring within the Seattle Regional Water Supply System it deems necessary to ensure safe, high-quality water; including but not limited to, other source and miscellaneous monitoring; taste and odor sampling; and emerging contaminants. Water Utility will be responsible for any additional regulatory or non-regulatory monitoring within its retail distribution system.
7. Water Quality Reporting to Regulatory Agencies and Retail Customers (Consumer Confidence Reports). Each Wholesale Customer, including Water Utility, and Seattle, at its sole cost, is responsible for periodic water quality notifications and reporting to its respective retail customers and regulatory agencies as required by law. Seattle shall provide Water Utility all relevant water quality monitoring data consistent with its responsibilities in Section II.D.6 above in a timely manner so that Water Utility may incorporate the water quality data in its required notifications or reports and Seattle may offer public notification assistance, training, or other public notification resources to Water Utility.
8. Flushing. Water Utility shall be solely responsible for flushing water mains within its retail distribution system. Flushing allowances will be provided by Seattle when Seattle

or the Operating Board determine flushing is the best available option to maintain or improve regional water quality.

9. New Water Sources. To ensure public health and regional reliability, the parties agree that blending of water supplies is a matter of regional importance to be managed with the cooperation of the Water Utility, the Operating Board, and Seattle. Therefore, before Water Utility may introduce a new Alternate Supply into its retail distribution system that will mix with water from the Seattle Regional Water Supply System, Seattle must approve the Alternate Supply in writing as a compatible source after an evaluation using customary and reasonable water quality criteria developed in consultation with the Operating Board from time to time. Seattle is required to approve the proposed Alternate Supply when the evaluation establishes that the proposed Alternate Supply meets the following criteria: 1) satisfactory results from a blending study to determine the compatibility of the new Alternate Supply with existing sources already in the Seattle Regional Water Supply System or Water Utility's retail distribution system; 2) the appropriate method and level of treatment and the probable distribution area of the new Alternate Supply within Water Utility's retail distribution system; and 3) satisfactory evidence that Water Utility has obtained all necessary and appropriate regulatory permits, reviews, agreements and approvals for rights to and operational use of the Alternate Supply. The requirements under this Section II.D.9 are in addition to any other requirements, e.g. Section II.B.5, under this Contract to add a new Alternate Supply.
10. Transfers Outside Water Utility's Retail Distribution System. If Water Utility has approval pursuant to Section III.B and transfers water from the Seattle Regional Water Supply System through its retail distribution system to the distribution system of another

water utility, Water Utility, the other water utility, or both, shall be fully responsible for meeting all applicable water quality standards related to the transfer of such water between their respective systems. Seattle will not be responsible for water quality for water transferred outside of Water Utility’s retail distribution system.

II.E. Regional Water Conservation Program

The parties acknowledge and agree that conservation is an important ongoing tool to manage water supply resources and that a regional program, implemented collaboratively between Seattle and Wholesale Customers, to assist retail customers in using water efficiently will help defer development of New Supply Facilities and meet applicable regulations and agreements including, but not limited to, Washington State’s Municipal Water Law (Chapter 90.03 RCW, as may be amended from time to time) and associated Water Use Efficiently (WUE) Rule (WAC 246-290 Part 8, as amended from time to time), Seattle’s 2000 Cedar River Habitat Conservation Plan (HCP) and the 2006 Muckleshoot Indian Tribe (MIT) Settlement Agreement. As a condition of service under this Contract, Water Utility agrees to participate in the Regional Water Conservation Program (“Program”), as it may be amended from time to time during the term of this Contract, consistent with the Program guidelines below.

1. Program Elements. The Regional Water Conservation Program generally consists of the adoption of a regional WUE goal, good faith participation by all Wholesale Customers and Seattle, measurement of performance toward the regional WUE goal on a regional basis, and a combination of measures such as education, technical assistance and financial incentives to achieve the regional WUE goal.
2. Role of Operating Board. The Operating Board will approve the regional WUE goal subject to the additional approval under Section II.E.5 below and the total Program

budget subject to further approval by Seattle City Council, and set the strategic priorities for the Program consistent with any applicable requirements from regulations, agreements or orders. The Operating Board will also determine the cost recovery mechanism for the infrastructure costs of the Program, i.e. New Supply Rates or FCs, pursuant to Section IV.C.2.b. The Operating Board may also establish and provide strategic direction to a technical subcommittee of the Operating Board, the Conservation Technical Forum (“CTF”), comprised of program level staff from each Wholesale Customer and Seattle.

3. Role of Conservation Technical Forum. The CTF participates in designing the Regional Water Conservation Program, consistent with the strategic direction from the Operating Board, and may include review or generation of proposed Program elements or measures.
4. Role of Seattle. Seattle will administer the Regional Water Conservation Program, consistent with the approved regional WUE goal and total Program Budget, Program priorities and in consultation with the CTF. Administration includes, but is not limited to: staffing, including any consultants, to implement the Program; maintaining the Program website; maintaining a system to accept, process, and pay rebates; providing technical assistance to retail customers; developing template education and outreach materials for Wholesale Customers and Seattle to use in their retail distribution service areas (“Program materials”); coordinating certain regional marketing efforts with CTF; and providing each Wholesale Customer, including Water Utility, information related to achievement of the regional WUE goal and Program activity level within their respective retail distribution service areas.

5. Role of Wholesale Customers. At their own cost and expense, Seattle and each Wholesale Customer, including Water Utility, is responsible for marketing the Program using the Program materials within their retail service area that are in addition to any regional marketing efforts coordinated with CTF; adopting the regional WUE goal by their governing body; any required reporting of the regional WUE goal and performance to the State and their respective retail customers; and data collection as needed to track the regional WUE goal in their respective retail distribution systems.
6. Conservation in Addition to the Regional Program. Water Utility may elect to implement its own water conservation program or measures, in addition to the Regional Water Conservation Program, at its own discretion and its sole cost.
7. Postponing the Need for New Supply Facilities. In order to avoid the necessity of developing or acquiring New Supply Facilities for as long as reasonably practicable, any water saved through the Regional Water Conservation Program shall be dedicated first to the municipal water supply purposes of the Seattle Regional Water Supply System before any other use of such water may be undertaken.
8. Responding to changes in Conservation Program requirements. The parties acknowledge and agree that changes in conservation regulation, agreements, and other conservation requirements may occur from time to time. Upon Seattle's request, Water Utility will cooperate to amend, by letter agreement, this Contract as appropriate, for the limited purpose of documenting adjustments to the Regional Water Conservation Program or documenting other conservation activities resulting from such changed circumstances.

II.F. Cedar River Watershed Education Center and Other Facilities

Water Utility may use the Cedar River Watershed Education Center up to two times per year

without charge, subject to availability. Water Utility may request occasional guided tours of the Cedar River Watershed or other facilities in the regional system. Water Utility may coordinate any use under this provision with the Wholesale Contracts Manager.

SECTION III. CONDITIONS OF SERVICE

III.A. Minimum Hydraulic Gradient and Flow Rates

1. Initial Minimum and Flow Rates. Seattle shall operate and maintain the Regional Facilities, and Subregional Facilities, if applicable, as necessary to maintain the minimum hydraulic gradients at each Service Connection as long as Water Utility does not exceed the flow rates at each Service Connection that are allocated from and based on maximum day demand, both of which are more specifically described in Exhibit II for each Service Connection. Seattle and Water Utility will include this information in their respective water system plans. Seattle, in consultation with the Operating Board, may increase the flow rates in Exhibit II from time to time based on updated average daily demand projections subject to transmission system capacity. Water Utility shall use best efforts to operate and maintain its retail distribution system in a manner consistent with the flow rates described in Exhibit II. Water Utility may use all or some of the flow rates allocated to each Service Connection on any other Service Connection that is located on the same Pipeline Segment Number, but in that case, the minimum hydraulic gradients are not guaranteed. Water Utility shall avoid taking water from a Service Connection in a manner that exceeds the flow rates for that Service Connection (or the aggregate flow rate for the Service Connections on the same Pipeline Segment Number) or take the flow at a rate faster than 24 hours, e.g. excessive intraday peaking, which could impact Regional Facilities or other Wholesale Customers downstream or upstream of Water Utility's

Service Connections. Upon notice by Seattle, Water Utility shall immediately reduce water deliveries at the Service Connection to no more than the flow rates for a Service Connection (or aggregate on same Pipeline Segment Number) in Exhibit II. In the event that Water Utility does not reduce deliveries as required under this provision, Seattle may install and operate flow restricting devices at the Service Connection(s), at Water Utility's expense. Water Utility shall maintain sufficient storage in its retail distribution system to manage peak demands in excess of the flow rates in Exhibit II and may be subject to the Demand Charges pursuant to Section IV.G.5.a if storage is insufficient. The parties will amend Exhibit II by letter agreement to reflect any modifications pursuant to this Section III.A.1.

2. Modifications. If Seattle proposes a capital improvement project that would result in needing to modify the minimum hydraulic gradient and the corresponding flow rates at one or more Service Connections, Seattle may modify the minimum hydraulic gradient and corresponding flow rates described in Exhibit II if Seattle finds, and the Operating Board concurs, that Seattle's proposed capital improvement project would benefit the Seattle Regional Water Supply System and that it is feasible from an economic, land use and engineering perspective for Water Utility to adapt to the modification at its expense. Seattle may make these modifications only once during any fifteen (15) year period provided that four (4) years advance written notice is given to Water Utility unless a shorter notice is approved by the Operating Board. The parties will amend Exhibit II by letter agreement to reflect any modifications pursuant to this Section III.A.2.
3. New or Changed Service Connections. Seattle, in consultation with the Operating Board, and Water Utility may mutually agree to new or relocated Service Connections or

adjustments to the minimum hydraulic gradients and corresponding flow rates. The parties will amend Exhibit II by letter agreement to reflect any changes under this provision. Any costs associated with a new or changed Service Connection will be allocated consistent with Section IV.C.1.c.

III.B. Resale to Other Parties

Water Utility may sell, or supply for emergency purposes, water supplied by Seattle to other water utilities located outside of Water Utility's existing or future retail service area and within Seattle's Service Area Boundary, or to Seattle's other Wholesale Customers, block customers or retail customers, only upon the prior written consent of Seattle (or oral, in case of emergency), which consent may include any terms and conditions or limitations Seattle may require. Agreements for resale or emergency supply of water by Water Utility listed in Sections I or IV of Exhibit I, as appropriate, are hereby approved by Seattle subject to whatever written terms, conditions and limitations that Seattle has imposed on such resale or emergency supply.

III.C. Interconnection With Other Systems

1. Prohibition on Interconnection. Water Utility shall not interconnect any part of its retail distribution system supplied with water from Seattle with other water systems without the prior written approval of Seattle, in consultation with the Operating Board, or, in case of emergency, upon oral approval by Seattle, which shall not be unreasonably withheld. Any such interconnection also shall be subject to the approval of the Washington State Department of Health and the installation of a meter. The interconnecting systems must be in compliance with all applicable laws and regulations including the requirement that they have a valid operating permit issued by the Washington State Department of Health. The parties will revise Exhibit I by letter

agreement to include any interconnections approved under this Section III.C.1.

2. Requests by Seattle to Interconnect. Seattle may request that Water Utility interconnect its retail distribution system to the distribution system of an adjacent Wholesale Customer for the purposes of wheeling water from the Seattle Regional Water Supply System through Water Utility's retail distribution system to the adjacent Wholesale Customer, provided that the adjacent Wholesale Customer has agreed to be subject to the provisions of Section III.C.2.b below. Water Utility shall comply with that request subject to the terms and conditions set forth below.

a. Requirement for Interconnection. If Water Utility does not consent to Seattle's request for interconnection, Seattle may submit its request to the Operating Board. Water Utility may present the reasons it does not consent to the interconnection to the Operating Board, and may include alternatives for consideration to serve the adjacent Wholesale Customer. The Operating Board shall consider the matter. Upon (a) a written finding by the Operating Board that the proposed interconnection with an adjacent Wholesale Customer for wheeling purposes is feasible taking into account Water Utility's capabilities, limitations, and obligations, (b) a written finding by the Operating Board that such interconnection benefits the Seattle Regional Water Supply System and (c) a written demand of the Operating Board that Water Utility carry out the interconnection, Water Utility shall be required to interconnect its facilities to the adjacent Wholesale Customer for the purposes of wheeling water to that Wholesale Customer through its retail distribution system, provided that the adjacent Wholesale Customer has agreed to be subject to the provisions of Section III.C.2.b below.

- b. Payment and Indemnity. Seattle will require that the adjacent Wholesale Customer agree: 1) to perform or cause to perform the interconnection, at adjacent Wholesale Customer's cost, in a location and according to specifications and a schedule acceptable to Seattle and Water Utility that do not unduly disrupt Water Utility's operations; 2) pay Water Utility its actual costs incurred to review, inspect and accept the installation of the interconnection; 3) pay Water Utility a reasonable rate or charge for the cost of wheeling the water to the adjacent Wholesale Customer as determined by the Water Utility, ; and 4) indemnify Water Utility from any liability that may result from operating the interconnection to deliver water to the adjacent Wholesale Customer. The Operating Board may adopt a standard methodology based on industry standards for calculating costs that ensures that Water Utility is fairly compensated for wheeling water through its retail distribution system. The adjacent Wholesale Customer may request review of Water Utility's wheeling rate by the Operating Board. The Operating Board shall have the authority to revise any rate that it determines is in excess of the Water Utility's full costs of owning, operating, maintaining, repairing and replacing and supporting the water facilities necessary to wheel water to the adjacent Wholesale Customer.

III.D. Development of Seattle Regional Water Supply System Infrastructure

Final decisions and authority to approve construction of capital infrastructure related to the Seattle Regional Water Supply System shall rest with the Seattle City Council. Capital construction activities include, but are not limited to installations, renewals, replacements, upgrades, expansions, and any other costs included in Seattle's Capital Improvement Plan as more

particularly described in Section VI.D.

III.E. Metering Equipment

1. Service Connection Meters. Seattle shall own and perform reading, testing, cleaning, routine maintenance and recalibration on the meters within each Service Connection to measure the amount of water delivered to Water Utility through the Service Connection pursuant to this Contract. Seattle shall perform all other work on the Service Connections including major maintenance, repairs, and replacements, at Water Utility's expense regardless of the cause, provided that the cause is consistent with AWWA and safety standards and practices (e.g. major maintenance, repairs and replacements) except to the extent the costs are a result of 1) Seattle's negligence, or 2) a meter failure within 5 years of the original installation; in which for both cases, the costs shall be allocated to the Existing Regional System Cost Pool. Water Utility shall operate and maintain its retail distribution system in a manner that the water flowing through the Service Connection meter operates within the normal operating range for the meter as specified by the manufacturer. In the event Seattle fails to conduct routine maintenance on the meters, including vault structures, Water Utility may notify Seattle of its failure and request that Seattle conduct the necessary and appropriate maintenance within a period of 90 days. Water Utility may in its discretion install additional water meters within Water Utility's water system to measure the supply of water from Seattle under this Contract. In the event of a discrepancy in meter readings, the parties will work in good faith to resolve the discrepancy.
2. Deliveries to Seattle. Until such time as Seattle determines it to be economical to install metering devices to measure the amount of water delivered from the Seattle Regional

Water Supply System to the Seattle Retail Distribution System, the amount of water delivered to the Seattle Retail Distribution System shall be measured indirectly by subtracting the metered water delivered to all of Seattle’s Wholesale Customers and other wholesale customers, e.g. block contract holders, from 98% of the total amount of water exiting Seattle’s sources of supply as measured by the supply meters. Seattle shall perform routine maintenance and recalibration of its supply meters in accordance with industry standards to ensure the accuracy of the data and information being provided by the supply meter.

SECTION IV. COST OF WATER SUPPLY & TRANSMISSION

Cost-based rates are a water industry accepted practice and the historical practice of Seattle and the Wholesale Customers. The ratemaking principles, policies and methodologies set forth in this Section IV are intended to meet the objective of equitable and cost-based rates.

IV.A. Ratemaking and Cost-allocation Principles

The parties will apply the following general principles and policies to the establishment of all rates, charges, and cost allocations for water supply, transmission, and related services under this Contract.

1. No expenses attributable to electric power development may be allocated to the cost pools identified herein unless the pools are allocated a commensurate share of revenue derived from such development.
2. Seattle shall utilize the governmental accounting and financial reporting standards established by the Governmental Accounting Standards Board (“GASB standards”) that follow generally accepted accounting principles, as may be amended from time to time, consistently applied as a basis for developing the financial information upon which rates

and charges are based.

3. Abrupt changes in financial policies should be avoided.
4. The rate structure should encourage the efficient use of water, conservation and the timely development of new environmentally responsible, cost-efficient, and high-quality water sources and should incorporate seasonal rates and other pricing approaches to encourage efficient use.
5. The rate structure should be innovative, flexible, and adaptive whenever it is cost effective and beneficial in furthering the ratemaking policies.
6. The rate structure should be simple to administer and easily understandable.
7. The rate structure should be designed to recover the costs to own, operate and support the Seattle Regional Water Supply System fairly and objectively.
8. Unless modified with the approval of the Operating Board or implemented prior to the initiation of the current Contract review process in 2020, Seattle’s ratemaking processes will reflect the generally accepted guidelines and practices of the U.S. water industry.
9. When revenues for regional or subregional assets are received outside of rates or Facilities Charges (such as but not limited to capital contributions, grants, donated plant, insurance or FEMA reimbursements, payments based on allowances or other agreed-upon terms), that portion of the asset equal to the amount of outside revenue received shall be removed from the applicable cost pool. When revenues for Index O&M Costs or Non-Index O&M Costs are received outside of rates (such as but not limited to grants, fee for services, insurance or FEMA reimbursements, payments based on allowances or other agreed-upon terms), the Index O&M Costs or Non-Index O&M Costs shall be reduced by the corresponding amount.

10. Certain costs may be recovered through allowances or other mutually negotiated terms. Any costs recovered through such terms must be recognized and accounted for appropriately within Seattle’s ratemaking processes to eliminate the possibility of double-recovery.
11. Any portion of Seattle’s Non-Index O&M Costs or capital costs which benefit only an individual Wholesale Customer or serves growth of a customer having a Block Purchase Contract shall be allocated to that customer or to a cost pool in which the customer bears an appropriate share, except as specifically provided in Sections IV.C.3.b, IV.D.2, and VI.D.2 of this Contract.
12. Only those costs incurred by the Seattle Water Enterprise Fund to own, operate, and reasonably support the Seattle Regional Water Supply System are eligible for recovery through the rates and charges pursuant to the terms of this Contract.
13. Seattle shall provide reasonable and early notice and appropriate information to the Operating Board so that it can carry out its roles with reasonable opportunity for meaningful input.
14. The Seattle Retail Distribution System shall be treated as the equivalent of a Wholesale Customer of the Seattle Regional Water Supply System for the purpose of charging Seattle the same applicable wholesale rates and charges as Water Utility for water supply and transmission unless specifically provided otherwise in this Contract. Costs calculated under the costs pools described below shall apply to all Wholesale Customers and to the Seattle Retail Distribution System consistently.
15. All parties will use best efforts in establishing rates and cost allocations that reflect the ratemaking and cost allocation principles set forth in this Section IV.A.

16. Costs should be capitalized for wholesale ratemaking purposes by applying the same capitalization policy as applied to the Seattle Water Enterprise Fund, except as allowed under Section IV.D.2.a.i.

IV.B. Ratemaking Framework

Subject to the foregoing principles, wholesale rates and charges for the services described in this Contract shall be developed by Seattle based on the following framework:

1. Water Supply and Transmission Services. The costs of water supply and transmission of water shall be accounted for in the cost pools described in Section IV.C below. Seattle will recover the costs in each cost pool by establishing separate rates or charges for each cost pool but may charge composite rates. Rates and charges will be applied consistently to Wholesale Customers within a Customer Class and the Seattle Retail Distribution System except as may be specifically defined as a charge to an individual or subset of Wholesale Customers, including Seattle.
2. Mixed-use Allowances. Seattle owns and operates Mixed-use Assets and performs Mixed-use O&M that are shared between or used to support both the Seattle Regional Water Supply System and the Seattle Retail Distribution System. The parties mutually agree to the recovery of costs of the portion of the Mixed-use Assets and Mixed-use O&M used to support the Seattle Regional Water Supply System to the extent specified in this Contract, including in Sections IV.D.2.b and 3.a.ii.
3. Seattle Retail Distribution System. Seattle may not allocate the costs of the Seattle Retail Distribution System or the portion of the Mixed-use Assets and Mixed-use O&M used to support the Seattle Retail Distribution System to any cost pools under this Contract.

IV.C. Seattle Regional Water Supply System Cost Pools

For the purpose of determining costs of water supply and transmission, there shall be the cost pools described below.

1. Existing Regional System Cost Pool. The Existing Regional System Cost Pool shall be accounted for as follows:
 - a. A rate shall be charged to recover the full costs of owning, operating, maintaining, repairing, renewing, and replacing and supporting the Existing Regional Facilities, which are assigned to this cost pool. Seattle may amend the list of Existing Regional Facilities in Exhibit VI, if necessary, to add or delete Existing Regional Facilities, as appropriate. The amended Exhibit VI will be incorporated as part of this Contract.
 - b. The Operating Board may approve the allocation of 1) any portion of a New Supply or New Transmission Facility project that enhances reliability of Existing Regional Facilities to the Existing Regional System Cost Pool and 2) any portion of an Existing Regional Facility project that expands the supply capacity of the Seattle Regional Water Supply System to the New Supply Cost Pool or the transmission capacity of the Seattle Regional Water Supply system to the New Transmission Cost Pool. Seattle will amend the relevant lists of Regional Facilities in Exhibit VI, as appropriate, to document any portion of a project or costs that are allocated by the Operating Board under this Section IV.C.1.b. The amended Exhibit VI will be incorporated as part of this Contract.
 - c. Costs of Service Connections and Metering Equipment. If Seattle requests a change in the location of the Service Connection to Water Utility for the benefit of the Seattle Regional Water Supply System or incurs costs for metering

equipment that meet one of the exceptions in Section III.E, then the costs, including any retirement costs of the old Service Connection, shall be included in the Existing Regional System Cost Pool. If Water Utility requests a new Service Connection, a change in location, an adjustment to service conditions of an existing Service Connection or Seattle incurs any other costs that are allocated to Water Utility pursuant to Section III.E, then Seattle shall invoice Water Utility for the costs of the new, replaced/repared or changed Service Connection, including any retirement costs of the old Service Connection consistent with Section III.E.

2. New Supply Cost Pool. The New Supply Cost Pool shall be accounted for as follows:
 - a. A rate shall be charged to recover the full costs of owning, constructing, operating, maintaining, repairing, renewing and replacing and supporting the New Supply Facilities, which are assigned to this cost pool, and which includes the costs of the Regional Water Conservation Program. Seattle may amend the list of New Supply Facilities in Exhibit VI, to add or delete New Supply Facilities, as appropriate. The amended Exhibit VI will be incorporated as part of this Contract.
 - b. The Operating Board may approve the allocation of certain costs to the New Supply Cost Pool consistent with Section IV.C.1.b above. Seattle will amend the relevant lists of Regional Facilities in Exhibit VI, as appropriate, to document any portion of a project or costs that are allocated by the Operating Board under this Section IV.C.2.b. The amended Exhibit VI will be incorporated as part of this Contract.
 - c. The Operating Board shall determine whether the infrastructure costs of New Supply Facilities shall be recovered through FCs or new supply rates.

d. The Operating Board may allocate the reasonable expenses of the Operating Board to this cost pool.

3. New Transmission Cost Pool. The New Transmission Cost Pool shall be accounted for as follows:

a. A rate shall be charged to recover the full costs of owning, constructing, operating, maintaining, repairing, renewing, and replacing and supporting the New Transmission Facilities, which are assigned to this cost pool. Seattle may amend the list of New Transmission Facilities in Exhibit VI, if necessary, to add or delete New Transmission Facilities, as appropriate. The amended Exhibit VI will be incorporated as part of this Contract.

b. The Operating Board may approve the allocation of certain costs to the New Transmission Cost Pool consistent with Section IV.C.1.b above. In addition, the Operating Board may approve the allocation of any portion of a New Transmission Facility project that benefits only a subset of Wholesale Customers or an individual Wholesale Customer to a subregional cost pool or the individual Wholesale Customer. Seattle will amend the relevant lists of Regional or Subregional Facilities in Exhibits VI or VII, as appropriate, to document any portion of a project or costs that are allocated by the Operating Board under this subsection IV.C.3.b. The amended Exhibits VI or VII will be incorporated as part of this Contract.

c. The Operating Board shall determine whether the infrastructure costs of New Transmission Facilities shall be recovered through FCs or new transmission rates.

d. The Operating Board may allocate the reasonable expenses of the Operating

Board to this cost pool.

4. Operating Board Review. Prior to commencing in the design and construction of facilities eligible for inclusion in the New Supply or New Transmission Cost Pools, Seattle will review the purpose, timing, and need for said new supplies with the Operating Board. The Operating Board will have 90 days to provide Seattle with written comments on the proposed new supply or transmission development along with its recommendation on whether or not Seattle should proceed with the proposed plan. Nothing in this provision shall be interpreted to prevent Seattle from engaging in preliminary design efforts necessary to determine the feasibility of, or costs associated with, a particular project.
5. Subregional Cost Pools. Certain Wholesale Customers are served, in part, by subregional transmission facilities that only benefit those Wholesale Customers in the specific subregions. If Water Utility is served by subregional transmission facilities as described in Exhibit I, Water Utility is subject to the relevant provisions of this Section IV.C.5. If Water Utility is not served by subregional transmission facilities, this provision does not apply. The following subregional cost pools shall be accounted for as follows:
 - a. Eastside, Southwest and Renton Subregional Cost Pools. A rate for each subregion shall be charged to the appropriate Wholesale Customers who are served by the respective subregional facilities to recover the full costs, as defined by this Contract, of owning, constructing, operating, maintaining, repairing, renewing and replacing and supporting the Eastside, Southwest or Renton Subregional Facilities, respectively, which are assigned to the respective subregional cost pools. Seattle may amend the list of Subregional Facilities in

Exhibit VII, if necessary, to add or delete Subregional Facilities. The amended Exhibit VII will be incorporated as part of this Contract.

- b. The Operating Board may approve the allocation of other costs that benefit the specific Wholesale Customers served by the Eastside, Southwest or Renton Subregional Cost Pools, as appropriate.
6. Renton New Supply Cost Pool. The Renton New Supply Cost Pool shall be accounted for as follows:

The full costs of owning, constructing, operating, maintaining, repairing, renewing and replacing and supporting the New Supply Facilities developed after January 1, 2012, including the costs of the Regional Water Conservation Program beginning January 1, 2012, shall be included in the Renton New Supply Cost Pool.

7. Creation of Additional Cost Pools. Seattle, in its discretion, may create additional cost pools, including its allocation by customer or customer class, to provide equity and flexibility in payment arrangements and the allocation of costs as the Seattle Regional Water Supply System expands to include new infrastructure, operations, and customers or responds to changed circumstances such as new regulatory requirements. The Operating Board may review and recommend revisions to the definition of the additional cost pool, and how it will be accounted for or allocated by customer or customer class. The Operating Board may approve the allocation of costs, or portion thereof, between a newly created additional cost pool and an existing cost pool if the costs to be allocated satisfy the criteria for allocation to the existing cost pool. Seattle and Water Utility will revise the Contract by letter agreement for the limited purposes of documenting the creation and allocation of an additional cost pool under this Section IV.C.7.

8. Approval of Cost Allocation Method. The Operating Board shall use its best efforts to determine and approve a cost allocation method for infrastructure projects and related capital costs within the Seattle Regional Water Supply System prior to the project obtaining construction approval from the Seattle City Council. Failure of the Operating Board to approve a cost allocation method, however, shall not hinder Seattle from approving such projects in order to assure Seattle’s fulfillment of its obligations under this Contract.

IV.D. Allocation of Costs and Revenues into Cost Pools

1. Accounting. Seattle shall maintain and use a cost accounting system consistent with the provisions of this Contract and the GASB standards, as amended from time to time, consistently applied in developing the financial information for determining the costs of acquisition or ownership, construction, repair, renewal, replacement, upgrade, expansion, maintenance and operation of the Seattle Regional Water Supply System. Seattle’s compliance with GASB standards will take precedence over any conflicting accounting provisions under this Contract.
 - a. Asset Accounts. An asset account shall be maintained for each facility and within that account, Seattle shall record the original cost of that facility, plus betterments, and less retirements.
 - b. Depreciation. Facilities shall be depreciated according to industry-standard water system asset lives and a record of life-to-date depreciation shall be maintained for each facility. No depreciation shall be recorded in the first calendar year of operation of a facility. A full year’s depreciation shall be recorded in every subsequent year.

- c. Net Book Value. The Net Book Value of any facility shall be its original cost, plus betterments, and less retirements as recorded in its facility asset account, less life-to-date depreciation.
2. Infrastructure Costs. Each cost pool shall include the infrastructure costs for the facilities assigned to each cost pool as more particularly listed in Exhibits VI and VII (Regional Facilities and Subregional Facilities, respectively) and recognized on a utility or cash basis depending upon the facility and the cost pool as set forth below.
 - a. Cost Basis. Seattle shall determine one of the following bases to recognize the infrastructure costs for ratemaking purposes and use it consistently throughout the life of the facility.
 - i. Utility Basis. Seattle shall use the Utility Basis to recognize the infrastructure costs for all Existing Regional and Subregional Facilities, as well as their replacements and betterments or portions thereof. Seattle shall also use the Utility Basis for New Supply and New Transmission Facilities. Under the Utility Basis, the infrastructure cost for a facility in any year shall be the sum of (i) the annual depreciation expense recorded for that facility and (ii) the product of the Net Book Value of that facility and the Rate of Return on Investment of that facility.
 - (a) Seattle, in its discretion, may consider interest costs as current infrastructure costs during the construction of a facility. However, any such interest costs must be considered contributions in aid of construction, and not included in the Net Book Value of the facility for purposes of recognizing infrastructure costs under the Utility Basis

in future years.

- (b) For ratemaking purposes and with the approval of the Operating Board, assets may be depreciated over a different time frame than that used by Seattle for financial reporting purposes in preparation of its audited Financial Statements.
- ii. Cash Basis. Seattle, with the approval of the Operating Board, may use the Cash Basis to recognize infrastructure costs for any Regional or Subregional Facilities or a portion thereof. Under the Cash Basis, the infrastructure cost for a facility in any year shall be the actual cash expenditure made by Seattle in that year for either the payment of construction costs or actual principal and interest costs on debt issued to finance its construction. In the event that the depreciation lifetime of the facility listed in the asset account is less than the term of the debt issued to finance all or a portion of the facility, Seattle will select debt maturities such that the construction cost of the facility will be fully amortized under the Cash Basis at the end of its depreciation lifetime.
- b. Infrastructure Adder. The parties agree the Infrastructure Adder provides a reasonable way to recover an allowance for 1) the regional portion of infrastructure costs of Mixed-use Assets; 2) the regional portion of mixed-use unrestricted cash assets; and 3) the equity or higher opportunity cost of cash financing Regional Facilities or the regional portion of Mixed-use Assets.
- c. Facilities Charges.
 - i. Establishing Facilities Charges. If the Operating Board determines to recover infrastructure costs for certain New Supply or New Transmission Facilities

through FCs, then Seattle will establish FCs as follows:

- (a) ERU Charge. At the time the designated New Supply or New Transmission Facilities are put into service, Seattle shall establish a charge per one Equivalent Residential Unit (ERU Charge) for the Facility, or Facilities as the case may be, pursuant to the methodology in Exhibit V, which may include adjusting existing ERU Charges, if any, to include the new ERU Charges being established.
- (b) ERUs.
 - (i) ERU Definition. Seattle, in its discretion, shall set, or amend from time to time, the capacity of one ERU to reflect the typical consumption of a single-family residence based on appropriate information consistent with accepted industry standards. The Operating Board may review and recommend revisions to Seattle's ERU definition. The then current ERU definition will be used in the methodology in Exhibit V to establish an ERU Charge.
 - (ii) ERU Factor. Seattle shall use the table of ERU Factors set forth in Exhibit V, which assigns a multiplier to each retail meter connection size. Seattle may propose, and the Operating Board may approve, adjustments to the table of ERU Factors. In the event the Operating Board approves an adjustment to the ERU Factors, the parties will amend Section B of Exhibit V by letter agreement for the limited purposes of documenting adjustments to the ERU

Factors.

- (c) Facilities Charges. Seattle shall adopt Facilities Charges for each meter connection size based on the then current ERU Charge multiplied by the ERU Factor.
- ii. Imposition and Payment of Facilities Charges. Seattle shall collect and Water Utility shall pay FCs based on the following:
- (a) Water Utility's Retail Connections. Until such time as Seattle develops another basis, Water Utility shall track the number and size of each retail meter installed by Water Utility during each month and pay the appropriate Facilities Charges, taking into account the size of each meter, within 30 days of the end of the next month, unless Water Utility has an FC Allowance balance pursuant to Section IV.D.2.c.iii below.
 - (b) Seattle shall pay FCs on the same basis.
 - (c) If Water Utility has an FC Allowance as listed in Section 2 of Exhibit I, the FC Allowance balance will be reduced by an amount equal to the aggregate of the ERU Factors for each meter added by Water Utility during the previous month, and such reduction of the FC Allowance balance shall be in lieu of payment of FCs until the FC Allowance is zero.
 - (d) Seattle will allocate FC revenues to offset infrastructure costs in the New Supply or New Transmission Cost Pools, respectively, based on which cost pool the Regional Facility whose

infrastructure costs are being recovered through FCs is assigned.

Seattle and Water Utility agree that FC revenues are the sole property of Seattle.

iii. FC Allowance for Supplies. If Water Utility operates Independent Supplies or Purchased Supplies as listed in Exhibit I, Seattle shall establish a growth allowance (“FC Allowance”) based on the amount of additional ERUs the Independent Supply or Purchased Supply is sufficient to serve within Water Utility's retail distribution service area as specifically described in Section 2 of Exhibit I as of the effective date of this Contract. The FC Allowance shall be a credit against the imposition of FCs until the FC Allowance reaches zero, then Water Utility shall pay FCs in accordance with Section IV.D.2.c.ii above.

(a) Increase in FC Allowance. If Water Utility develops new Independent Supplies, makes improvements to an existing Independent Supply, or acquires new Purchased Supplies that increases the average annual production listed in Section 2 and/or Section 3 of Exhibit 1, the FC Allowance shall be adjusted as follows. If the new or improved Independent Supply or Purchased Supply produces at least one-third of its average annual production during the period between mid-May and mid-September, a trial period (“Trial Period”) for the new or improved Independent Supply or Purchased Supply shall commence on January 1st of the calendar year following the year in which the new or improved

Independent Supply or Purchased Supply was placed into production. The Trial Period shall extend for three calendar years. At the conclusion of the Trial Period, the FC Allowance shall be increased by the additional number of ERUs, using the then current ERU definition, served by the average annual production of the new or improved Independent Supply or Purchased Supply during the Trial Period. The parties will amend Exhibit I by letter agreement to document the adjusted FC Allowance and the average annual production of the new or improved Independent Supply or Purchased Supply.

- (b) Decrease in FC Allowance. In the event that the average annual production of an Independent Supply or Purchased Supply, or of all Independent or Purchased Supplies in aggregate, is lower than the average annual production as listed and under the conditions provided in Section II or Section III of Exhibit 1, the outstanding FC Allowance shall be reduced by the number of ERUs, at the then current ERU definition, that could be served, on an annual basis, by a supply of the same size as the reduction in average annual production of the Independent Supplies or Purchased Supplies. In the event that this adjustment results in a negative FC Allowance, Water Utility shall pay Seattle an amount equal to the then-current ERU Charge multiplied by the (negative) FC Allowance multiplied by minus one. The FC Allowance shall be zero upon full payment

or commencement of payments under a payment agreement pursuant to Section VII.A.2.

iv. Record-Keeping.

(a) Monthly Report. Water Utility shall provide Seattle with a monthly report, in a form acceptable to Seattle, along with its monthly payment of FCs, showing the number of retail connections by size that Water Utility installed in the previous month.

(b) Annual Report. Water Utility shall provide Seattle with an annual report by January 31st of each year for the previous year, in a form acceptable to Seattle, showing the total number of its retail connections by size as of December 31 of each year.

(c) Seattle Annual Report on ERUs. Seattle shall prepare and distribute a report, no later than March 31st of each year, showing the ERUs for the Seattle Retail Distribution System and each Wholesale Customer for the previous year and each year since the original effective date of this Contract.

3. O&M Costs. The parties mutually agree to handle the O&M Costs for each cost pool as follows:

a. Annual O&M Costs. For each of the Existing Regional System, New Supply and New Transmission Cost Pools, the Annual O&M Costs shall consist of the relevant Index O&M Costs times the Mixed-Use Multiplier, plus any Non-index O&M Costs in that year, if any.

- i. Index O&M Costs. The Index O&M Costs are the O&M Costs for the regional O&M Cost categories for each cost pool as more particularly described in Exhibit VIII and are intended to reflect the O&M Costs for Regional Facilities and regional-only programs and support functions. Seattle, in consultation with the Operating Board, may amend the list of Index O&M Cost categories in Exhibit VIII, if necessary, when a Regional Facility is added to or deleted from Exhibit VI or a regional-only program or support function is established or discontinued. The amended Exhibit VIII will be incorporated as part of this Contract.
- ii. Mixed-use Multipliers. The parties agree to use an initial Mixed-use Multiplier of 2.001, which, as applied above, results in an allowance for the portion of Mixed-use O&M Costs that support the Seattle Regional Water Supply System. The initial Mixed-use Multiplier established in this Contract, and any adjusted Mixed-use Multiplier, shall be consistent with the Ratemaking Principles in Section IV.A of this Contract and will be subject to periodic adjustment and review as provided in subsection (a) and (b) below and Section IV.H.1.a.
 - (a) The Mixed-Use Multiplier shall be adjusted every five years as a part of the Wholesale Statements, following the procedure below.
 - (i) Categorize the prior three years' O&M Costs of the Seattle Water Enterprise Fund, net of debt service and taxes on water sales, into the following: Index O&M Costs, Non-index O&M

Costs, Mixed-use O&M Costs, and the remainder, which is assigned as Seattle’s retail costs.

(ii) Divide the Index O&M Cost by the sum of the Index O&M Cost and the retail cost. This calculation produces a percentage.

(iii) Apply the percentage produced in (ii) to the Mixed-use O&M Costs. The result is the portion of the Mixed-use O&M that will be recovered by the Mixed-use Multiplier.

(iv) To calculate the Mixed-use Multiplier, add the result from (iii) to the Index O&M Cost and divide that sum by the Index O&M Cost.

- (b) Seattle, in its discretion, may adjust the Mixed-use Multiplier from time to time when 1) it determines that the allowance produced by the then current Mixed-use Multiplier should not change in proportion to a change in the Index O&M Costs; and 2) the change in the Index O&M Costs was due to the addition or deletion of a Regional Facility resulting in a change of more than \$100,000 of Index O&M Costs. The calculation of the adjusted Mixed-use Multiplier shall follow the procedure outlined in Section IV.D.3.a.ii.(a) above, except that the anticipated change in cost for the added or deleted Regional Facility shall be added to or subtracted from the Index O&M Cost, respectively. The calculation of the adjusted Mixed-use Multiplier will be documented in the Wholesale Statements described in Section

IV.H.

- iii. Non-index O&M Costs. Seattle, in its discretion, may add certain regional O&M Costs that are unique or nonrecurring to the Annual O&M Cost in any year(s), as appropriate. For Non-Index O&M Costs larger than 1% of the annual Index O&M Costs, the Operating Board may elect to amortize the costs over a timeframe of the Board's choosing, not to exceed ten years. The annual amortization shall be included in the applicable cost pool, as well as the product of the unamortized cost and Seattle's Cash Pool Rate.
- b. Subregional O&M Costs. For each of the Subregional Cost Pools, the Annual O&M Costs shall consist of the actual O&M Costs for the respective Subregional Facilities assigned to each Subregional Cost Pool, including any net disposition costs for any of the Subregional Facilities in that cost pool, if any; together with any additional O&M Costs for the Subregional Facilities approved by Operating Board.
- c. Renton New Supply O&M Costs. For the Renton New Supply Cost Pool, the Annual O&M Costs shall be the same as the Annual O&M Costs in the New Supply Cost Pool.
- d. Disposition Costs. The costs of disposing of Regional or Subregional Facilities shall be included in the cost pool to which the Regional or Subregional Facilities are assigned. In the case of Regional Facilities, the net disposition costs will be added as a Non-index O&M Cost. Net disposition costs shall be calculated as follows:
 - i. Disposition Under the Utility Basis. The Net Book Value of the facility,

less any sales, salvage, or other revenues derived from the disposition of that facility. If an alternate life is being used for ratemaking purposes as compared to Seattle's financial reporting and Financial Statement purposes, the Net Book Value refers to the remaining asset value under the alternate life.

- ii. Disposition Under the Cash Basis. The value of principal of unpaid maturities of debt used to finance the construction cost of the facility, less any sales, salvage or other revenues derived from the disposition of that facility.
- iii. Certain Large Net Disposition Costs. For net disposition costs larger than 1% of the annual Index O&M Costs, the Operating Board may elect to amortize the net disposition costs over the remaining life of the asset(s), or another timeframe of the Board's choosing not to exceed ten years. The annual amortization shall be included in the applicable cost pool, as well as the product of the unamortized net disposition cost and Seattle's Cash Pool Rate.

IV.E Allocation of Cost Pools by Customer or Customer Class.

The costs and revenues in the cost pools shall be allocated within the pools as follows:

1. Allocation of Existing Regional System Cost Pool. The total cost of the Existing Regional System Cost Pool shall be allocated to customer classes as follows:
 - a. Block Purchase Customer Class. The portion of costs in the Existing Regional System Cost Pool allocated to holders of Block Purchase Contracts shall be determined pursuant to those contracts, if any.

- b. Other wholesale customers. The portion of costs in the Existing Regional System Cost Pool or Existing Supply and Existing Transmission Cost Pools, depending how they are named in the Block Contracts, allocated to holders of other types of wholesale water supply contracts with Seattle shall be determined pursuant to those contracts, if any.
 - c. Full and Partial Requirements Customer Class. The holders of Full and Partial Requirements Contracts and the Seattle Retail Distribution System shall be allocated the remaining costs in the Existing Regional System Cost Pool after the allocations in Sections IV.E.1.a and b above.
 2. Allocation of New Supply Cost Pool. The total costs of the New Supply Cost Pool shall be allocated as follows:
 - a. Block Purchase Customer Class. The portion of costs in the New Supply Cost Pool allocated to holders of Block Purchase Contracts shall be determined pursuant to those contracts, if any.
 - b. Other wholesale customers. The portion of costs in the New Supply Cost Pool allocated to holders of other types of wholesale water supply contracts with Seattle shall be determined pursuant to those contracts, if any.
 - c. Full and Partial Requirements Customer Class. The holders of Full and Partial Requirements Contracts, except for Renton, and the Seattle Retail Distribution System shall be allocated the remaining costs in the New Supply Cost Pool after the allocations to Block Purchase Customers or other wholesale customers, if any, pursuant to Sections IV.E.2.a and b above; and after deducting an equivalent amount of costs that are allocated to Renton under the Renton New Supply Cost

Pool pursuant to Section IV.E.5 below.

3. Allocation of New Transmission Cost Pool. The costs allocated to the New Transmission Cost Pool shall be allocated as follows:
 - a. Block Purchase Customer Class. The portion of costs in the New Transmission Cost Pool allocated to holders of Block Purchase Contracts shall be determined pursuant to those contracts, if any.
 - b. Other wholesale customers. The portion of costs in the New Transmission Cost Pool allocated to holders of other types of wholesale water supply contracts with Seattle shall be determined pursuant to those contracts, if any.
 - c. Full and Partial Requirements Customer Class. The holders of Full and Partial Requirements Contracts and the Seattle Retail Distribution System shall be allocated the remaining costs in the New Transmission Cost Pool after allocations to Block Purchase Customers or other wholesale customers, if any, pursuant to Section IV.E.3.a and b above.
4. Allocation of Eastside, Southwest and Renton Subregion Cost Pools. All costs in the Eastside, Southwest and Renton Subregional Cost Pools shall be allocated to the Wholesale Customers served by the respective Subregional Facilities according to Exhibit VII.
5. Allocation of the Renton New Supply Cost Pool. A portion of the costs in the Renton New Supply Cost Pool shall be allocated as follows:
 - a. Block Purchase Customer Class and other wholesale customers. The holders of Block Purchase Contracts or other wholesale customers shall not be allocated any costs from the Renton New Supply Cost Pool.

- b. Full and Partial Requirements Customers. Except for Renton, the holders of Full and Partial Requirements Contracts and the Seattle Retail Distribution System shall not be allocated any costs from the Renton New Supply Cost Pool.
 - c. Renton. Renton shall be allocated 6.8% of the remaining costs in the Renton New Supply Cost Pool after deducting an amount equivalent to the amount of costs from the New Supply Cost Pool allocated to the Block Purchase Customer Class or other wholesale customers, if any, pursuant to Section IV.E.2.a and b above. Seattle will recover the costs allocated to Renton from the Renton New Supply Cost Pool by a block payment paid in 12 equal installments in lieu of paying new supply rates or Facilities Charges (FCs) from the New Supply Cost Pool.
 - i. Seattle may update the percentage share of the costs in this cost pool allocated to Renton if Renton acquires additional retail distribution service area pursuant to Section II.B.2, or on January 1, 2022 and every 5 years thereafter during the term of this Contract. The basis for any adjustments to the percentage allocation will be based on the percentage of average annual flows of Renton’s retail customers over the 5 prior years as compared to the average annual flows of all retail customers of the Wholesale Customers and the Seattle Regional Distribution System over the same 5 years.
6. Allocation of Additional Cost Pools. At the time an additional cost pool is created by Seattle pursuant to Section IV.C.7, the additional cost pool will be allocated by customer or customer class. The parties will enter into a letter agreement for the limited purposes of documenting the allocation of an additional cost pool.

IV.F. Elective Services

1. Elective Services. Seattle may provide certain elective services that are in addition to the services provided under this Contract to Water Utility upon request by Water Utility. Such services shall be negotiated and contracted for separately between Water Utility and Seattle or provided at then current standard charges, if applicable. Elective services may include:
 - a. Transmission Wheeling. Seattle, at its sole discretion, may provide Water Utility access to excess transmission capacity, if any, for a fee and under any conditions it deems reasonable to protect the Seattle Regional Water Supply System for purposes of wheeling compatible water to or from Water Utility through the Seattle Regional Water Supply System. The Operating Board may review and recommend revisions to any policies or criteria Seattle may use to consider a request for wheeling services from a Wholesale Customer.
 - b. Water Quality. So long as Seattle owns and operates a water quality lab, Water Utility may request the services of that lab based on its published rates for testing of samples for water quality monitoring that Water Utility performs.

IV.G. Rate Setting, Adjustments and Special Charges

1. Wholesale Rate Setting. Seattle, in its sole discretion, shall determine the structure of FCs and wholesale water rates, except that the FCs or wholesale rates may not, without approval of the Operating Board, be set to collect more than the projected costs included in the cost pools as described in this Section IV.

2. Retail Rate Setting. Each party to this Contract shall have sole authority for establishing retail rates, connection charges and other fees and charges within its respective jurisdiction, including the manner of passing through or incorporating any wholesale rates and charges due under this Contract.
3. Wholesale Rate Adjustment. Seattle may adjust water service rates and FCs from time to time. Rate adjustments will be effective only within five years of the completion of a rate study consistent with Section IV.G.4 below and provided that Seattle transmits its final rate adjustment proposal to the Operating Board and Water Utility for final review at least 30 days before it transmits it to Seattle City Council for consideration. The Operating Board may review and recommend revisions to the final rate proposal. Seattle will provide a written explanation of any recommendations that are not accepted and forwarded to Seattle City Council.
4. Rate Study and Review Consultant. Seattle shall conduct a rate study in accordance with accepted industry standards and this Contract. Seattle shall provide Water Utility and the Operation Board 30 days' advance written notice of its intent to conduct a rate study and shall make detailed information and progress reports during the course of the rate study available to Water Utility, other Wholesale Customers and the Operating Board for review and comment. Seattle shall select an independent rate consultant to review the rate study, including an independent review of the allocation of costs and revenues between cost pools. The Operating Board may review and recommend revisions to the scope of work for the rate consultant. Seattle shall cause a final rate consultant report to be made available to Water Utility and the Operating Board not less than 30 days before Seattle formally transmits any resulting rate adjustment proposal to the Operating Board. Unless otherwise

approved by the Operating Board, Seattle shall conduct a cost-of-service rate study no less frequently than once every five years.

5. Special Charges.

a. Demand Charge.

- i. Seattle, in its discretion, may adopt and implement a demand charge in accordance with the methodology described in Exhibit III. The demand charge consists of a calculation of Water Utility's deficient storage, if any, and a Storage Deficiency Rate (i.e., dollars per 1000 gallons of deficient storage) that is based on an equivalent annualized cost of providing the deficient storage, and which shall be updated with each rate study.
- ii. Seattle shall be exempt from the demand charge until such time as metering devices are installed pursuant to Section III.E.2.
- iii. The costs and revenues from implementing the demand charge will be allocated to the Existing Regional System Cost Pool. The Operating Board may approve the allocation of these costs and revenues to the New Transmission Cost Pool in the future to offset other costs that may be allocated to the New Transmission Cost Pool in the future.
- iv. Seattle shall suspend the implementation of demand charges, if any, in the event of emergencies and unforeseen conditions.

- b. Emergency Surcharge. In the event of a drought, catastrophe, or other extraordinary condition that requires emergency expenditures to maintain sufficient and safe water supply or transmission capacity, or both, Seattle, through its City Council, may impose an emergency surcharge on all Wholesale

Customers, including Seattle, in order to pay for emergency expenditures or maintain financial stability of the Seattle Regional Water Supply System, or both (“Emergency Surcharge”). The Operating Board may review and recommend revisions to any proposed Emergency Surcharge prior to submission to the Seattle City Council for consideration. Seattle shall provide a written explanation of any recommendations that are not accepted and forwarded to City Council. Revenues from an Emergency Surcharge will be applied to the appropriate cost pool that relates to the emergency situation giving rise to the Emergency Surcharge. For the avoidance of doubt, and for example only, an Emergency Surcharge issued in response to a drought would be applied to offset costs in the Existing Regional System Cost Pool and an Emergency Surcharge issued to pay for extensive transmission repair on New Transmission Facilities would offset costs in the New Transmission Cost Pool. If the emergency is not related to any particular cost pool, the Operating Board shall make the final determination as to which cost pool the revenues shall be applied.

- c. New Wholesale Customer Charge. Seattle will charge any new customer who signs a Full or Partial Requirements Contract after the Effective Date of this Contract and who has not previously contributed to the costs in the New Supply Cost Pool or the development of New Supply Facilities an appropriate charge for an equitable share of the New Supply Facilities. This charge may be satisfied by either paying FCs and new supply rates or arranging a special water supply rate in lieu of paying FCs. The revenue from this charge will be allocated to offset costs in the New Supply Cost Pool.

6. Transition.

a. Initial Existing Regional System Running Balance Surplus.

As part of the contract transition process, Seattle shall implement a one-time return of the lesser of the full amount of the Existing Regional System Cost Pool running balance surplus or \$82M to Wholesale Customers in lump sum payments following completion of the updated contracts (either fully executed with mutual agreement or amended through the process identified in Section II.A.4(b)) with all Wholesale Customers. Water Utility will receive payment for its prorated portion of the amount above based on each Wholesale Customer's demand since the balance last crossed zero within 60 days following the completion of the updated contracts (as defined above), even if such payments are made before the Effective Date of the Contract.

b. Cost-of-Service Rate Study.

Seattle agrees to begin performing a cost-of-service rate study no later than three months of the date on which all Wholesale Customer contracts are either fully executed pursuant to Section II.A.4.a. or amended pursuant to Section II.A.4.b.

c. Rebate Based on Alternate Utility Basis Cost.

As a result of negotiations pursuant to Section II.A.4.a, an Alternate Utility Basis will be applied as described below to calculate an annual rebate to Wholesale Customers signing this First Amended and Restated Contract for the Supply of Water. Water Utility will be eligible for an annual rebate in the form of a credit on its bill for a portion of the difference between Utility Basis cost

and the Alternate Utility Basis cost (for assets whose cost is calculated on a Utility Basis) as described below, if the Alternate Utility Basis results in a lower cost. This comparison will be conducted annually as part of the Wholesale Statement Review and the Water Utility's portion will be based on Water Utility's percentage of Wholesale Customer demand for each applicable Cost Pool in that year.

i. Definitions.

The following definitions will be used to calculate the Alternate Utility Basis cost:

"Alternate Infrastructure Adder" – A certain percentage amount that is applied as a component of the Rate of Return on Investment to the Net Book Value of facilities recognized under the Utility Basis, which may be adjusted pursuant to Section IV.G.6.c.iii below.

"Alternate Mixed-use Assets" – Capitalized facilities or assets that are shared between or used to support both the Seattle Retail Distribution System and the Seattle Regional Water Supply System.

"Alternate Rate of Return on Investment" – Alternate Seattle's Average Cost of Debt plus the Alternate Infrastructure Adder.

"Alternate Seattle's Average Cost of Debt" ("Alternate ACOD") - The weighted average coupon interest rate on Seattle's water system debt outstanding over the course of a calendar year with adjustments to recognize i) outstanding amortized premium or discount on water system debt; ii) gains/losses on water system bond refunding's; iii) issuance costs

including third party costs paid by bond proceeds; iv) prepaid insurance costs; v) net interest expense on debt service reserves; and vi) any other appropriate ongoing debt costs, e.g. variable rate remarketing, ongoing credit rating agency monitoring fees, calculated at the end of each calendar year during the term of this Contract.

- ii. Under the Alternate Utility Basis, the infrastructure cost for a facility in any year shall be the sum of (i) the annual depreciation expense recorded for that facility and (ii) the product of the Net Book Value of that facility and the Alternate Rate of Return on Investment of that facility.
 - a. Seattle, in its discretion, may consider interest costs as current infrastructure costs during the construction of a facility. However, any such interest costs must be considered contributions in aid of construction and not included in the Net Book Value of the facility for purposes of recognizing infrastructure costs under the Utility Basis in future years.
 - b. For ratemaking purposes and with the approval of the Operating Board, assets may be depreciated over a different time frame than that used by Seattle for financial reporting purposes in preparation of its audited Financial Statements.
- iii. Alternate Infrastructure Adder. The parties mutually agree to use an initial Alternate Infrastructure Adder of 1.40%, which Seattle will apply as a component of the Rate of Return on Investment, to the Net Book Value of facilities that are recognized under the Utility Basis. The parties agree that

the Alternate Infrastructure Adder provides a reasonable way to recover an allowance for 1) the regional portion of infrastructure costs of Mixed-use Assets; 2) the regional portion of mixed-use unrestricted cash assets; and 3) the equity or higher opportunity cost of cash financing Regional Facilities or the regional portion of Mixed-use Assets. The parties agree that Seattle may adjust the Alternate Infrastructure Adder that is applied to facilities recognized under the Alternate Utility Basis from time to time as follows:

- a. In order to maintain an equitable allocation of costs through the allowance, Seattle may increase or decrease the then-current Alternate Infrastructure Adder annually by 0.12% for every 1.00% increase or decrease to Seattle's Alternative ACOD, or portion thereof, as the case may be, e.g. if Seattle's Alternative ACOD increases from 4.08% to 5.08%, the Infrastructure Adder would increase from 1.40% to 1.52%.
- b. In the event the Operating Board determines to use the Cash Basis to recognize costs for a Regional or Subregional Facility, Seattle may adjust the then current Alternate Infrastructure Adder by multiplying it by an amount equal to the sum of the then current NBV of Regional and Subregional Facilities recognized under the Alternate Utility Basis plus the current NBV of such Facilities recognized under the Cash Basis, divided by the then current NBV of Regional and Subregional Facilities recognized under the Alternative Utility Basis only.

IV.H. Cost Review and Truing Actual Costs and Actual Revenues

1. Wholesale Statement Review. At the end of each fiscal year, Seattle shall cause an independent review of its statement of actual costs and revenues received allocated to each cost pool (“Wholesale Statements”). Seattle will select an independent accountant, which may be Seattle’s independent auditor for its audited financial statements.
 - a. Scope of Review. The procedures for the annual review shall be set by the Operating Board and shall include, at a minimum: (i) a comparison of the actual costs and revenues received to Seattle’s accounting records, (ii) a comparison of the procedures used by Seattle to allocate costs and revenues to each cost pool to those procedures and requirements specified in this Contract, (iii) in years where the Mixed-use Multiplier is adjusted, the accuracy of the adjustment calculation, and (iv) identification of any corrective actions necessary. The scope of review may include additional elements identified by the independent accountant, as well as procedures at Seattle’s discretion together with any reasonable requests of the Operating Board.
 - b. Operating Board and Water Utility Review of Report of Independent Accountant. Seattle will cause the independent accountant to present a copy of the review report to the Operating Board and Water Utility.
 - c. Operating Board and Water Utility Right to Review. The Operating Board, or Water Utility at its sole expense, may select its own independent accountant to review the Wholesale Statements including the Mixed-use Multiplier under separate agreed-upon procedures at their discretion. Subject to Seattle’s reasonable requests for security and confidentiality procedures and agreement to

the same, an independent accountant retained by Water Utility, may at any time upon prior reasonable notice to Seattle and in coordination with Seattle's reasonable scheduling ability, during normal business hours, review the books, records and accounts of Seattle to the extent that such books, records and accounts are directly used in the production of the Wholesale Statements or other allocations, charges or payments under this Contract. Seattle shall maintain all such books, records and accounts. Independent accountant's access shall include the right to make copies and discuss the books and records with Seattle's personnel having knowledge of the facilities, systems, processes and document contents. Water Utility's right to review shall survive the expiration or termination of this Contract for a period of three (3) years. If an inspection or examination pursuant to this section discloses overpricing or overcharges by Seattle in excess of one percent (1%) of the appropriate amount due, in addition to making adjustments for the overcharges, the reasonable actual cost of Water Utility's review shall be reimbursed to Water Utility by Seattle, and the costs will be included in the Existing Regional Cost Pool. Any adjustments which must be made as a result of any such review shall be reflected in the Wholesale Statements.

2. Truing Actual Costs and Actual Revenues. Seattle shall reconcile the projected costs and revenue targets for the various cost pools and the actual expenses and revenues received during each year of this Contract as follows:
 - a. Running Balances. For each cost pool, Seattle shall maintain a running balance of the surplus or deficit of actual rate revenues collected from each class of

customers less actual expenses incurred, except that Seattle shall maintain separate running balances for FC revenues pursuant to Section IV.H.2.c below. Each running balance shall earn simple interest at Seattle's Cash Pool Rate. At the end of each fiscal year, Seattle shall adjust each balance to reflect the operating results of that year. The year-end statement of these balances shall be reviewed as described in Section IV.H.1 above.

b. Running Balance Deficits. Seattle shall design rates to eliminate any deficit in the cost pool running balances, except as provided herein.

c. Running Balance Surpluses.

i. Running Balance Surplus at True Up.

Annually, after presentation of the Wholesale Statements to the Operating Board, the Board shall decide the portions of any surplus to be a) returned to the Wholesale Customers as a credit on their bill in the following year, with the balance prorated to each Wholesale Customer based on each Wholesale Customer's demand since the balance last crossed zero, b) redeemed as a capital contribution towards specific assets assigned to the applicable Cost Pool, and/or c) retained for rate smoothing purposes as determined by the Operating Board based on the review of the most recent rate study following the process in Section IV.H.2.iii below. The Operating Board may select one or any combination of these options for implementation. When returned as a credit on the bill or redeemed as a capital contribution, the surplus balance shall be reduced by those amounts.

ii. Running Balance Surplus at Contract Transition.

The running surplus balance existing as of December 31, 2024 shall be fully or partially returned as provided in Section IV.G.6, Contract Transition.

iii. Running Balance Surplus at Rate Study.

During each rate study, the Operating Board shall decide the portion of the surplus, up to an amount not to exceed 30 percent of the annual projected costs in the relevant cost pool for the first year of the rate study, to retain for future rate smoothing purposes. Seattle shall design rates to eliminate any surpluses above this amount in the cost pool running balances.

- d. FC Running Balances. Seattle shall maintain separate running balances within the New Supply and New Transmission Cost Pools, as appropriate, of the surplus or deficit balances of actual FC revenues received in any year over the facility's annual utility or cash basis costs to be recovered through FCs for that year. Running surplus FC balances shall earn simple interest at Seattle's Cash Pool Rate. For any year with a running FC deficit balance, Seattle shall transfer an amount from the running balance of rate revenues in the New Supply or New Transmission Cost Pool, as the case may be, to eliminate the FC deficit balance for that year even if it results in a deficit running balance in rates. FC surplus balances in any subsequent year shall be transferred back to the running balance in the New Supply or New Transmission Cost Pools until the amount transferred to eliminate the prior deficit FC balance is repaid. Any remaining surplus FC balances, if any, may upon Operating Board approval, be transferred to the running balances of rate revenues in the New Supply or New Transmission cost pools for rate smoothing purposes. Otherwise, they shall be retained as a surplus

FC balance in an amount up to two times the Net Book Value of the Regional Facilities whose infrastructure costs are being recovered by FCs. Any surplus FC balance that exceeds two times the Net Book Value of those facilities shall be transferred to the running balance for the New Supply or New Transmission Cost Pools, as appropriate, (and the FC surplus balance shall be reduced by the amount transferred). This transfer is permanent and not repaid. ERU Charges are based on Section IV.D.2.c and shall not be adjusted to reflect surpluses or deficits in FC balances.

SECTION V. OPERATING BOARD

1. Purpose. The purpose of the Operating Board is to provide advice and direction in certain areas of limited authority over policy, financial and operational matters as they affect the Seattle Regional Water Supply System. The representatives of the Operating Board shall, to the best of their ability, act in the best interests of the Seattle Regional Water Supply System as a whole, not for the benefit of a group of Wholesale Customers or an individual Wholesale Customer. Therefore, only Wholesale Customers that have agreed to automatic extensions of this Contract, committed to purchase their Full or Partial Requirements as set out on Exhibit I, and agreed to the limitations on purchase reductions contained in Section II.B.5, are eligible to have their representative voted onto the Operating Board.
2. Structure and Authority. The Operating Board shall have only the roles and limited authorities as specifically and explicitly set forth in specific provisions of this Contract. The Operating Board shall have the structure described in Exhibit IV.
3. Review. The parties may review the structure and roles and limited authorities of the

Operating Board as of January 1, 2027 and every five years thereafter to determine its effectiveness in addressing regional and contractual issues. The review may address the composition of the Board and its roles and limited authorities as set forth in the Contract and Exhibit IV. Any Wholesale Customer, including Water Utility, or Seattle may initiate the review. The initiating party shall provide all Wholesale Customers and Seattle, as the case may be, with its proposals. Water Utility and Seattle agree to consider each other's and any other Wholesale Customer's comments and proposals and to respond in writing stating its reasons for rejecting any proposals and the reasons for its own counter proposal. Notwithstanding any other provisions in this Contract, any changes to the Operating Board structure shall be made through an Amendment to the Operating Board Bylaws; provided that any such changes shall be subject to the restrictions and limitations contained in this Contract.

SECTION VI. PLANNING

VI.A. Reporting of Planning Data

1. By no later than March 1 of each year, Water Utility shall report to Seattle and the Operating Board the following data for the previous calendar year as follows, except as otherwise provided in Section VI.A.4 below:
 - a. The amount of water produced each month from its Independent Supplies, listed by source.
 - b. The amount of water purchased each month from any other water utilities, listed by other utility name and whether Emergency or Purchased Supply.
 - c. The amount of water sold each month to any other water utilities, listed by other utility name and whether Emergency or Resale Supply.

- d. The amount of water wheeled through Water Utility’s distribution system each month, listed by both utility names that deliver water to and receive water from Water Utility.
 - e. The amount of water sold to retail and wholesale customers, by customer class and by month.
 - f. The number of accounts billed, by customer class and month.
 - g. Other data reasonably necessary to track, report and plan for the metrics used for the regional WUE Goal, upon Seattle’s request.
2. Water Utility shall report other data as may be reasonably requested by Seattle for water planning purposes or as may be required by amendments to applicable regulations from time to time, except as otherwise provided in Section VI.A.4 below. This data may include, but not be limited to:
- a. Water Utility’s forecasts of the amount of water to be used by Water Utility from Alternate Supplies. Forecasts will reflect best judgement of Water Utility and be consistent with industry standards.
 - b. Water Utility’s forecasts of annual growth in the number of meters installed by Water Utility by the size of the meter as necessary for establishing Facility Charges pursuant to Section IV.D.2.c.
 - c. Water Utility’s rates and charges, including background information such as rate studies.
 - d. Water Utility’s maps, land use and growth projections, and geographical information system (“GIS”) layers of current and future retail service areas of Water Utility, provided that Water Utility shall be permitted to withhold

information or records which Water Utility reasonably believes the release of such information and records presents a security risk associated with Water Utility's facilities, infrastructure and operations.

3. Records relevant to water supply and consumption within the possession of Seattle or Water Utility shall be provided to the other upon reasonable request.
4. Water Utility shall not be required to provide records, including related information or data, that are exempt from disclosure under the Public Records Act, Chapter 42.56 RCW, or other applicable federal and state laws.

VI.B. Submittal of Water Utility Water System Plans

Water Utility shall provide a copy of its proposed water system plan, including any amendments, to Seattle for review and comment before adoption by its legislative body, and a copy of its final approved water system plan or amendments.

VI.C. Seattle as Water Planning Agency

1. Seattle shall be the lead agency and primary planning authority for the purposes of fulfilling its obligations to provide for the Full or Partial Water Requirements of Water Utility, as appropriate.
2. Seattle, in consultation with the Operating Board, shall examine and investigate water supplies suitable and adequate to meet the present and reasonable future needs of Seattle and the Wholesale Customers.
3. Seattle, in consultation with the Operating Board, shall prepare and adopt a plan for acquiring new, high quality water supplies in a timely and cost-effective manner. The plan shall provide for the lands, waters, water rights and easements necessary therefor, and facilities for retaining, storing and delivering such waters, including dams, reservoirs,

aqueducts and pipelines to convey same throughout the Seattle Regional Water Supply System. In preparing or adopting the plan, Seattle shall consider as possible alternatives or additional water supply sources, the acquisition of water from sources controlled or developed by individual water utilities, legally constituted groups of water utilities or utilities which are not presently supplied by the Seattle Regional Water Supply System. Seattle has final responsibility for the plan and for fulfilling the obligations of this Contract. However, the Operating Board may participate in developing the plan by proposing goals and objectives for the Seattle Regional Water Supply System, by making any additional suggestions and by acting in a review capacity. If Water Utility opts out of an Extension pursuant to Section II.A.3, Seattle shall begin planning for Water Utility to stop purchasing water from Seattle at the expiration of its Contract Term.

VI.D. Capital Improvement Plan

1. To fulfill the requirements of this Contract, Seattle shall make improvements to the Seattle Regional Water Supply System based on a Capital Improvement Plan adopted by the Seattle City Council. The projects and programs in the Capital Improvement Plan will include those that meet operational, regulatory, or contractual requirements, provide for growth, improve reliability and resiliency, and are cost-effective. Prior to submission of the proposed Capital Improvement Plan to the Seattle City Council for approval, Seattle shall provide the Operating Board a reasonable and meaningful opportunity to review and recommend revisions to the relevant portions of the proposed Capital Improvement Plan that affect the Seattle Regional Water Supply System. Seattle shall give serious consideration to the recommendations of the Operating Board. Seattle will transmit the final adopted Capital Improvement Plan to the Operating Board and Water Utility within

30 days of adoption. Seattle shall provide periodic updates of major projects and programs affecting the Seattle Regional Water Supply System upon request of the Operating Board. Seattle shall also review and respond to concerns expressed by the Operating Board or any Wholesale Customer regarding the scheduling of or delays in completing projects included in Seattle's Capital Improvement Plan or questions about the budgets or actual costs incurred on projects included in Seattle's Capital Improvement Plan. Seattle shall, upon request, provide opportunities for the Operating Board, or a designee of the Operating Board, to participate in options analysis, design review or value engineering for relevant projects or programs that substantially affect the Seattle Regional Water Supply System or Wholesale Customers.

2. The Operating Board may approve the allocation to a cost pool in Section IV.C of reasonable costs for capital improvements that serve or benefit an individual Wholesale Customer, including Water Utility, that are reasonably necessary to alleviate a disproportionate adverse impact to the retail distribution system(s) of Water Utility or another Wholesale Customer, to the extent it is caused by a capital project in the Capital Improvement Plan for the Seattle Regional Water Supply System. Water Utility, or another Wholesale Customer may request consideration of this provision, and the Operating Board will make a determination of whether 1) there is a disproportionate adverse impact and either (i) such disproportional adverse impact could have been reasonably avoided through a different project design in the Capital Improvement Plan, or (ii) the other Wholesale Customers, including the Seattle Retail Distribution System, receive tangible benefits, directly or indirectly, from the project in the Capital Improvement Plan; 2) the proportion of capital costs to include, if any; and 3) the cost

pool the costs would be allocated to, if any. Water Utility and Seattle will enter into a separate agreement consistent with this section if the Operating Board determines this provision applies to Water Utility and the costs will be allocated to the cost pool identified by the Operating Board.

SECTION VII. PAYMENT

VII.A. Collection of Money Due City

1. Seattle shall bill Water Utility on a monthly basis for all charges due under this Contract unless the Contract expressly provides otherwise, in which case Water Utility will submit payment according to the Contract. Water Utility shall pay all charges within 60 days of the invoice or billing date or, if another provision is applicable, when due.
2. For those charges that are not monthly commodity charges or Facilities Charges, Water Utility and Seattle may mutually agree by letter agreement to a reasonable monthly payment plan and any outstanding balance shall be charged interest at Seattle's Cash Pool Rate until paid in full.

VII.B. Penalties for Late Payment

All late payments, and any refund of an amount in dispute that was paid under protest, shall accrue interest at 1% per month.

VII.C. Billing Disputes

1. Water Utility may dispute the accuracy of any portion of charges billed by Seattle by notifying Seattle in writing within the 60-day payment period of the specific nature of the dispute and paying the undisputed portion of the charges. This provision is not intended to limit Water Utility's right to dispute billing errors or charges that are not reasonably discoverable by Water Utility within the 60-day payment period.

2. Seattle shall consider and decide any billing dispute in a reasonable and timely manner. Any billing disputes that remain after such consideration shall be reconciled pursuant to the dispute resolution procedures of this Contract.

VII.D. Availability of Records

Upon request with reasonable notice, Water Utility or Seattle shall make any public records that support the charges or payments under this Contract available to the other party for inspection and copying during normal business hours.

SECTION VIII. CONTRACT AMENDMENTS

Seattle shall notify Water Utility and all other holders of Full or Partial Requirements Contracts of any amendments to such contracts within 30 days of the execution of such amendment. Water Utility shall then have 90 days to decide whether to include such amendment in this Contract by giving written notice to Seattle of its election to do so. Upon the issuance of such notice, Seattle shall issue the amendment to Water Utility and the amendment shall be final and binding upon both parties upon mutual execution.

SECTION IX. DISPUTE RESOLUTION

Dispute resolution shall proceed as follows:

IX.A. Operating Board Review

Any dispute regarding this Contract that remains unresolved after good faith negotiations between Water Utility and Seattle shall be referred to the Operating Board for consideration and recommendation. Each party shall submit a written statement regarding the dispute to the Operating Board.

1. If the dispute cannot be resolved in discussions with the Operating Board, then the Operating Board shall provide written recommendations to each party within 60 days of

receiving the written statements, which shall include any applicable findings or interpretations of the applicable facts or contract provisions.

2. If either party rejects the written recommendation of the Operating Board, that party shall, within 10 days, notify the other party in writing of its reasons.

IX.B. Seattle Mayor Review

If the dispute remains unresolved, the written statements of the parties, the recommendations of the Operating Board, if applicable, and the written reasons for either party's rejection of those recommendations shall then be submitted to the Seattle Mayor for review.

1. Within 60 days of the submittal of the written materials, the Seattle Mayor shall provide written recommendations to resolve the dispute.
2. If either party rejects the written recommendation of the Seattle Mayor, that party shall, within 10 days, notify the other party in writing of its reasons.

IX.C. Mediation

Within 10 days of receiving the written rejection of the Seattle Mayor's recommendations by one or both parties, each party shall designate in writing not more than 5 candidates it proposes to act as an impartial mediator.

1. If the parties cannot agree on one of the mediators from the combined list within 5 days, the Operating Board shall, within an additional 5 days, select one of the mediators from either list to serve as mediator.
2. Upon selection of the mediator, the parties shall use reasonable efforts to resolve the dispute within 30 days, or other mutually agreed timeframe, with the assistance of the mediator.

IX.D. Resort to Litigation or Arbitration

If mediation fails to resolve the dispute within 30 days, or the other mutually agreed timeframe, of selection of the mediator, the parties may thereafter seek redress in court subject to Section X.G. below. Alternatively, the parties may mutually agree to resolve any disputes through arbitration using a single arbitrator acceptable to parties. Nothing in this provision shall be construed to require arbitration without the mutual agreement of the parties.

IX.E. Efficiency of Review

In order to facilitate a more efficient review of disputes under this Section, the parties may agree to skip the step in Section IX.A above in order to avoid a redundant act. The parties may also mutually agree to skip the step in Section IX.C, if it is in the best interests of the parties in resolving the dispute.

SECTION X. MISCELLANEOUS

X.A. Notification

1. Whenever written notice is required by this Contract, that notice shall be given to the following representatives, or their designees, by email with receipt requested, actual delivery or by the United States mail (registered or certified with return receipt requested,) addressed to the respective party at the following addresses or a different address hereafter designated in writing by the party:

<u>SEATTLE:</u>	<u>WATER UTILITY:</u>
General Manager	Manager
Seattle Public Utilities	
Seattle Municipal Tower	
PO Box 34018	
700 Fifth Ave, Suite 4900	
Seattle, WA 98124-4018	

The date of giving such notice shall be deemed to be the email date or postmarked date of mailing.

2. Seattle’s Wholesale Contracts Manager will be the initial point of contact for all other issues arising under the Contract.

X.B. Severability

The purpose of this Contract is to provide for long-term water supply planning and certainty for both Seattle and Water Utility through adoption of orderly plans calling for the expenditure of significant sums of money for the Seattle Regional Water Supply System. It is the intent of the parties that if any provision of this Contract or its application is held by a court of competent jurisdiction to be illegal, invalid, or void, the validity of the remaining provisions of this Contract or its application to other entities, or circumstances shall not be affected. The remaining provisions shall continue in full force and effect, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular invalid provision; provided, however, if the invalid provision or its application is found by a court of competent jurisdiction to be substantive and to render performance of the remaining provisions unworkable

and non-feasible, is found to seriously affect the consideration and is inseparably connected to the remainder of the Contract, the entire Contract shall be null and void.

X.C. Consent

Whenever it is provided in this Contract that the prior written consent or approval of either party is required as a condition precedent to any actions, in each such instance said consent or approval shall not be unreasonably withheld, and in each such instance where prior consent is sought, failure of the party to respond in writing within 90 days of the request shall be deemed as that party's consent or approval unless expressly stated herein. This provision does not apply to requests for amendments of this Contract.

X.D. Emergency Situations

Nothing in this Contract shall be deemed to preclude either party from taking necessary action to maintain or restore water supply in emergency situations and such action shall not be deemed a violation of this Contract.

X.E. No Joint Venture - Individual Liability

This is not an agreement of joint venture or partnership, and no provision of this Contract shall be construed so as to make Water Utility individually or collectively a partner or joint venturer with any other Wholesale Customer or with Seattle. Neither party is an agent of the other. Neither Seattle nor Water Utility shall be liable for the acts of the other in any representative capacity whatsoever.

X.F. Complete Agreement

This Contract represents the entire agreement between the parties hereto concerning the subject matter hereof. This Contract may not be amended except as provided herein.

X.G. Venue, Jurisdiction and Specific Performance

In the event of litigation between the parties, venue and jurisdiction shall lie with the King County Superior Court of the State of Washington. The parties shall be entitled to specific performance of the terms hereof.

X.H. Default and Non-Waiver

In the event of default of any provision of the Contract, the non-defaulting party shall issue written notice to the other party setting forth the nature of the default. If the default is for a monetary payment due hereunder, the defaulting party shall have thirty (30) days to cure the default. In the event of other defaults, the defaulting party shall use its best efforts to cure the default within ninety (90) days. If such default cannot be reasonably cured within such ninety (90) day period, the defaulting party shall, upon written request prior to the expiration of the ninety (90) day period, be granted an additional sixty (60) days to cure the default. Any waiver of the breach or default of any provision, term or condition of this Contract shall not be deemed to be a waiver of any preceding or succeeding breach or default of the same or any other provision, term or condition.

X.I. Force Majeure

The time periods for the parties' performance under any provisions of this Contract shall be extended for a reasonable period of time during which a party's performance is prevented, in good faith, due to circumstances beyond the party's control such as fire, flood, earthquake, lockouts, strikes, embargoes, pandemics, acts of God, war and civil disobedience. If this provision is invoked, the parties agree to immediately take all reasonable steps to alleviate, cure, minimize or avoid the cause preventing such performance, at their sole expense.

X.J. Successors

This Contract shall inure to the benefit of and be binding upon the parties and their successors

and assigns.

X.K. Exhibits

Exhibits I through IX are attached hereto and incorporated herein. To the extent this Contract authorizes the parties to amend a specific exhibit by letter agreement, such amended exhibit will become attached and incorporated herein upon the effective date of the letter agreement.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereby execute this Contract.

[WATER UTILITY]

BY: _____

TITLE: _____

DATE _____

AUTHORIZING LEGISLATION: ORDINANCE/RESOLUTION _____

THE CITY OF SEATTLE

BY: _____
General Manager, Seattle Public Utilities

DATE: _____

AUTHORIZING LEGISLATION:

ORDINANCE No.

LIST OF EXHIBITS

- I. Purchase Commitment & Emergency, Independent and Purchased Supplies**
- II. Service Connections, Minimum Hydraulic Gradients, and Flow Rates of Water Supplied**
- III. Demand Charge Methodology**
- IV. Operating Board Structure**
- V. Facilities Charges**
- VI. Regional Facilities**
- VII. Subregional Facilities**
- VIII. Index O&M Cost Categories**
- IX. Stranded and Avoided Costs**

EXHIBIT I

PURCHASE COMMITMENT & EMERGENCY, INDEPENDENT AND PURCHASED SUPPLIES

Water Utility's Purchase Commitment is its **[Full or Partial] Water Requirements**.

Water Utility **[is/is not]** served by **[Eastern, Southwestern, or Renton]** Subregion

Water Utility represents that it has access to the following Alternate Supplies:

I. EMERGENCY SUPPLIES

Create table

Name of Entity/location of intertie/meter size/capacity/agreement date/mutual?/

II. INDEPENDENT SUPPLIES

Create table

Source name/location/category (GW or SW)/permit or claim #/amt of right/average annual production /FC allowance

1. Water Utility shall use its best efforts to maintain and operate the Independent Supplies listed above, if any, in order to maintain the listed average annual production for each Independent Supply.
2. Water Utility shall provide written notice to Seattle within thirty days of determining that it is not possible or not cost effective to maintain and operate an Independent Supply at its listed average annual production. Such written notice shall describe the new level of average annual production expected for Independent Supply. Seattle may decrease the FC Allowance under Section IV.D.2.c. The parties will revise this Section II of Exhibit I by letter agreement to reflect the new average annual production or decreased FC Allowance.
3. Water Utility shall use its best efforts to cure any temporary interruption of water supply from an Independent Supply. Water Utility shall provide oral notice to Seattle of any interruption lasting longer than 1 week and the expected additional demand for water deliveries from Seattle resulting from the interruption. Water Utility shall use its best efforts to minimize the impact of an interruption of an Independent Supply on the Seattle Regional Water Supply System by utilizing its other Independent Sources unaffected by the interruption within their operating and maintenance constraints.
4. It is the intent of the parties that the listed average annual production fairly represents the average annual production of the Independent Supplies. In the event that, over a 5 year period, (i) the actual average annual production, as may be adjusted to reflect a reasonably unforeseeable interruption

in the Independent Supplies that lasts a substantial amount of time and is cured within a reasonable time, is consistently less than represented, and (ii) the annual deliveries of water to Water Utility by Seattle are consistently increasing, the listed average annual production shall be revised by letter agreement to reflect the reduction. Seattle may also decrease the FC Allowance under Section IV.D.2.c, which decrease shall also be revised in the letter agreement.

5. Water Utility shall provide Seattle with six months written notice before placing any new or improved Independent Supply into production and the parties will revise this Section II of Exhibit I to reflect the new or improved Independent Supply and new or increased average annual production capacity. This condition is independent of and in addition to any other applicable provisions in the Contract relating to adding a new or improved Independent Supply (e.g. Sections II.B.5, reducing Purchase Commitment and II.D.9, WQ provisions for introducing new Alternate Supply).

6. Water Utility shall maintain records of the monthly production of each Independent Supply in a manner consistent with industry standards.

III. PURCHASED SUPPLIES

Create table

Name of entity/location/size of meter for delivery/amount/conditions on use/expiration date

IV. REDUCTIONS IN PURCHASE COMMITMENTS - STRANDED COST

Create table to include the following information for all Wholesale Customers:

Reduction notices received prior to December 31, 2022 as per II.B.5.a.i.(b)

Automatically Allowed Reductions in II.B.5.d.viii

Reduction notices received after Effective Date of Contract

Related Stranded Cost information for reductions

V. APPROVED RESALE OF SEATTLE WATER

Create table

Name of entity/location/size of meter for delivery/amount/conditions/expiration date

EXHIBIT II

SERVICE CONNECTIONS, MINIMUM HYDRAULIC GRADIENTS, AND FLOW RATES OF WATER SUPPLIED

SERVICE CONNECTION ⁽¹⁾				MINIMUM HYDRAULIC GRADIENT FOR PLANNING PURPOSES AT STATION UPSTREAM OF METER (FEET NAVD-88 Datum)	FLOW RATE UP TO WHICH THE MINIMUM HYDRAULIC GRADIENT APPLIES (gpm) ⁽³⁾⁽⁴⁾
LOCATION	STATION NUMBER ⁽²⁾	PIPELINE SEGMENT NUMBER ⁽²⁾	SIZE OF METER (IN.)		

Notes:

- (1) Water is provided to Service Connections at a Wholesale Level of Service.
- (2) Station and Pipeline Segment Numbers are for information purposes and pertain to cost allocations and the demand metering program.
- (3) The Total is based on City of Seattle’s estimate of Water Utility’s average daily demand for 2040 multiplied by a peaking factor of 2.0 for peak day use. Seattle and Water Utility agreed to the allocations of the Total to each Service Connection.
- (4) Pursuant to Section III.A of the Contract, Water Utility may use all or some of the flows rates allocated to each Service Connection on any other Service Connection that is located on the same Pipeline Segment Number, but in that case the minimum hydraulic gradients are not guaranteed.

EXHIBIT III

DEMAND CHARGE METHODOLOGY

In order to meet the conditions of service in Section III and Exhibit II of the Contract, each Wholesale Customer has to construct adequate storage volume within their individual retail distribution system to avoid excessive peak flow withdrawals at the Service Connection and potential adverse impacts to the Seattle Regional Water Supply System or other Wholesale Customers.

When Seattle has determined to implement demand charges for any period, Water Utility shall be subject to a demand charge if its average peak hourly flow rate from its 10 highest daily flow days exceeds its average daily flow rate from the same 10 days by more than 30% as more particularly described below.

The demand charge and method of application shall be as follows:

1. At Water Utility's cost, Seattle shall install metering devices that record hourly water deliveries at Service Connections. All other costs Seattle incurs to implement demand charges shall be allocated to the Existing Regional System Cost Pool; or New Transmission Cost Pool, upon approval by the Operating Board.
2. There shall be no requirement for Seattle to install demand-metering equipment or monitor water deliveries at all Service Connections for the purposes of implementing demand charges. Seattle, in its discretion, may choose to monitor water deliveries at all Service Connections, or the Service Connections of one or more Wholesale Customers based on considerations such as hydraulic capacity or other operational constraints in the Seattle Regional Water Supply System may be occurring.
3. When calculating Water Utility's deficient storage and whether demand charges apply:
 - a. Seattle may consider Service Connections to Water Utility on the same pipeline segment, or Service Connections that are on the same pipeline segment and subject to a joint operating agreement between Water Utility and another Wholesale Customer, as 1 Service Connection; and
 - b. A "Day" commences at 9:00 a.m. and ends at 9:00 a.m. the following calendar day.
 - c. The "Monitoring Period" will generally consist of the summer months of June, July, and August. However, if peak flow rates create adverse hydraulic or other operating conditions at other times, Seattle, in consultation with the Operating Board, may establish a different Monitoring Period.
4. For each Service Connection, Seattle will determine the ten Days within the Monitoring Period with the highest daily volume of water delivered.

5. For each of those ten Days, Seattle will determine the “Demand Factor” for each Service Connection by dividing the peak hourly flow rate by the average flow rate for the same Day expressed in gallons per hour.
6. Seattle will average: a) the Demand Factors for the ten Days to get an “Average Demand Factor” and b) the daily volume for the same ten Days to get an “Average Daily Quantity” of water in gallons for each Service Connection.
7. If Water Utility’s Average Demand Factor exceeds 1.30 at any Service Connection(s), Water Utility will be subject to a demand charge.
8. If Water Utility is subject to a demand charge, Seattle will determine Water Utility’s deficient storage volume at each Service Connection where the Average Demand Factor exceeds 1.3 using the following formula: $S = (F-1) Q$: where S = deficient storage volume in gallons, F = Average Demand Factor and Q = Average Daily Quantity.
9. Seattle shall establish a Storage Deficiency Rate each rate study that is based on Seattle’s most recent actual cost to construct a reservoir, inflated to the most recent year that the Engineering News Record “ENR” index or equivalent inflation data is available. The Storage Deficiency Rate is the flat debt service payment required to finance the storage facility over 30 years at Seattle’s Average Cost of Debt at the time of each rate study, prorated for 1,000 gallons of storage.

Example:

<u>Annual debt service cost of new reservoir at Average Cost of Debt</u>		
Actual cost of new reservoir in 2012	\$	60,000,000
ENR Index in 2012		100.00
ENR Index in 2019		125.00
Increase in Index		1.25
Cost of new reservoir inflated to 2019	\$	75,000,000
Term of Debt		30 Years
Seattle Average Cost of Debt in 2020		4.15%
Annual Cost	\$	4,416,596
Volume of new reservoir		61,000,000 Gallons
Annual Debt Service per 1,000 Gallons	\$	72
Storage Deficiency Rate	\$	72

10. At each Service Connection subject to the demand charge, the demand charge shall be calculated as S/1000 times the Storage Deficiency Rate. The total demand charge for Water Utility shall be the sum of the demand charges for each Service Connection. The demand charge shall be due by March 31 the following calendar year, or Water Utility may request a payment agreement pursuant to Section VII of the Contract.

11. Peak flows caused by emergencies in the Seattle Regional Water Supply System or Water Utility's retail distribution system during any Monitoring Period will be excluded in determining the demand charge. Peak flows caused by other unusual situations may also be excluded at Seattle's sole discretion. Seattle may request documentation of any emergency or other situation from Water Utility to support a determination to exclude certain flows from demand charges during a Monitoring Period.
12. At Seattle sole discretion, Seattle may disallow daily flow rates which differ substantially from customer's daily consumption patterns in calculating the demand charge.
13. In case of malfunction of metering equipment during certain period causing loss of data, Seattle shall use the remaining data to determine the demand charge, if any.

EXHIBIT IV

OPERATING BOARD STRUCTURE

1. Structure. The Operating Board (or “Board”) shall be structured as follows:
 - a. The Board shall consist of seven (7) members, composed of three members representing Seattle Public Utilities (SPU), three members representing Seattle’s Wholesale Customers selected as described below, and one independent party selected as set forth below to be a tie-breaker as needed. Board members shall, to the best of their ability, act in the best interests of the Seattle Regional Water Supply System as a whole, not the interest of a group of utilities or an individual utility.
 - b. The term of each Board position shall commence on January 1 and shall be for four (4) years. Terms of each Board position shall be staggered such that no more than two positions are renewed in any single year. Except for SPU members, Board members may serve not more than three successive terms.
 - c. Three Board members representing the Wholesale Customers will be selected from the holders of the First Amended and Restated Contract for the Supply of Water, mutually agreed to pursuant to Section II.A.4.a. Wholesale Customers will be sorted into three categories based on utility size. The selected categories will be small, medium, and large utilities, which will be made up from approximately equal numbers of holders of Full and Partial Requirements Contracts. Each category of utility may elect, by majority vote (one vote per utility) its representative to the Operating Board. The Board will be recomposed on January 1, 2012 and every 5 years thereafter. Only Wholesale customers demonstrating their commitment to the region by agreeing to limits on purchase reductions contained in Section II.B.5 shall be eligible to be elected as a member of the Operating Board.
 - d. The seventh member of the Board shall be a person having expertise in the operations of regional water supply systems. Such person shall be selected by majority vote of the other Board members. In the event of a deadlock in selecting the independent representative, the independent Board member shall be selected by Judicial Arbitration and Mediation Services Inc., of Seattle, Washington, or its successor. The seventh member shall not vote on issues coming before the Board unless there is a deadlock in the voting among the other six Board members. The seventh member may nevertheless express his or her opinions in Operating Board discussions. Such member shall have no employment, financial or contractual relationship with Seattle nor any Wholesale Customer or any other actual or apparent conflict of interest in holding this position.
2. Voting. Except as otherwise provided above, each member of the Board shall have one vote on all matters coming before the Board. Each Board member may appoint an alternate to vote in his or her absence. A quorum of four (4) Board members present shall be required for any vote. Members of the Board may not grant proxies for any vote.
3. Chairperson. The Board shall have a Chairperson who will be selected and have duties as defined below:
 - a. The Chairperson shall be selected at the first regularly scheduled meeting of each new year.

- b. All Chairpersons shall be selected by the Board using a nomination and voting process.
 - c. Nomination for the position of Chairperson shall be taken from Board members. The Chairperson shall be selected based upon the simple majority vote of Board members. Should the Board fail to elect a Chairperson at the first regularly scheduled meeting of the new year, Seattle shall designate one of the SPU members to be the Acting Chairperson until such time as the Board elects a Chairperson.
 - d. The Chairperson shall have the responsibility to call meetings, determine the agenda and preside over meetings. In the absence of the Chairperson, for whatever reason, Seattle shall designate one of the SPU members to be the Acting Chairperson for that meeting. The Chairperson shall also act as the spokesperson for the Board and liaison between the Administrator and the then current Seattle City Council's Committee that considers matters related to Seattle Public Utilities.
4. Schedule/Procedures/Bylaws. The Board shall adopt a regular meeting schedule and notify all Wholesale Customers of the schedule. The Operating Board may adopt its own internal procedures and Bylaws. The latest edition of Roberts Rules of Order shall, in the absence of agreement by the Operating Board on procedural matters, govern all meetings and votes of the Operating Board.
5. Reporting. The Board will provide reports to the Wholesale Customers, SPU and to the appropriate Seattle City Council Committee, on its decisions and recommendations in a timely manner.
6. Responsibilities and Authority of the Board. The Operating Board shall have only those powers and authorities specifically and explicitly established by the clear terms of this Contract.
7. Expenses. The Board shall be authorized to incur reasonable expenses which will be allocated by the Board to either or both of the New Transmission or New Supply Cost Pools.

EXHIBIT V

FACILITIES CHARGES

A. Methodology to Calculate ERU Charges

The ERU Charge is:

- the flat annual debt service payment required to finance the New Supply or New Transmission Facility for the lesser of (i) the facility life or (ii) the period over which new demand is projected to fully utilize the facility's projected supply or transmission capacity
- divided by -
- the average annual number of new ERUs of demand expected in each year.

Seattle's Average Cost of Debt at the time the facility is put into service shall be used to determine the flat debt service payment above. In the event that several New Supply or New Transmission Facilities are put into service simultaneously, the facilities may be considered together as providing a total new supply or new transmission capacity for a total construction cost.

Example: A New Supply Facility costing \$100 million is built with a projected total capacity of 100,000 ERUs and a 50-year facility life. Growth of 5,000 ERUs per year is projected over the next 20 years, so the facility is projected to be supplying its full capacity in 20 years. If this facility were financed over 20 years at Seattle's Average Cost of Debt of 6% interest, the flat annual debt service payment would be \$8.7 million and the ERU Charge would be \$1,740 ($8,700,000/5,000$).

At the time a subsequent New Supply or New Transmission Facility is put into service, but the capacity of a prior New Supply Facility has not yet been fully utilized, an ERU Charge for the subsequent facility shall be calculated separately according to the formula above, then averaged with the then-current ERU Charge from the prior facility. This average shall be weighted by the remaining number of ERUs at the then-current ERU Charge and the number of new ERUs being added at the new ERU Charge. This weighted average shall be the new ERU Charge, and the number of ERUs available at that weighted ERU Charge shall be the sum of the remaining ERUs for the prior facility plus the number of new ERUs for the subsequent facility.

Example: 10 years ago, a \$100 million New Supply Facility was constructed that can supply 100,000 ERUs. 50,000 ERUs remain at the ERU Charge of \$1,740. This year, we construct a New Supply Facility costing \$70 million and a 50-year facility life, with a projected capacity of 40,000 ERUs that is projected to be fully utilized in 10 years. The ERU Charge of the subsequent New Supply Facility alone using the formula above is \$2,375. The weighted average ERU Charge for any of the 90,000 available ERUs is \$2,022 ($50,000 * \$1,740 + 40,000 * \$2,375 / 90,000$).

B. ERU Factors by Connection Size

Connection Size	ERU Factors
1" and smaller	1.12
1 1/2"	5
2"	8
3"	22
4"	31
6"	66
8"	112
10"	169
12"	238

ERU Proving Methodology

The size of the retail water service connection used to serve a retail customer depends upon both the total demand and the instantaneous flow required by that retail customer. For this reason, connection size is only a general indicator of the annual demand placed on water supplies by any particular retail customer.

EXHIBIT VI

REGIONAL FACILITIES

I. Existing Regional Facilities

1. Cedar Source

- All roads, buildings, structures, water supply facilities, other equipment and infrastructure, recreational and educational facilities, downstream habitat enhancement, fisheries enhancement and mitigation facilities located within or close to the Cedar River Hydrographic Watershed boundary as defined by Seattle land ownership or other contractual rights, including the land itself, and any capitalized or amortized studies or obligations related to the above. Excepted are facilities solely owned by Seattle City Light for the purpose of power generation. Facilities shared by Seattle City Light and Seattle Public Utilities shall be part of the Seattle Regional Water Supply System only to the extent of SPU share or responsibility.
- All roads, buildings, structures, water supply facilities, and other equipment and infrastructure located within the Lake Youngs Reservation as defined by Seattle ownership of the land, including the land itself and any capitalized or amortized studies or obligations related to the above.
- All facilities, structures, and other equipment and infrastructure located within the Lake Youngs Aqueduct, the Landsburg Tunnel, and the Lake Youngs Supply Lines right-of-way, including the right-of-way itself.

2. Tolt Source

- All roads, buildings, structures, water supply facilities, other equipment and infrastructure, recreational and educational facilities, downstream habitat enhancement, fisheries enhancement and mitigation facilities located within or close to the South Fork Tolt River Hydrographic Watershed boundary as defined by Seattle land ownership or other contractual rights, including the land itself, and any capitalized or amortized studies or obligations related to the above. Excepted are facilities solely owned by Seattle City Light for the purpose of power generation. Facilities shared by Seattle City Light and Seattle Public Utilities shall be part of the Seattle Regional Water Supply System only to the extent of SPU share or responsibility.
- Tolt Pipeline No. 1, from the Tolt Regulating Basin to the outlet of the Tolt Treatment Facility, including any transfer and ancillary small diameter parallel pipes.
- Tolt Pipeline No. 2, from the Tolt Regulating Basin to the inlet of the Tolt Treatment Facility, including any transfer and ancillary small diameter parallel pipes, and including the connection to Tolt Pipeline No. 1 (a.k.a. TPL2 Phase 6b).
- Tolt Treatment Facility, including its outlet line up to the connection to Tolt Pipeline No. 1.

3. Seattle Wellfields (formerly known as Highline Wells)

- Riverton Wells, including all pumping and treatment equipment, original yard piping, to the connection to CRPL4, and the low flow piping to Riverton Reservoir.

- Boulevard Well, including all pumping and treatment equipment, and all piping up to the connection to CRPL4.
- Any facilities related to operation of the Seattle Wellfields, such as for streamflow augmentation or mitigation.

4. Other

- GIS Projects related to facilities identified herein as part of the Seattle Regional Water Supply System.
- Hardware and Software projects related to facilities identified herein as part of the Seattle Regional Water Supply System.

5. Pipelines

- Tolt Pipeline No. 1, from the outlet pipeline of the Tolt Treatment Facility to Lake Forest Reservoir, including any transfer and ancillary small diameter parallel pipes.
- Tolt Pipeline No. 2, where constructed, west of the outlet of the Tolt Treatment Facility (a.k.a TPL2 Phases 1, 2, 3, and 4), including any transfer and ancillary small diameter parallel pipes.
- Tolt Tieline.
- Tolt Eastside Supply Line (from TESS Junction to the intersection of SE 16th Street and 145th Place SE).
- Tolt Eastside Line Extension (from the intersection of SE 16th Street and 145th Place SE to Eastside Reservoir).
- The 550 head Pipeline from Maple Leaf Reservoir to Lake Forest Reservoir, sections of which also known as “The Haller Lake Pipeline”, and “The 195th Street Pipeline”.
- Lake Youngs Bypass No. 4 from the outlet of each of the Cedar Treatment Facility clearwells to Control Works, including Flow Control Facility 4.
- Lake Youngs Bypass No. 5 from the outlet of each of the Cedar Treatment Facility clearwells to the Lake Youngs Tunnel, including Flow Control Facility 5.
- The Lake Youngs Tunnel (from the original lake outlet to Control Works).
- The Maple Leaf Pipeline (from the intersection of 18th Avenue E. and E. Prospect Street to Maple Leaf Reservoir).
- Cedar River Pipeline No. 1 (CRPL1) from Control Works to the 24-inch remote controlled valve (a.k.a. “The CRPL1 to CRPL2 Valve” in the vicinity and east of Beacon Reservoir (primarily 66-inch pipeline).
- The primarily 54-inch Pipeline known as “The Old Cedar River Pipeline No. 2”, from the 24-inch remote controlled valve (a.k.a. “The CRPL1 to CRPL2 Valve”) in the vicinity of Beacon Reservoir to the intersection of 18th Avenue E and E Prospect Street.
- Cedar River Pipeline No. 2 (CRPL2) from Control Works to the 20-inch butterfly valve (a.k.a. “The CRPL2 to CRPL1 Valve”) in the vicinity and east of Beacon Reservoir (primarily 54-inch pipeline).
- The primarily 42-inch pipeline known as “The Old Cedar River Pipeline No. 1”, from the 20-inch butterfly valve (a.k.a. “The CRPL2 to CRPL1 Valve”) in the vicinity and east of Beacon Reservoir to the intersection of 12th Avenue and E Olive Street.
- The short pipeline sections of various diameters in the vicinity and east of Beacon Reservoir connecting CRPL1, CRPL2, Old CRPL1 and Old CRPL2.

- Cedar River Pipeline No. 3 from Control Works to the intersection of 18th Avenue E. and E. Prospect Street (primarily 66-inch).
- 30" intertie pipeline between "The Old CRPL1" and CRPL3 in E Olive Street, from 12th Avenue to 18th Avenue.
- The interconnections between the Maple Leaf Pipeline, Cedar River Pipeline No. 3, and the Old Cedar River Pipeline No. 2 in the vicinity of the intersection of 18th Avenue E and E Prospect Street.
- Cedar River Pipeline No. 4 from Control Works to the West Seattle Pipeline.
- West Seattle Pipeline from Augusta Gatehouse to Cedar River Pipeline 4.
- The interconnections between the Cedar River Pipelines 1, 2, and 3 in the vicinity of 51st Avenue S and S Leo Street.
- Cedar Eastside Supply Line (from the Cedar Wye to the intersection of SE 16th Street and 145th Place SE).
- The 8th Avenue S. Pipeline between S. 146th Street and S. 160th Street.
- The Bow Lake Pipeline (between 8th Avenue S. and CRPL 4, and as relocated outside runways at Seatac Airport).
- The Burien Feeder (in S. 146th Street between 8th Avenue S. and CRPL 4).
- The Fairwood Line (between Fairwood Pump Station and Soos Reservoirs).
- The 24-inch discharge pipeline of Lake Youngs Pump Station up to Soos Reservoirs.
- The 12-inch discharge pipeline of Lake Youngs Pump Station up to Soos Reservoirs.
- The 630 head pipeline between Lake Youngs Pump Station and the Cedar River WSD pump station at the eastern boundary of the Lake Youngs Reservation.

6. Reservoirs

Reservoirs, Tanks, and Standpipes, including overflow pipes, all valves, appurtenances, and disinfection facility located on the premises of each storage facility, unless otherwise noted

- Lake Forest Reservoir
- Eastside Reservoir
- Riverton Reservoir
- Maple Leaf Reservoir (excluding Roosevelt Way Pump Station and its suction and discharge piping, Maple Leaf Tank and 520 zone piping, except where solely serving the disinfection facility)
- Soos Reservoirs

7. Pump Stations

Pump Stations, Major Valve Structures, and other transmission Facilities

- Eastgate Pump Station
- TESS Junction Pump Station
- Lake Hills Pump Station
- Maplewood Pump Station
- Maple Leaf Pump Station
- Bothell Way Pump Station
- Fairwood Pump Station
- Lake Youngs Pump Station

- The Control Works
 - Augusta Gatehouse
 - Duvall Shops
8. Service Connections to Wholesale Customers installed before January 1, 2002, and Service Connections assigned to the Existing Regional System Cost Pool pursuant to Section III.E.1., are part of the Existing Regional Facilities. Unless otherwise identified as regional, Service Connections to Wholesale Customers installed after December 31, 2001 shall not be considered Existing Regional Facilities.
9. The Existing Regional Facilities include all necessary and convenient appurtenances, including, but not limited to, rights of way, land ownership or contractual rights to use, e.g. easements, security infrastructure, dewatering facilities, line valves, system meters, and remote automation devices.

II. New Supply Facilities

1. Regional Water Conservation Program. The capitalized or deferred cost of the Regional Water Conservation Program, which generally consists of rebate programs for customers to upgrade fixtures or equipment to more efficient models

III. New Transmission Facilities

[Reserved.]

EXHIBIT VII

SUBREGIONAL FACILITIES AND ALLOCATIONS

I. Eastern Subregion

A. List of Eastern Subregional Facilities

SEGMENT 1

(Cascade, Mercer Island, and Seattle)

1. The portion of the of the original Mercer Island Pipeline from the tee off the Cedar Eastside Supply Line in Factoria Boulevard SE to the west flange of the main line tee at the east end of the 16-inch Mercer Slough Bridge Pipeline (30-inch).

SEGMENT 2

(Cascade, Mercer Island, and Seattle)

1. The portion of the of the original Mercer Island Pipeline from the west flange of the main line tee at the east end of the 16-inch Mercer Slough Bridge Pipeline to the west flange of the 20-inch valve west of the wye to the East Channel Bridge Pipeline (30-inch).
2. The entire 16-inch Mercer Slough Bridge Pipeline (16-inch).
3. The portion of the East Channel Bridge 16-inch Pipeline, from the wye off item 1 of Segment 2 above to the north flange of the 16-inch line valve, including the valve bypass line.

SEGMENT 3

(Mercer Island and Seattle)

1. The portion of the original Mercer Island Pipeline from the west flange of the 20-inch valve west of the Enatai service to Bellevue to the west flange of the tee for the Shorewood Apartments service on Mercer Island (20-inch across the East Channel, 24inch on Mercer Island).
2. The 16-inch East Channel Bridge Pipeline, except for the portion listed as item 3 of Segment 2 above.

SEGMENT 4

(Mercer Island only)

1. The portion of the original Mercer Island Pipeline from the west flange of the tee for the Shorewood Apartments service on Mercer Island to the west end of the original Mercer Island pipeline near SE 43rd Street & 89th Ave SE on Mercer Island (24-inch).

The facilities include the appurtenance of these transmission facilities including but not limited to rights of way, line valves, system meters and remote automation devices.

B. Allocation of Costs in the Eastern Subregional Cost Pool

In each year, the costs of each Eastside Subregional Facility shall be allocated by the segments identified in Section I.A above based on Peak 7 Day flows through each segment. In the event that Peak 7 Day flow data is not available, Peak Month flows may be substituted. The annual cost of each segment is adjusted by the annual utility basis cost of the following initial amounts, amortized over 50 years starting in 1998.

Segment 1:	\$73,157.01 increase
Segment 2:	\$1,296,845.17 decrease
Segment 3:	\$136,782.17 increase
Segment 4:	\$72,442.13 increase

Seattle shall establish a common rate for each Eastside Subregional segment that recovers the costs allocated to that segment plus any costs allocated from preceding segments to downstream segments based on the flow data used. Wholesale Customers served by Eastern Subregional Facilities as may be identified in Exhibit I will pay the applicable segment rates for every unit of water delivered to the Service Connection(s), or in Seattle’s case to the retail connection, on the identified segment, e.g. Service Connections on Segment 3 would pay the rate for Segment 3, which rate would recover costs allocated from Segments 1, 2 and 3.

Seattle will track running balances and actual costs and actual revenues for each segment within the Eastside Subregional Cost Pool and shall true up each segment in a manner consistent with Section IV.H, except that Seattle may adjust the running balances between Segments 3 and 4 for a Wholesale Customer served by both Segments as follows:

Seattle will track the portion of surplus or deficit balance created by each Wholesale Customer, including Seattle, in Segment 3 based on the percentage of revenues paid by each. If there is a surplus balance for Segment 3, Seattle may transfer all or a portion of the surplus created by the Wholesale Customer served by both Segments to reduce a running deficit balance for Segment 4 and credit Seattle for a proportionate share of the Segment 3 surplus. If there is a surplus balance for Segment 4, Seattle may transfer all or a portion of the surplus in Segment 4 to reduce the portion of a running deficit balance in Segment 3 created by the Wholesale Customer served by both Segments and charge Seattle for a proportionate share of the Segment 3 deficit balance.

II. Southwestern Subregion

A. List of Southwest Subregion Transmission Facilities

585 ZONE FACILITIES

Pipelines

1. The discharge pipeline of Burien Pump Station, from the pump station to Ambaum Boulevard SW.
2. The pipeline in 8 Ave SW from SW Kenyon Street to SW 108 Street.

3. The discharge pipeline of Highland Park Pump Station to SW 108th Street.
4. The 585 Pipeline in SW 108th Street between 4th Avenue SW and 12th Avenue SW.
5. The 585 head Pipeline in 4th Avenue SW between SW 108th Street and SW 146th Street.
6. The 585 Pipeline in 12th Avenue SW and Ambaum Boulevard SW between SW 108th Street and SW 146th Street.
7. The 585 Pipeline in Ambaum Boulevard SW between SW 146th Street and SW 149th Street.
8. The 585 pipeline in SW 149th Street between Ambaum Boulevard SW and 14th Avenue SW.
9. The 585 pipeline in 12 Ave SW from SW 108 Street to SW 106 Street.
10. The discharge of the Trenton Turbines pump station within the West Seattle Reservoir property, and up to SW Cloverdale Street.
11. The 585 pipeline in 5 Ave SW from SW Cloverdale Street to SW Kenyon Street.
12. The 585 pipeline in SW Kenyon Street from 5 Ave SW to 8 Ave SW.
13. The 585 pipeline in SW Kenyon Street from 8 Ave SW to 35 Ave SW.
14. The 585 pipeline in 35 Ave SW from SW Kenyon Street to SW Myrtle Street.
15. The 585 pipeline in SW Myrtle Street from 35 Ave SW to Myrtle Tanks.

Pump Stations

1. Burien Pump Station, including its suction line from the 24-inch tee to the pump station.
2. Highland Park Pump Station, including its suction line from the tee off the 42-inch West Seattle Reservoir inlet-outlet line to the pump station.
3. Trenton Turbines Pump Station, including the suction/supply line from the pump station to the 36x36x20 tee.

Tanks

1. Beverly Park Tank, and all associated appurtenances and connections to the 585 zone.
2. Myrtle Tanks, and all associated appurtenances and connections to the 585 zone.

WEST SEATTLE RESERVOIR FACILITIES

1. The reservoir Gate House, except for the West Seattle Low Service Pump Station.
2. All reservoir appurtenances, including but not limited to the reservoir drain, washout, and overflow pipelines.
3. The reservoir bypass from the tee off the West Seattle Pipeline to the reservoir easterly outlet pipeline.

WEST SEATTLE PIPELINE FACILITY

From the connection to Cedar River Pipeline No. 4 to the West Seattle Reservoir Gate House.

DES MOINES WAY PIPELINE FACILITIES

1. From the connection to the Bow Lake Pipeline as relocated outside Seatac Airport, to S 168 Street.
2. South 168 Street to the terminus of the pipeline near S 208 Street.

MILITARY ROAD FEEDER FACILITY

THE EAST MARGINAL WAY FEEDER FACILITY

From the West Seattle Pipeline to S 115 Street, including pressure reducing and pressure relief facilities from the West Seattle Pipeline to that feeder.

The facilities include the appurtenance of these transmission facilities including but not limited to rights of way, line valves, system meters and remote automation devices.

B. Allocation of Costs in the Southwest Subregional Cost Pool.

In each year, the cost of each Southwest Subregional Facility identified in Section II.A above shall be allocated between the Seattle Retail Distribution System and Wholesale Customers served by the Southwest Subregional Facilities as may be identified in Exhibit I as a group based on the following agreed upon allocations to the Wholesale Customers:

<u>FACILITY</u>	<u>Allocation to Wholesale Customers</u>
585 Zone	50%
West Seattle Reservoir	10%
West Seattle Pipeline	22%
Des Moines Way Pipeline	100%
Military Road Feeder	100%
East Marginal Way Feeder	100%

Wholesale Customers served by the Southwest Subregional Facilities shall pay a uniform rate to recover the costs from the Southwest Subregional Cost Pool allocated to the Wholesale Customers. This rate shall apply to every unit of water delivered to a Wholesale Customer served by Southwest Subregional Facilities without regard to the specific location at which that water was delivered. Actual costs and actual revenues for the Southwest Sub-region shall be trued up in a manner consistent with Section IV.H.

III. Renton Subregion

A. List of Renton Subregional Facilities

The 12-inch pipelines, from the outlets off the CRPLs 1, 2, and 3 up to the south wall of the SPU meter vaults in Logan Avenue South.

B. Allocation of Costs in the Renton Subregional Cost Pool

In each year, the cost of all Renton Subregional Facilities shall be allocated to the Wholesale Customer(s) served by the Renton Subregional Facilities as may be identified in Exhibit 1.

The Wholesale Customer(s) served by the Renton Subregional Facilities shall pay either a rate established by Seattle or a lump sum, to recover the costs allocated to the Renton Subregional Cost Pool. The rate shall apply to every unit of water delivered to Wholesale Customer(s) served by the Renton Subregional Facilities. The parties may agree to a payment agreement for a lump sum pursuant to Section VII.A.

EXHIBIT VIII

INDEX O&M COST CATEGORIES

The following cost categories as may be amended further from time to time, that capture the portion of O&M Costs to support Seattle Regional Water Supply System only shall be used as the Index O&M Costs in the Existing Regional System, New Supply and New Transmission Cost Pools.

1. Existing Regional System Cost Pool

- Cedar, Tolt, and Lake Youngs Watersheds, including but not limited to
 - Infrastructure and land: buildings, equipment, pipelines, security, roads, bridges, communication, IT
 - Forest management, ecological management including ecological thinning net of timber sales revenue
 - Dam safety
 - Limnology
 - Costs to comply with external requirements such as those imposed by Ecology, Tribes, FERC
 - Management of the public, Patrols, Recreation
 - Fire Protection including Wildland Fire Teams
- Transmission
 - Infrastructure and land: buildings, equipment, pipelines, security, roads, bridges, communication, IT, for the Pipelines, reservoirs, pump stations, major valve structures, and other transmission facilities as listed in Exhibit VII
 - Vegetation Management
 - Litter and vehicle removal
 - Property costs including Fire Protection, permits, easements, and franchise fees
- Treatment
 - Infrastructure and land: buildings, equipment, pipelines, security, roads, bridges, communication, IT
 - Cedar Treatment Plant
 - Tolt Filtration Facility
 - Landsburg Treatment Facility
 - Other treatment in the Seattle Regional Water Supply System
 - Water Quality Testing for tests described in Section II.D.6.
- Regional planning
 - Water rights
 - Climate as it pertains to water supply or infrastructure in the Seattle Regional Water Supply System

2. New Supply Cost Pool

- The Regional Water Conservation Program
- Operating Board expenses, if allocated

- 3. New Transmission Cost Pool
 - [Reserved]

EXHIBIT IX

STRANDED AND AVOIDED COSTS

1. General Provisions

Within 30 days of receipt of a Notice to reduce or terminate Water Utility's Purchase Commitment under Section II.B.5.a, Seattle shall send a written notice to Water Utility, with a copy to the Operating Board, defining the amount of the reduction or termination that results in aggregate Water Utility reductions under this Contract that is in excess of the Water Utility's total Automatically Allowed Reduction, and providing an annual schedule of the Preliminary Net Stranded Cost, or Preliminary Net Billing Credit, if applicable, calculated pursuant to the methodology in Section 2 below using the available documented information as of the time of the Notice. If any reduction by Water Utility results in it having aggregate reductions greater than 5% of the average purchases from Seattle for the most recent five years but less than or equal to its Automatically Allowed Reduction, the Stranded Cost for the portion above 5% will be paid by Seattle, through annual Stranded Cost payments as calculated below. Note: This basis for Seattle payments will apply both to Regional Stranded Cost calculations and to Subregional Stranded Cost calculations, as further defined below.

On or before 180 days prior to the effective date of the Notice under Section II.B.5.b, Seattle shall send a written notice to Water Utility, with a copy to the Operating Board, providing a revised schedule of the Final Net Stranded Cost, or Final Net Billing Credit, if applicable, calculation pursuant to the methodology in Section 2 below using the available documented information as of 180 days prior to the effective date of the Notice under Section II.B.5.b which may reflect appropriate adjustments for changed circumstances during the Notice Period, as well as a calculation of any Stranded Cost obligation to be met by Seattle, as defined above.

The Final Net Stranded Cost, or Final Net Billing Credit, if applicable, will be the payment, or credit, if applicable, required pursuant to Section II.B.5.c. Water Utility will pay the Final Net Stranded Cost, or agree to a schedule of payments with equivalent discounted present value, or receive the Final Net Billing Credit, if applicable, on or before the effective date of the Notice under Section II.B.5.b.

If Water Utility is reducing its Purchase Commitment and will remain a Wholesale Customer, the parties may mutually agree to a payment schedule agreement to pay the Final Net Stranded Cost pursuant to Section VII.A of the Contract.

For rate smoothing or financial performance purposes, Seattle, in consultation with the Operating Board, may select which cost pool the revenues are applied to and whether or not to delay revenue recognition to future years.

In the event that Seattle acquires a new wholesale customer or a new block wholesale customer, or extends the size of the block contract to Cascade Water Alliance or other existing block wholesale

customer, these new regional sales will reduce prior demand reductions that are subject to Stranded Costs as follows: i) adjustments to prior reductions will be effective for all remaining years of the Contract, beginning with the first year of the new sales; ii) new customer sales or additional block sales amounts will be assigned to past Wholesale Customer demand reductions in order of their effective dates; iii) if the new sales amount is greater than the size of the first-in-time prior demand reduction, the remainder will be applied to the next-in-time demand reduction, and so on until either the new sales amount is exhausted or all prior reductions have been reduced to zero. In such cases, the schedule(s) of Water Utility's Annual Stranded Costs for remaining years will be reduced proportionately or entirely as the case may be, and Water Utility will pay the reduced amount from that year forward or, if it has made a prior payment in excess of its Annual Stranded Costs, it will receive a credit of equivalent present value.

2. Stranded and Avoided Cost Methodology

A. Annual Regional Stranded Costs and Annual Regional Avoided Costs: Seattle will first calculate Annual Regional Stranded Costs, and Annual Regional Avoided Costs, if applicable, for each year beginning with the first year Water Utility's reduction or termination of its Purchase Commitment is effective through the last year of the current Contract term using the formula below. Seattle will use the most up to date and available documented information from its then current Water System Plan, or annual plans and statements including financial and accounting statements, official demand forecasts, etc. for all the projections required in the methodology i) as of the date of the Notice for the Preliminary Net Stranded Costs, or Preliminary Net Billing Credit, if applicable; and ii) as of 180 days prior to the effective date of the Notice for the Final Net Stranded Costs or Final Net Billing Credit, if applicable.

Annual Regional Stranded Costs for Year X = [DEP + NBV*RORI + FOC] * Share

where:

- **DEP** - the projected annual depreciation for the Regional Facilities as of the effective date of the Notice of the reduction or termination of Water Utility's Purchase Commitment for year X,
- **NBV** - the projected Net Book Value of the Regional Facilities as of the effective date of the Notice of the reduction or termination of Water Utility's Purchase Commitment for year X,
- **RORI** - the Rate of Return on Investment in effect at the time of the calculation (remains constant for all years),
- **FOC** - the projected fixed portion of the Annual O&M Costs for year X, calculated as the Annual O&M Costs for the first year after the Effective Date ("year 1") (i.e. Annual O&M Costs in year 1 * 90% , which represents a deduction of an agreed upon amount for variable operations costs that are reduced in proportion to Water Utility's reduction or termination and therefore not included as Stranded Costs in the methodology), and escalated at 2.5% per year for each of the remaining years' calculations through year X.
- **Share** - the amount of Water Utility's reduction or termination in excess of its Automatically Allowed Reduction, divided by the projected total Wholesale Customer demand for year X, multiplied by the total Wholesale Customer share of revenue requirements for year X (i.e. (Firm yield – block contract demand)/Firm yield). For this calculation, block demand priced at Wholesale Customer rates shall be considered Wholesale Customer demand.

Annual Regional Avoided Costs for Year X = [DSN + NOC] * NSS

where:

DSN - The projected annual debt service payment for year X of 30-year debt at the then current Seattle Average Cost of Debt to finance the full cost of any New Supply Facility deferred by the reduction or termination, based on the then most current Seattle Water System Plan,

NOC – The projected operations cost for year X for the SPU New Supply Facility, escalated at 2.5% per year from the first year through the end of the contract period, and

NSS - The New Supply Share, defined as the ratio of the Water Utility's reduction in demand divided by the projected design capacity of the deferred New Supply Facility, as measured by average daily demand (ADD).

B. Annual Subregional Stranded Costs: If Water Utility is served by Subregional Facilities, Seattle will calculate Annual Subregional Stranded Costs for each year beginning with the first year

Water Utility’s reduction or termination of its Purchase Commitment is effective through the last year of the Contract term using the formula below.

Annual Subregional Stranded Costs for Year X = [SRDEP + SRNBV*RORI + SRFOC] * SRShare

where:

- **SRDEP** - the projected annual depreciation for the Subregional Facilities for year X
- **SRNBV** - the projected Net Book Value of the Subregional Facilities for year X,
- **RORI** - the Rate of Return on Investment in effect at the time of the calculation (remains constant for all years),
- **SRFOC** - the projected fixed portion of the Annual O&M Costs for year X, calculated as the Annual O&M Costs for the first year after the Effective Date (“year 1”) (i.e. Annual O&M Costs in year 1 * 90% , which represents a deduction of an agreed upon amount for variable operations costs that are reduced in proportion to Water Utility’s reduction or termination and therefore not included in the methodology), and escalated at 2.5% per year for each of the remaining years’ calculations through year X.
- **SRShare** - the amount of Water Utility’s reduction or termination divided by the projected total Subregional demand for year X in the relevant subregion.

C. Totaling the Stranded Costs or Avoided Costs for all years: Seattle will then calculate the Net Stranded Costs or Net Billing Credit, if applicable, as follows by discounting each year of Annual Regional Stranded Costs and Annual Regional Avoided Costs (except year 1) and Annual Subregional Stranded Costs (if any, and except year 1) to its present value and then adding the first year and each of the discounted remaining years of the Annual Regional Stranded Costs; and subtracting first year and each of the discounted remaining years of the Annual Avoided Costs, if applicable; and adding the first year and each of the discounted remaining years of the Annual Subregional Stranded Costs, if any. If the difference is positive, a total Final Net Stranded Cost Payment is due from Water Utility and will reflect any applicable offset from Annual Avoided Costs. If the difference is negative, a total Final Net Billing Credit will be due from Seattle to Water Utility.

Net Stranded Cost (or Net Billing Credit if negative) =

Annual Regional Stranded Cost(1) – Annual Regional Avoided Cost(1) + Annual Subregional Stranded Cost(1) +

[Annual Regional Stranded Cost (2) – Annual Regional Avoided Cost (2)+ Annual Subregional Stranded cost (2)]*Discount Factor(2) +

...calculated for each year from 3 to n (see Illustrative Example of Annual Stranded & Avoided Cost Calculation)... +

[Annual Regional Stranded Cost(n) -Annual Regional Avoided Cost(n) + Annual Stranded Subregional Cost(n), if applicable]*Discount Factor(n)

where:

- Annual Regional Stranded Cost(1) – the Annual Regional Stranded Cost in the first year the reduction or termination is in effect,
- Annual Regional Avoided Cost(1) – the Annual Avoided Cost in the first year the reduction or termination is in effect,
- Annual Subregional Stranded Cost(1) – the Annual Subregional Stranded Cost in the first year the reduction or termination is in effect,
- Annual Regional Stranded Cost(2) - the Annual Regional Stranded Cost in the second year the reduction or termination is in effect,
- Annual Regional Avoided Cost(2) – the Annual Avoided Cost in the second year the reduction or termination is in effect,
- Annual Subregional Stranded Cost(2) – the Annual Subregional Stranded Cost in the second year the reduction or termination is in effect,
- Discount Factor(2) - the factor for discounting costs in the second year by one year, deemed to be the Annual O&M Cost escalation plus 2.5%.
- Annual Regional Stranded Cost(n) - the Annual Regional Stranded Cost in the last year of the Contract term, deemed to be the Annual O&M Cost escalation plus 2.5%,
- Annual Regional Avoided Cost(n) - the Avoided Cost in the last year of the Contract term,
- Annual Subregional Stranded Cost(n) - the Annual Subregional Stranded Cost in the last year of the Contract term, and
- Discount Factor(n) is the multiplied factor for discounting costs in the last year of the Contract term back to the first year the reduction is in effect, deemed to be the Annual O&M Cost escalation plus 2.5% per year, with the calculation including each of the years of the Contract term.

Illustrative Example of Annual Stranded & Avoided Cost Calculation: Reduction of 1.0 mgd (Million Gallons/Day) of Demand, not in a Subregion		
Annual Cost for 1 Year (2030)		
Projected Annual Depreciation	\$22 M	
Projected Net Book Value	\$400 M	
RORI	6.0%	
Total Annual Capital Costs	$\$22\text{ M} + (\$400\text{M} \times 6\%) = \46 M	\$46 M
Projected Annual O&M Cost in Year 1	\$60 M	
Projected Fixed Operations Costs (FOC) in Year 1	$\$60\text{ M} \times .90$	\$54 M ¹
Total Annual Regional System Cost	$\$46\text{ M} + \$54\text{ M} = \$100\text{ M}$	\$100 M
Share of Annual Cost Associated with Reduction		
Regional System Firm Yield	172 mgd	
Block Contracts Portion of Firm Yield ²	34.4 mgd	
Wholesale Customer plus Cascade Supplemental Block Share of Annual Revenue Requirements ³	$(172 - 34.4)/172\text{ mgd} = \mathbf{80\%}$	
Wholesale Customer Forecasted Demand plus Cascade Supplemental Block	100 mgd	
Water Utility's Reduction	1 mgd	
Water Utility's Share of Wholesale Customer plus Cascade Supplemental Block Demand associated with Reduction	$80\% \times (1.0/100) = 0.80\%$	0.80%
Annual Stranded Cost		
Water Utility's Share = Annual Stranded Cost (2030)	$0.80\% \times \$100\text{ M} = \$800,000$	\$800,000
Annual Regional Avoided Cost, New Supply (beginning 2055)		
New Supply Facility (2055 Cost)	\$600 M	
New Supply Facility Financing	30 years, 4% interest => \$34.7 M/yr	
New Supply Facility O&M Cost in 2055	\$8.5 M ⁴	
New System Supply Capacity	24 mgd	
Water Utility's Avoided Supply Share (<i>beginning in 2055</i>)	$(1.0/24.0) \times (\$34.7\text{ M} + \$8.5\text{ M}) = \$1.80\text{M}$	\$1,800,000

¹ Each Year X after Year 1, the projected FOC will be escalated at 2.5%.

² As of the Effective Date of this Contract, includes Cascade (Base Block only, not Supplemental Block) and Northshore Utility District block contract demand in each Year X at the full amount of their Blocks.

³ Cascade's Supplemental Block is priced at the same regional rate paid by Wholesale Customers and is therefore included with Wholesale Customer demand at its full Supplemental Block size.

⁴ Each Year X after 2055, the projected NOC will be escalated at 2.5%.

Total Present Value of Annual Stranded Costs and Avoided Costs for a 1.0 mgd (Million Gallons/Day) Reduction Beginning in 2030, Reducing New Supply Needs in 2055

Year	Annual Stranded Cost (\$000)	Annual Avoided Cost (\$000)	Annual Net Cost or Credit	PV of Stranded & Avoided Costs (\$000)
2030	\$800	\$0	\$800	\$800
2031	\$796	\$0	\$796	\$758
2032	\$792	\$0	\$792	\$718
2033	\$788	\$0	\$788	\$681
2034	\$784	\$0	\$784	\$645
2035	\$780	\$0	\$780	\$611
2036	\$776	\$0	\$776	\$579
2037	\$772	\$0	\$772	\$549
2038	\$768	\$0	\$768	\$520
2039	\$764	\$0	\$764	\$492
2040	\$760	\$0	\$760	\$467
2041	\$768	\$0	\$768	\$449
2042	\$776	\$0	\$776	\$432
2043	\$784	\$0	\$784	\$416
2044	\$792	\$0	\$792	\$400
2045	\$800	\$0	\$800	\$385
2046	\$808	\$0	\$808	\$370
2047	\$816	\$0	\$816	\$356
2048	\$824	\$0	\$824	\$342
2049	\$832	\$0	\$832	\$329
2050	\$840	\$0	\$840	\$317
2051	\$850	\$0	\$850	\$305
2052	\$860	\$0	\$860	\$294
2053	\$870	\$0	\$870	\$283
2054	\$880	\$0	\$880	\$273
2055	\$890	\$1,800	(\$910)	(\$269)
2056	\$900	\$1,809	(\$909)	(\$256)
2057	\$910	\$1,818	(\$908)	(\$243)
2058	\$920	\$1,827	(\$907)	(\$231)
2059	\$930	\$1,837	(\$907)	(\$220)
2060	\$940	\$1,846	(\$906)	(\$210)
2061	\$950	\$1,856	(\$906)	(\$200)
Total Net Stranded Cost				\$10,143

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Terri Gregg	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/Chief Executive Officer of Seattle Public Utilities to execute the First Amended and Restated Contract between The City of Seattle and its long-term, full and partial requirements contract holders for the supply of water; authorizing the withdrawal of funds from the Water Fund Revenue Stabilization Subfund; providing budget authority to use such funds to provide payments to Water Utilities as required under the proposed contracts; amending Ordinance 127156, which adopted the 2025 Budget, including the 2025-2030 Capital Improvement Program; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing a proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and Background of the Legislation:

Seattle Public Utilities serves 16 cities and water districts under long term wholesale water contracts signed in 2001 and 2011. These contracts have periodic reopeners to amend certain portions of the contracts, with the current reopener period concluding in 2025.

SPU has completed negotiations with its full and partial requirements contract holders who have agreed to amendments which provide certainty for future water planning through automatic extensions every 10 years. The amendments include stranded cost protections that provide reimbursements by customers if they choose to leave the system when supply is plentiful, and incentives if they leave at a point in the future when the region needs additional supply. Additionally, the contracts were updated to increase flexibility, to respond to changes in the bond market and SPU's financial systems, and to expand authority for the joint Seattle-customer Operating Board over contract administration.

The updated contract is anticipated to result in slightly higher revenues beginning in 2027, once new water rates are adopted. However, the larger impact in the near term is the mechanism used to return past overpayments. Under the current contracts, the \$27 million in overpayments that have accumulated primarily since 2018 would be returned in the form of lower rates over 2027-2029.

The amended contract would instead return these as a direct payment in 2025 or 2026, with the timing dependent on when all the customers have signed the amendment. This legislation requests budget authority for 2025, with carry forward to 2026 if unspent in 2025. The direct payment has two advantages: the earlier return to customers avoids accrual of additional interest to be paid by Seattle, and the ability to match the payment with a withdrawal from the Water Fund Revenue Stabilization Subfund (RSF) which itself represents past overpayments.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

Expenditure Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
	-	-	-	-	-
Expenditure Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
	27,000,000	-	-	-	-

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
		-	-	-	-
Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
	-	-	10,000,000	10,000,000	10,000,000

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.
	-	-	-	-	-
Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.
	-	-	-	-	-

The timing of the expenditure is dependent on when the last of the 16 wholesale water customers sign the amended contract, which could occur in *either* 2025 or 2026. Also, because the contracts require the payment to be made within 60 days of signing, the expenditure cannot simply be delayed until 2026.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/Number	2025 Appropriation Change	2026 Estimated Appropriation Change
Water Fund (43000)	Seattle Public Utilities	General Expense (BO-SU-N000B)	\$27,000,000	
TOTAL			\$27,000,000	

Appropriations Notes: The timing of the expenditure is dependent on when the last of the 16 wholesale water customers sign the amended contract, and this may occur in *either* 2025 or 2026. Also, because the contracts require the payment to be made within 60 days of signing, it cannot simply be delayed until 2026.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Revenue/Reimbursement Notes: Changes in revenues will occur in 2027 and later as shown in the Financial Implications table.

3.c. Positions

This legislation adds, changes, or deletes positions.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

All the impacts are described in the summary and shown in Financial Implications table.

Specifically, they are:

1. The direct return to customers of up to \$27M in past overpayments as an expense in 2025 or 2026. The exact amount will be determined by our financial auditor's final wholesale water cost allocated report for 2024, which is currently in progress.
2. The slightly higher revenues beginning in 2027 once new rates are adopted (\$200k/year)
3. The avoided impact of the return of the overpayment on revenues in 2027-2029 (\$9.8M/year for three years).
4. The RSF withdrawal to Water Fund operating cash (amount corresponds to the payment in item 1), which would decrease the 2025 year-end RSF balance from \$54.1M to \$27.1M. This is above the required balance of \$9.0M.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

There are no additional costs.

Please describe any financial costs or other impacts of *not* implementing the legislation.

The impact of not implementing the legislation would be loss of goodwill with wholesale customers that we have negotiated with for 5 years. Seattle would also be giving up on the hard-won stranded cost provisions that are being significantly strengthened by the amendment.

Please describe how this legislation may affect any City departments other than the originating department.

None

4. OTHER IMPLICATIONS

- a. **Is a public hearing required for this legislation?** No
- b. **Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?** No
- c. **Does this legislation affect a piece of property?** No
- d. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
 - i. **How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.** The impact on communities is handled by retail rates and policies within each of the wholesale water customers' service areas. It is not affected by this contract amendment.
 - ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.** N/A
 - iii. **What is the Language Access Plan for any communications to the public?** This is a contract between governmental agencies so there is no direct communication with the public.
- e. **Climate Change Implications**
 - i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.** It is not likely to impact carbon emissions.
 - ii. **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.** This legislation includes stranded cost provisions, which ensures additional regional water supplies are developed when needed, but not before. This potentially improves resiliency and impacts on the environment.

- f. 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)? What mechanisms will be used to measure progress towards meeting those goals? N/A**

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization? No**

5. ATTACHMENTS

Summary Attachments: None

Amended Wholesale Full and Partial Water Supply Contracts

Seattle City Council
Parks, Public Utilities & Technology
Committee

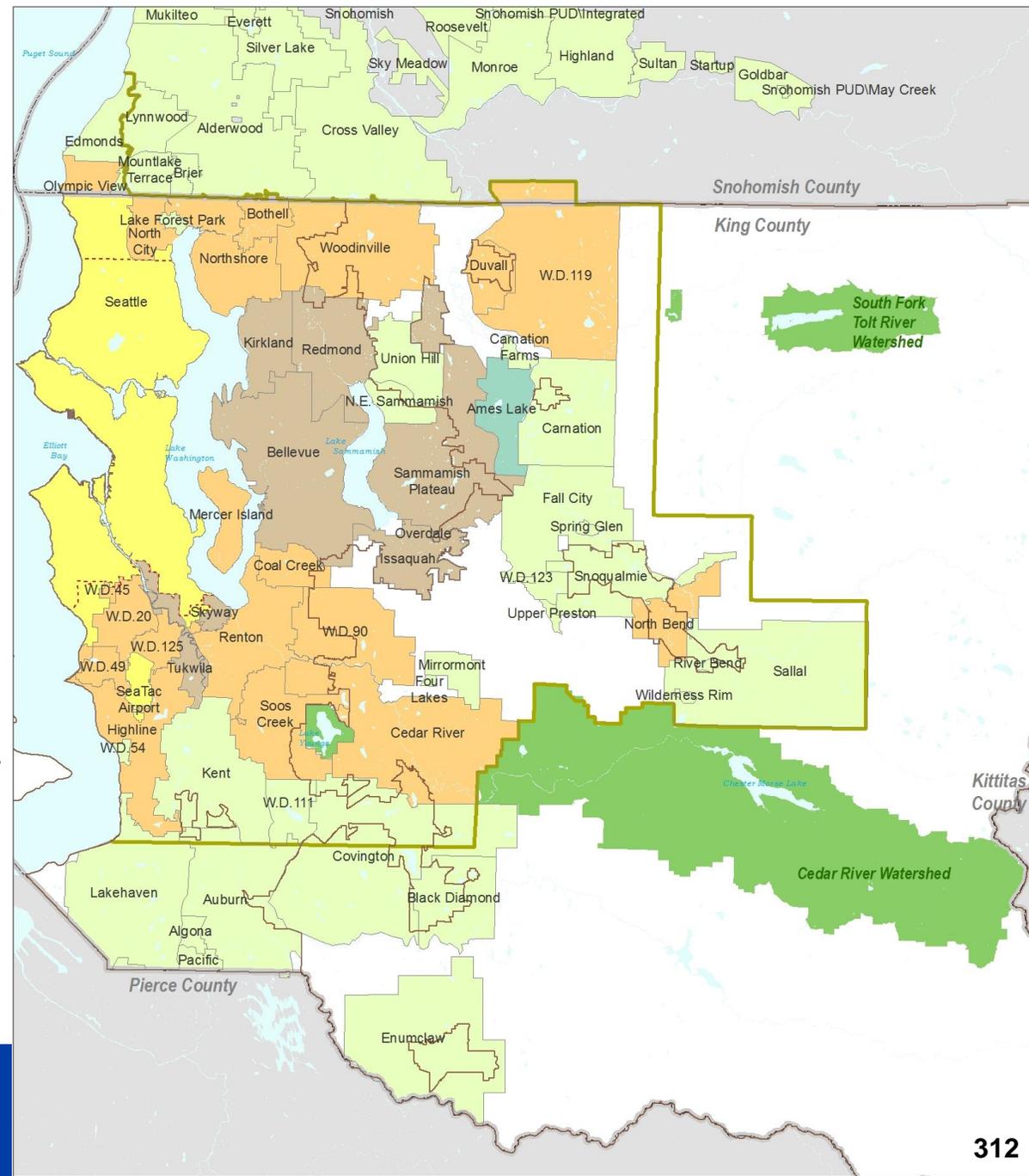
August 13th, 2025

Agenda and Purpose

- Overview of SPU wholesale water supply contracts
- Background on Full and Partial water supply contracts
- Details on major changes to contract
- Next steps

SPU Wholesale Customers and Water Supply Contracts

- 700,000 people served by SPU wholesale customers
- Wholesale customers buy about half of Seattle's supply
 - 16 Cities and Districts – Full or Partial (F&P) water needs met by SPU
 - Northshore Utility District – fixed block of water
 - Cascade Water Alliance (7 members) – fixed block of water that declines in the future
 - North Bend – mitigation water offsetting impacts on Snoqualmie River
 - Edmonds, Lake Forest Park – emergency supply only



Wholesale Water Supply Contracts - Background

- Full and Partial contracts (signed 2002–2011) include a provision allowing for an every 20-year re-opener
- First reopener began in 2020
- 2020-2025 – Multiple meetings, workshops and negotiation sessions with all 16 Full and Partial contract holders
- 2nd quarter 2025 – Concluded negotiation sessions
- End of 2025/early 2026 – Goal is to have all 16 contracts signed or amended through the contract provision which allows for Seattle to make limited amendments without mutual agreement

Intent of Contract Amendment

- Administrative and organizational
 - Update out-of-date or unclear provisions
 - Establish language and application consistency
 - Reorganize sections so similar items are together
- Update major substantive provisions
 - Future contract extensions
 - Stranded cost protections and potential future billing credits
- Update financial provisions to meet current conditions

Highlights to Contract Amendment

Contract Term and Stranded Cost

- Contract Term

- Automatic 10-year extensions with SPU supply commitment:
 - Allowing customers to plan long-term
 - Securing Seattle's planning process
 - Providing continually long-term contracts beneficial for bond ratings

- Purchase Commitment

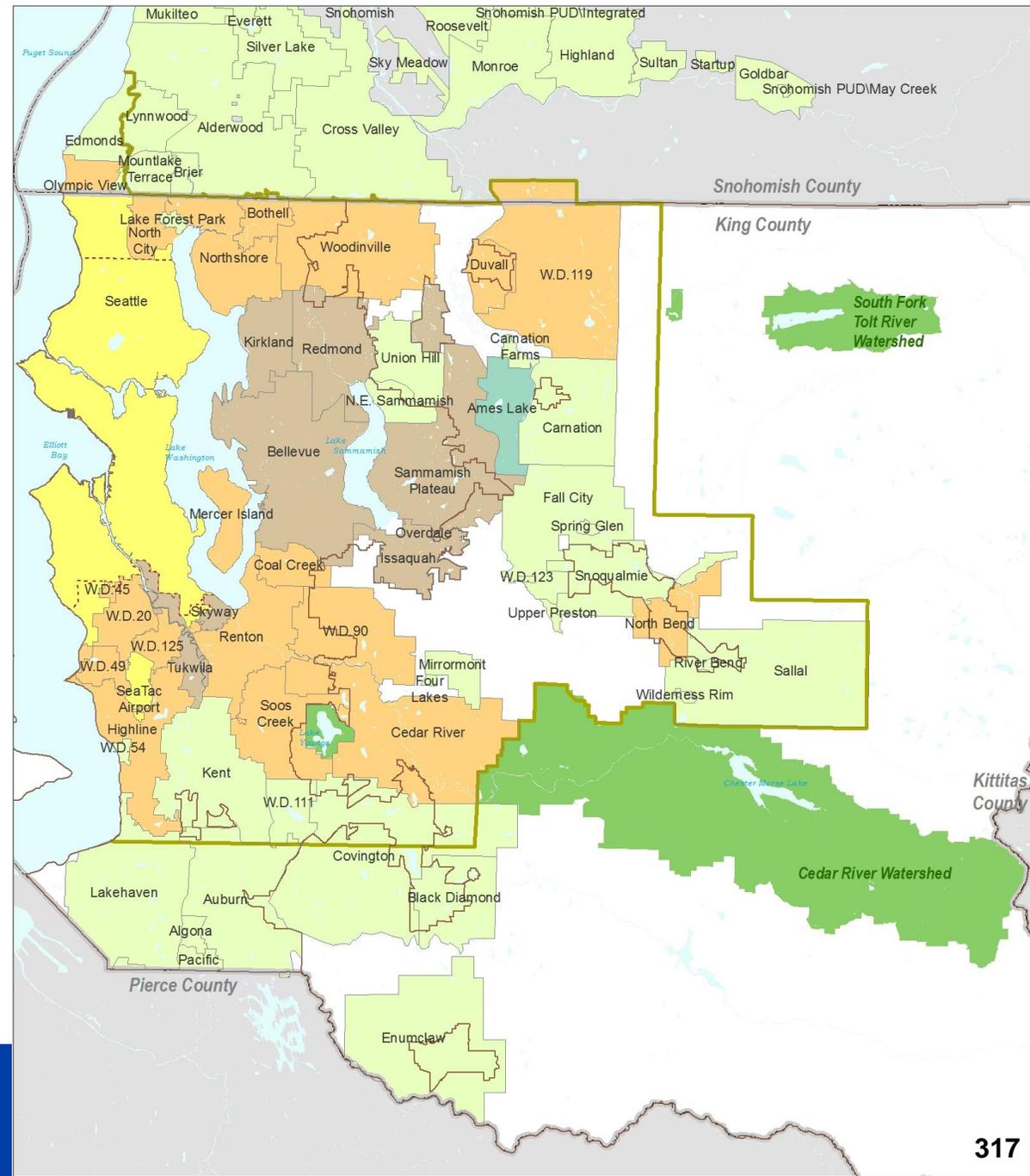
- Main goal - stranded cost protection for both wholesale customers and Seattle
- Stranded cost to be paid for any reduction over 5%
- Billing Credits for timely independent supplies if growth or climate change diminish the system's surplus

Contract Amendment - Financial

- Increased flexibility for cost allocation is expected to result in a more complete cost recovery
- Changes to how overpayments (which occur when wholesale rate payments are more than actual costs in a given time period) are returned
 - Contracts will now have the option for direct payment annually rather than applying overpayments to rates in future years, reducing interest paid by Seattle
- Return of \$27M in cumulative overpayments since 2018 via direct payment to occur after contract signing - legislation includes:
 - Budget authority for these payments
 - Authority for matching withdrawal from Water Fund Revenue Stabilization Fund

Next Steps

- September 10 – Consideration and possible vote
- September 16 – Full Council consideration
- December 31, 2025 – Goal for all contracts to be signed or amended



Questions?





Legislation Text

File #: CB 121037, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Public Utilities; updating side sewer regulations to conform to current standards, clarify existing requirements, allow side sewer fees to be created by Director’s Rule, and update definitions; renumbering existing subsections 21.16.240.B and 21.16.240.C of the Seattle Municipal Code as Section 21.16.241 and further amending the section; amending Sections 21.16.030, 21.16.040, 21.16.070, 21.16.077, 21.16.140, 21.16.240, and 21.16.270 of the Seattle Municipal Code; renumbering existing and repealing Sections 21.16.071 and 21.16.350 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

WHEREAS, the purpose of The City of Seattle’s Side Sewer Code is to promote the health, safety and welfare in relation to side sewers and general sewer discharges to the public utility, and

WHEREAS, the Side Sewer Code has not been substantively revised since 2010; and

WHEREAS, the existing Side Sewer Code requires updating to reflect current permitting and construction practices, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 21.16.030 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

21.16.030 Definitions((-))

~~((Words and phrases))~~ As used in this Chapter 21.16, unless ~~((the same shall be))~~ contrary to or inconsistent with the context~~((,- shall mean as follows))~~ :

* * *

~~(("Director of the Seattle Department of Construction and Inspections" means the Director of the Seattle Department of Construction and Inspections or the Director's designee.))~~

* * *

"Director of Seattle Public Utilities" (~~((means the Director of Seattle Public Utilities, the Director's designee, or employees of Seattle Public Utilities.))~~) means the General Manager and Chief Executive Officer of Seattle Public Utilities of the City of Seattle or the designee of the General Manager and Chief Executive Officer of Seattle Public Utilities, who may be employees of that department or another City department.

"Director of the Seattle Department of Construction and Inspections" means the Director of the Seattle Department of Construction and Inspections or the Director's designee.

* * *

"Registered side sewer contractor" means a person approved and registered by the Director of (~~the Seattle Department of Construction and Inspections~~) Seattle Public Utilities to construct or repair side sewers.

"Responsible party" means (~~(all of the following persons)~~): (1) Owners, operators, and occupants of property; and (2) Any person causing or contributing to a violation of the provisions of this Chapter 21.16.

* * *

Section 2. Section 21.16.040 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

21.16.040 Connection or abandonment of side sewers(~~(-)~~)

A. Wastewater (~~((Side Sewer Connections))~~) side sewer connections. The owner or occupant of any lands, premises, or habitable structures shall connect all buildings, habitable structures, sanitary plumbing outlets, and other sources of polluted water located thereon, unless exempt under subsection 21.16.040.C, with the nearest accessible sanitary sewer or combined sewer, whenever such sewer is located within 300 feet of the closest point of the building, habitable structure, sanitary plumbing outlet, or source of polluted water. (~~(Except in conjunction with activity requiring a development permit, the)~~) The Director of Seattle Public Utilities shall determine whether a sanitary sewer or combined sewer is accessible and whether the connection shall be made by a side sewer or by an extension of the public sewer system. (~~(In conjunction with activity requiring a~~

~~development permit, the Director of the Seattle Department of Construction and Inspections, in consultation with the Director of Seattle Public Utilities, shall communicate the decision to the owner or occupant based on the determination of the Director of Seattle Public Utilities.))~~

B. Service (~~(Drain Connections)~~) drain connections. Connections of service drains to combined sewers or public storm drains shall meet the requirements specified in Chapters 22.800 through 22.808.

C. Exemptions from (~~(Connection)~~) connection. In conjunction with activity requiring a development permit, the Director of the Seattle Department of Construction and Inspections, after consulting with the Director of Seattle Public Utilities, may exempt any otherwise accessible developed property from connecting to the public sewer system; and except in conjunction with activity requiring a development permit the Director of Seattle Public Utilities may exempt any otherwise accessible developed property from connecting to the public sewer system(~~(; provided, in all cases, that the following conditions are met)~~) if:

1. The owner or occupant has agreed to pay to the City a charge in an amount equal to the charge that would be made for sewer service if the property were connected to the sewer system, which amount shall be paid and collected at the times and in the manner provided by ordinance for the payment and collection of sewer service charges; and

2. The Director of Seattle Public Utilities has waived the requirement as provided in subsection 21.16.040.A that properties within 300 feet of a sanitary sewer or combined sewer must connect to that sewer; and

3. The property has a currently functioning on-site sewage disposal system as determined by the Director of Health.

The exemption will remain in effect until the on-site sewer system fails, or the property is sold or otherwise transferred, or the owner or occupant fails to timely pay the charges referred to in subsection 21.16.040.C.1, whichever occurs first, at which time the property shall be connected to the public sewer system as required in subsection 21.16.040.A.

D. Abandonment of ~~((Side Sewers))~~ side sewers. Whenever a side sewer is abandoned, the owner or occupant shall secure a permit from the Director of Seattle Public Utilities to cap the side sewer.

Section 3. Section 21.16.070 of the Seattle Municipal Code, last amended by Ordinance 123494, is amended as follows:

21.16.070 Permit and fee required for connection and repairs~~((:))~~

A. It is unlawful to connect any property or premises to a sanitary or combined sewer, or storm drain, ~~((as defined in Section 21.16.030,))~~ or to construct or to make repairs, alterations, additions to, or to abandon, remove, or cap any side sewer or service drain connecting to the sanitary or combined sewer, or storm drain, without first applying for and securing a permit for such work from the Director of Seattle Public Utilities and without first paying the fee as prescribed ~~((in Section 21.16.071))~~ by Director's Rule. This requirement shall apply to all property, including that of the United States of America, the State of Washington, and any political subdivisions thereof.

B. When an existing structure is removed from a site and a new structure is constructed, a side sewer permit is required to connect the new structure to the public sewer system or approved outlet.

C. Unless an emergency exists, as determined by the Director of Seattle Public Utilities, a side sewer permit must be obtained from the Director of Seattle Public Utilities before any work may be started on a side sewer located within areas served by the City's sewer and drainage infrastructure, either on private property or within a public place.

D. No work shall be performed on a side sewer other than that work provided for in the permit or any revised permit issued by the Director of Seattle Public Utilities. If additional work is necessary, the Director may require a permit revision, an additional permit, and/or additional fees.

Section 4. Section 21.16.071 of the Seattle Municipal Code, last amended by Ordinance 124919, is repealed:

~~**((21.16.071 Permit application and fees.**~~

Fees for side sewer permits shall be:

A. Side Sewers.

~~1. Installation, Connection, Relocation, or Alteration—All Structures~~

~~First connection....\$375~~

~~Each pump installation (single, duplex, etc.)....\$75~~

~~Each additional connection....\$280~~

~~Inspection time in excess of one hour will be billed separately.~~

~~2. Additional Connections to Existing Side Sewers—All Structures~~

~~Each additional connection....\$375~~

~~Each pump installation (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~3. Additional Direct Connections to Public Sewer—All Structures~~

~~Each additional connection....\$375~~

~~Each pump installation (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~4. Reconnection to Public Sewer—All Structures~~

~~Each reconnection....\$375~~

~~Each pump installation (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~5. Temporary Services for Side Sewers—All Structures~~

~~Each temporary service....\$225~~

~~Inspection time in excess of one hour will be billed separately.~~

B. Repairs to Side Sewers—All Structures

Each repair....\$280

~~Each pump repair (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~C. Capping Existing Side Sewers – All Structures~~

~~Each line capped....\$375~~

~~Inspection time in excess of one hour will be billed separately.~~

~~D. Service Drains and Ancillary Facilities.~~

~~1. Installation, Connection, Relocation or Alteration to Storm Drain, Combined Sewer, On-Site Infiltration, Curb Discharge or Direct Discharge to Receiving Waters – All Structures.~~

~~Each connection....\$375~~

~~Each pump installation (single, duplex, etc.)....\$75~~

~~Each additional connection....\$280~~

~~Inspection time in excess of one hour will be billed separately.~~

~~2. Additional Connections to Existing Service Drains – All Structures~~

~~Each additional connection....\$375~~

~~Each additional pump installation (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~3. Additional Direct Connections to Storm Drain, Combined Sewer, Curb Discharge, On-site Infiltration or Direct Discharge to Receiving Waters.~~

~~Each additional connection....\$375~~

~~Each additional pump installation (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~4. Reconnection to Storm Drain, Combined Sewer, Curb Discharge, On-site Infiltration or Direct Discharge to Receiving Waters.~~

~~Each reconnection....\$375~~

~~Each pump reconnection (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~5. Temporary Services for Service Drains – All Structures~~

~~Each temporary service....\$225~~

~~Inspection time in excess of one hour will be billed separately.~~

~~6. Repairs to Service Drains – All Structures~~

~~Each repair....\$375~~

~~Each pump installation repair (single, duplex, etc.)....\$75~~

~~Inspection time in excess of one hour will be billed separately.~~

~~E. Legal Document Fee.~~

~~For each document prepared by the City....\$50~~

~~F. Inspection Fee~~

~~For the purpose of this Section 21.16.071 inspection time in excess of the base fee will be charged per hour at \$160 or the current hourly fee as established by the applicable Seattle Department of Construction and Inspections Director's Rule.~~

~~In all cases of dispute regarding fees, permits, or other matters relating to this Section 21.16.071, the decision of the Director of Seattle Public Utilities shall be final and conclusive.))~~

Section 5. Section 21.16.077 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

21.16.077 Refund of sewer permit fees((-))

A. Applicants may request a refund of fees, less any administrative costs incurred by Seattle Public Utilities ((or the Seattle Department of Construction and Inspections)) up to the date of the refund request, at any time prior to any work or inspections occurring. Starting work signifies a use of the rights granted by the permit and thus the loss of a right to request a refund.

B. ~~((Notwithstanding))~~ Notwithstanding the conditions of subsection 21.16.077.A, side sewer repair permits are not eligible for refunds.

Section 6. Section 21.16.140 of the Seattle Municipal Code, last amended by Ordinance 123494, is amended as follows:

21.16.140 Inspections~~((:))~~

* * *

D. The inspection shall include a test in the presence of the Director of Seattle Public Utilities to determine that the side sewer is of tight construction and does not allow infiltration or exfiltration of water. Specifications for such a test shall be included in ~~((the rules and regulations referred to in Section 21.16.350))~~ a Director's Rule.

* * *

Section 7. Section 21.16.240 of the Seattle Municipal Code, last amended by Ordinance 123494, is amended as follows:

21.16.240 Use of existing side sewer~~((:))~~ - Permission

~~((A-))~~ The Director of Seattle Public Utilities may approve the use of an existing side sewer for a new or converted building or dwelling unit ~~((provided))~~ if the permit application meets all requirements of this ~~((chapter))~~ Chapter 21.16 and the permit applicant:

~~((1-))~~ A. Submits to the Director of Seattle Public Utilities an evaluation prepared and certified by a licensed professional engineer that the existing side sewer from the public sewer main to the new or converted buildings or dwelling units:

~~((a-has))~~ 1. Has passed a pressure test per City standards; and

~~((b-is))~~ 2. Is in a condition and has the capacity to serve the existing and proposed connections.

Other existing side sewer lines connected to the evaluated and certified line are not subject to this evaluation and certification requirement; or

~~((2-))~~ B. Rehabilitates or replaces the existing side sewer from the public sewer main to the new or converted buildings or dwelling units requiring a side sewer connection. The permit applicant shall submit to the Director of Seattle Public Utilities a plan for such rehabilitation or replacement. A licensed professional engineer shall certify to the Director of Seattle Public Utilities that:

~~((a))~~ 1. The existing side sewer pipe has passed a pressure test or has been rehabilitated so that pipe joints are water-tight;

~~((b))~~ 2. The side sewer rehabilitation complies with accepted industry practices; and

~~((e))~~ 3. The rehabilitated side sewer is in a condition and has the capacity to serve the existing and proposed connections.

Other existing side sewer lines connected to the rehabilitated or replaced line are not subject to rehabilitation or replacement or certification.

21.16.241 Use of existing side sewer - Number of buildings or dwelling units

~~((B-))~~ A. If the number of buildings or dwelling units using an existing side sewer does not increase, in lieu of meeting the requirements of ~~((Section))~~ subsection 21.16.240.A, the permit applicant may instead elect to comply with the requirements of ~~((Section))~~ subsection 21.16.250.B.

~~((C-))~~ B. If the number of buildings or dwelling units using an existing side sewer increases, the permit applicant shall:

1. At least 30 days prior to the permit application date, ~~((the permit applicant shall))~~ notify all other owners of properties served by the existing side sewer that a side sewer permit to connect to the existing side sewer is being sought. Notification shall be by certified mail, return-receipt requested, on a form approved by the Director of Seattle Public Utilities, to the street address of all properties served by the existing side sewer and mailing address of taxpayers of the same properties as recorded with the office of the King County ~~((Department of Records and Elections))~~ Recorder's Office; and

2. Attest on a form approved by the Director of Seattle Public Utilities that notice was mailed.

The permit applicant shall submit the signed attest form with a copy of the notice to the Director of Seattle Public Utilities before a permit is issued.

Section 8. Section 21.16.250 of the Seattle Municipal Code, last amended by Ordinance 123494, is amended as follows:

21.16.250 Easements and agreements((;))

A. Before a new side sewer may be located on property other than the property being served by the new side sewer, and before the Director of Seattle Public Utilities ~~((shall))~~ issues a side sewer permit, the owner of the new side sewer ~~((shall))~~ must secure a written easement from the owner of the property to be crossed. The easement shall be acknowledged~~((;))~~ and ~~((shall))~~ grant the right to occupy the property for side sewer or utility purposes. The easement shall be recorded with the ~~((office of the))~~ King County ~~((Department of Records and Elections))~~ Recorder's Office, and the permit applicant shall provide a copy of the recorded easement to the Director of Seattle Public Utilities before a permit is issued.

B. Notwithstanding the requirements in Section 21.16.230, before the Director of Seattle Public Utilities may issue a side sewer permit authorizing a connection to an existing or new side sewer used by another building or dwelling unit, an instrument ~~((which))~~ that identifies all properties served by the shared side sewer and that saves harmless and indemnifies the City from any damage or injury resulting from the installation, operation, and maintenance of the shared side sewer must be executed by the property owners of the new or converted buildings or dwelling units. The Director of Seattle Public Utilities shall approve the form of the instrument. The instrument shall be recorded with the King County ~~((Department of Records and Elections))~~ Recorder's Office against all properties identified on the permit application. The permit applicant ~~((shall))~~ must provide a copy of the recorded instrument to the Director of Seattle Public Utilities before a permit is issued.

C. Before the Director of Seattle Public Utilities may issue a side sewer permit authorizing a side sewer line to serve more than one ~~((new building or dwelling unit))~~ property, a joint use and maintenance agreement ~~((shall))~~ must be executed by owners of all properties that will be subject to the approved side sewer permit.

The instrument shall be recorded with the King County (~~(Department of Records and Elections)~~) Recorder's Office against all properties identified in the permit application. The permit applicant (~~(shall)~~) must provide a copy of the recorded instrument to the Director of Seattle Public Utilities before a permit is issued.

D. No property owner may construct a new or modify an existing structure over a public sewer or storm drain.

E. Notwithstanding the prohibition in subsection 21.16.250.D (~~(of this section)~~), the Director of Seattle Public Utilities may grant a variance to permit construction over a public sewer or storm drain(~~(, provided that)~~) if the property owner:

1. Demonstrates to the satisfaction of the Director that there is no other feasible alternative;
2. Enters into a (~~(build-over)~~) consent agreement with the Director (~~(that must include those)~~) including terms and conditions the Director determines are reasonably necessary or advisable to protect and maintain the sewer and storm drains and to preserve public health and safety;
3. Provides the City with an easement to allow Seattle Public Utilities to perform necessary maintenance and repair of the sewer and storm drains and to preserve the public's health and safety; and
4. Properly files and records the (~~(build-over)~~) consent agreement (~~(and easement)~~) with the King County (~~(Department of Records and Elections)~~) Recorder's Office.

Section 9. Section 21.16.270 of the Seattle Municipal Code, last amended by Ordinance 124919, is amended as follows:

21.16.270 Installation when compliance is impractical-Conditional permit(~~(-)~~)

If, in the opinion of the Director of Seattle Public Utilities, (~~(or the Director of the Seattle Department of Construction and Inspections, after consulting with the Director of Seattle Public Utilities,)~~) physical conditions make compliance with the provisions of this Chapter 21.16 impracticable, the Director of Seattle Public Utilities may issue a permit for installation of a side sewer requiring compliance with the provisions insofar as is reasonably possible, (~~(and such permit shall be issued)~~) issuable only upon the condition that the property

owner shall record with the King County (~~(Department of Records and Elections)~~) Recorder's Office an instrument acceptable to the Director of Seattle Public Utilities agreeing to save harmless and indemnify the City from any damage or injury resulting from the installation, operation, and maintenance of said side sewer. This Section 21.16.270 is not intended to (~~(be used to)~~) allow drainage connections to a sanitary sewer.

Section 10. Section 21.16.350 of the Seattle Municipal Code, last amended by Ordinance 124919, is repealed:

~~**(21.16.350 Authority to make rules and regulations.**~~

~~The Director of Seattle Public Utilities and the Director of the Seattle Department of Construction and Inspections may make rules and regulations and amend the same from time to time, not inconsistent with the provisions of this Chapter 21.16, as either or both shall deem necessary and convenient to carry out the provisions of this Chapter 21.16.)~~

Section 11. Pursuant to Seattle Municipal Code Section 21.28.230, the Director of Seattle Public Utilities shall promulgate standard and administrative charges for the side sewer permit functions established by this ordinance.

Section 12. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 13. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the _____ day of _____, 2025, and signed by me in open session in authentication of its passage this _____ day of _____, 2025.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

(Seal)

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Cris Horbelt	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; updating side sewer regulations to conform to current standards, clarify existing requirements, allow side sewer fees to be created by Director’s Rule, and update definitions; renumbering existing subsections 21.16.240.B and 21.16.240.C of the Seattle Municipal Code as Section 21.16.241 and further amending the section; amending Sections 21.16.030, 21.16.040, 21.16.070, 21.16.077, 21.16.140, 21.16.240, and 21.16.270 of the Seattle Municipal Code; renumbering existing and repealing Sections 21.16.071 and 21.16.350 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation:

Seattle’s Department of Construction and Inspections (SDCI) has administered the City’s side sewer permitting program since 2003. Seattle Public Utilities manages and maintains the City’s wastewater and stormwater collection system. To better align the side sewer permitting program with the two departments’ core functions and to improve customer service to ratepayers, SPU will be assuming the side sewer permitting function. To effectuate this change, the authority of each of the Department Director's must be revised.

This legislation would clarify program requirements, remove and relocate permit fees from the Seattle Municipal Code to an SPU Director’s Rule, and clarify the authority of Department Directors. Side sewer permit fees would be relocated from SMC Chapter 21.16 and consolidated with other SPU fees in Finance Director's Rule 220.2. This will better help SPU’s Rates and Finance section keep SPU revenue updated across the lines of business.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

This legislation does not have additional costs associated with it.

Please describe any financial costs or other impacts of *not* implementing the legislation.

This legislation will formalize the on-going transfer of the Side Sewer Permitting Program from SDCI to SPU. This is being done to align the two departments' core functions and improve customer service. Absent enactment of this legislation, the authority of each department's Directors will not reflect the employees of the respective Departments who are performing this work.

Please describe how this legislation may affect any City departments other than the originating department.

This change would happen concurrent with the termination of an inter-departmental agreement between SPU and SDCI to provide side sewer permitting functions on behalf of SPU. The purpose of the transition is to better align the permitting functions and associated regulations of each department with their code-required responsibilities. Upon transfer of the program and adoption of this legislation, SDCI will no longer have the responsibility to enforce the provisions of the Side Sewer Code on behalf of SPU.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?

No

c. Does this legislation affect a piece of property?

No. The proposal is a non-project legislative action with no specific site. As Side Sewer Code requirements are city-wide, specific projects affected by the proposal may occur anywhere within Seattle's city limits

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

This legislation does not negatively impact vulnerable or historically disadvantaged communities. Adopting this legislation and the complete transfer of the Side Sewer Permitting Program from SDCI to SPU will better facilitate enforcement of the requirements for Registered Side Sewer Contractors. This requirement serves to establish a baseline of minimum qualifications for Contractors that are permitted to do sewer work in City streets. This will serve as an added protection for disadvantaged communities who can disproportionately be taken advantage of by unscrupulous and unlicensed Contractors.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

NA

- iii. What is the Language Access Plan for any communications to the public?**

SPU regularly publishes the Director's Rules to notify the public of changes on its website and in emails to frequent customers. Access to language translation service is available in needed. No language access plan was prepared specifically for these administrative updates.

e. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation will not increase or decrease carbon emissions.

- ii. 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.**

This legislation will not increase or decrease Seattle's resiliency to climate change.

- f. 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)? What mechanisms will be used to measure progress towards meeting those goals?**

This legislation does not include a new initiative or a major programmatic expansion.

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No

5. ATTACHMENTS

Summary Attachments: None

August 8, 2025

MEMORANDUM

To: Parks, Public Utilities, and Technology Committee
From: Brian Goodnight, Analyst
Subject: CB 121037: SPU Side Sewer Code

On August 13, 2025, the Parks, Public Utilities, and Technology Committee (Committee) will consider [Council Bill \(CB\) 121037](#), which would update side sewer regulations in the Seattle Municipal Code (SMC) to clarify existing requirements and to align with decisions made in the 2025 Adopted Budget.

This memorandum provides relevant background information on the side sewer permitting program, briefly summarizes the bill, and describes next steps.

Background & Summary

In the 2025 Adopted Budget, the Council approved staffing changes to transfer administration of the side sewer permitting program from the Seattle Department of Construction and Inspections (SDCI) to Seattle Public Utilities (SPU). Specifically, 10 FTE were transferred from SDCI to SPU and the budget also authorized eight new FTE within SPU. The side sewer permitting program administers permitting for new developments as well as the repair or replacement of existing side sewers. SDCI has overseen the program since 2003 via an agreement with SPU, and SPU desires to take over that work to promote consistent interpretation, application, and enforcement of the side sewer code.

CB 121037 would amend various subsections of [Chapter 21.16 SMC](#) to recognize the transfer of authority from SDCI to SPU for the side sewer permitting activities, such as replacing references to the Director of SDCI with references to the Director of SPU, and would make other clarifying corrections. More significantly, the bill would remove the schedule of permit fees from the SMC and refer instead to SPU charges set via Director's Rule. SPU intends to consolidate the side sewer permitting fees along with other fees specified in [Director's Rule FIN-220.2](#), easing the administration of the fee schedule. SPU is not proposing to adjust any side sewer permitting fees at this time.

Next Steps

The Committee is scheduled to discuss and possibly vote on CB 121037 at its meeting on August 13. If the Committee votes to recommend passage of the bill at that time, the City Council could consider the legislation at its meeting on September 2, at the earliest, following conclusion of the Council's summer recess.

cc: Ben Noble, Director
Calvin Chow, Lead Analyst

Side Sewer Permitting Program Transfer and Administrative Code Update

Parks, Public Utilities & Technology Committee

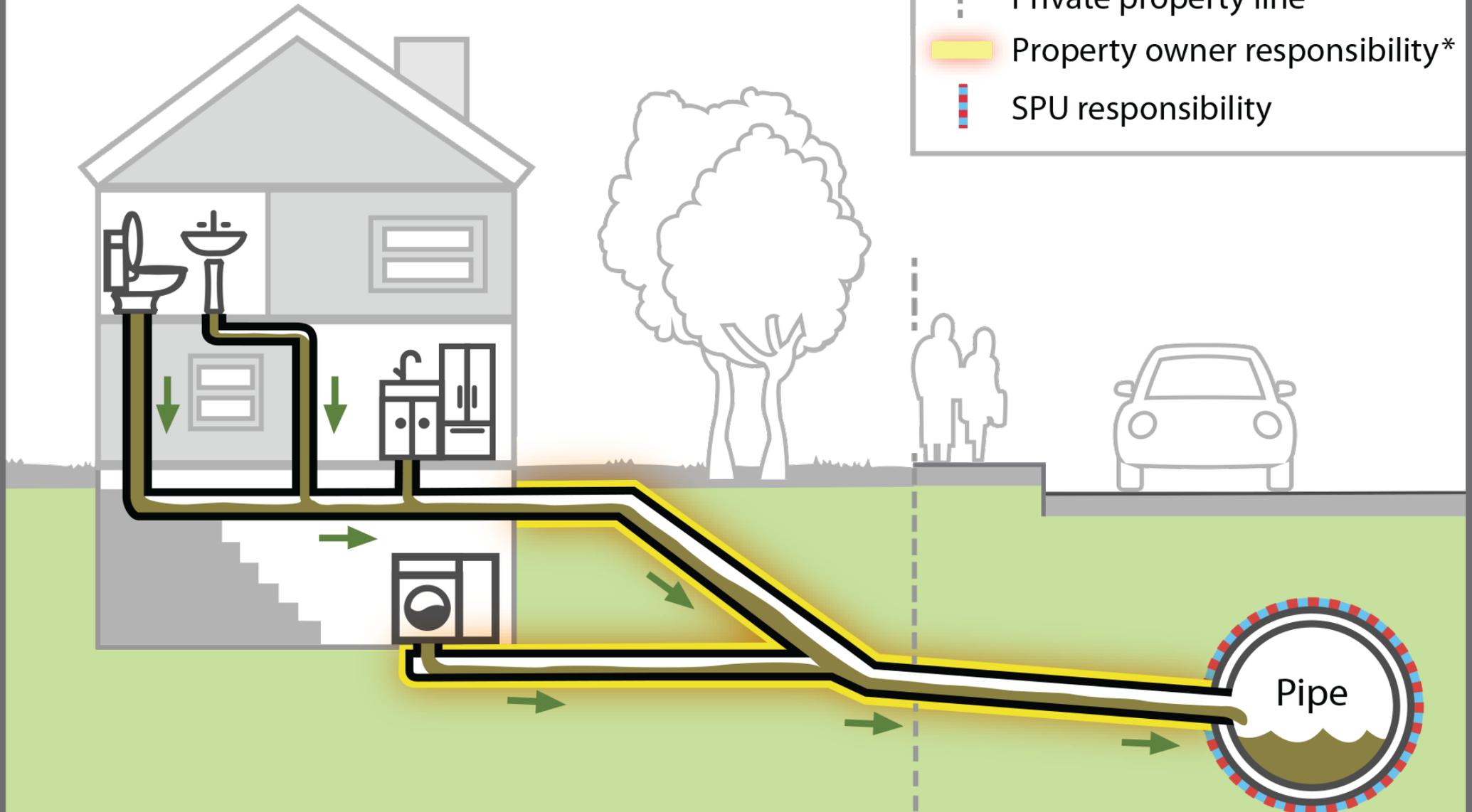
August 13, 2025



Typical Side Sewer

SEWER PIPE RESPONSIBILITY

- Private property line
- Property owner responsibility*
- SPU responsibility



*Side sewer

What is the Side Sewer Permitting Program?

Regulates New Development

- Specifies how new construction can connect to the public sewer and drainage system

Provides oversight for repairs of existing side sewers

- Majority of permits are for repairs to existing side sewers
- Private side sewers can be over 100 years old
- On private property and in the right-of-way



Purpose of Legislation

- SDCI has administered the side sewer permitting program since 2003.
- SPU manages and maintains the wastewater and stormwater collection system.
- SPU assumed side sewer permitting to better align the two departments' core functions and to enhance customer service.
- To make this change, the authority of each department must be revised.



Clarify Director's Authority

Side Sewer Permitting Program Transfer

- Permitting will be done by SPU
- Restart requirements for “Registered Side Sewer Contractors”



Relocates Side Sewer Permit Fees

Consistency

- Relocates fees to SPU Director's Rule to be consistent with other SPU charges.

Timeliness

- Will allow updates with other revenue managed by Rates & Finance



Questions?





Legislation Text

File #: CB 121069, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Seattle Public Utilities; authorizing the acquisition of certain real property rights by negotiation or eminent domain (condemnation) of ten separate permanent easements located on parcels identified as King County Parcel Number 2487201221 located at 4500 & 4502 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200505, King County Parcel Number 2488200500, King County Parcel Number 2488200495, King County Parcel Number 2488200490; and authorizing the acquisition of temporary construction easements by negotiation or eminent domain (condemnation) located on eighteen separate parcels of land identified as King County Parcel Number 2487201221 located at 4502 SW Wildwood Place, King County Parcel Number 2346700000 located at 9212 45th Avenue SW, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487200035 located at 4402 SW Brace Point Drive, King County Parcel Number 2487200050 located at 4330 SW Brace Point Drive, King County Parcel Number 2487201210 located at 4604 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200530, King County Parcel Number 2488200525, King County Parcel Number 2488200520, King County Parcel Number 2488200515 located at 4401 SW Director Street; King County Parcel Number 2488200505; King County Parcel Number 2488200500; King County Parcel Number 2488200495; and King County Parcel Number 2488200490; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute all documents and take other necessary actions to complete the Properties' permanent easement acquisitions and temporary construction easement acquisitions; authorizing payment of all costs associated with the acquisitions; and ratifying and confirming certain prior acts.

WHEREAS, Seattle Public Utilities (SPU) owns, maintains, and operates a system of sanitary sewerage, and storm and surface water drainage as part of its drainage and wastewater system; and

WHEREAS, the Washington State Hydraulic Code, administered by the Washington Department of Fish and Wildlife (WDFW), requires that certain types of streams, culverts, and storm drains maintained by SPU

be made fish passable when repaired or replaced; and

WHEREAS, SPU owns and maintains a culvert in West Seattle conveying Fauntleroy Creek that is failing and bars fish passage; and

WHEREAS, SPU has designed the 45th Avenue SW Culvert Replacement Project (Project) to replace the culvert along Fauntleroy Creek to comply with the WDFW fish passage requirements and address current and future flooding issues; and

WHEREAS, the SPU has identified 18 contiguous parcels adjacent to Fauntleroy Creek near the intersection of 45th Avenue SW and SW Wildwood Place impacted by the Project, and determined that it needs permanent and temporary property rights from the property owners to construct and maintain the new culvert; and

WHEREAS, RCW 8.12.030, 35.67.020, and 35.92.020 authorize the City to purchase or condemn property for utility or general municipal purposes; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Public convenience and necessity require that real property interests generally shown on Attachments 1 and 2 of this ordinance, and such other property as may be necessary or convenient for the Project located in the City of Seattle, County of King, State of Washington; together with all rights, privileges, and other property interests pertaining to the real property interests, be acquired for utility and general municipal purposes through negotiations or eminent domain (condemnation).

Section 2. The General Manager and Chief Executive Officer of Seattle Public Utilities (SPU), or designee, is authorized to: determine the portions and interests of the properties shown on Attachments 1 and 2, that are necessary or convenient for the Project, and any other property interests that may be necessary or convenient for the Project; negotiate and enter into written agreements for and acquire, after paying just compensation, the real property interests that are necessary or convenient for the Project, including temporary and permanent rights, in easement form; and accept and record deeds and other written instruments on behalf of

the City by attaching to the instrument the General Manager and Chief Executive Officer’s written acceptance and recording the deed or other written instrument. The acquisition costs, including purchase price and transaction costs, together with relocation benefits to the extent required by law, shall be paid from the funds appropriated, or to be appropriated, for such purposes in connection with the Project.

Section 3. The Seattle City Attorney is authorized to commence and prosecute proceedings in the manner provided by law to condemn, take, damage, and appropriate in fee simple or other property interests determined by the SPU General Manager and Chief Executive Officer, or designee, to be necessary or convenient to the Project; provided the lands, rights, and privileges, and other property are to be appropriated and taken only after just compensation has been made or paid into court for the owners in the manner provided by law. The Seattle City Attorney is further authorized to enter into a stipulation agreement for the purpose of minimizing damages.

Section 4. The real property interests referenced in this ordinance include, but are not limited to, deeds, easements, and temporary constructions easements that, when recorded, shall be placed under the jurisdiction of SPU and designated for utility and general municipal purposes.

Section 5. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 6. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the _____ day of _____, 2025, and signed by me in open session in authentication of its passage this _____ day of _____, 2025.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

(Seal)

Attachments:

Attachment 1 - Legal Descriptions for Permanent Easements

Attachment 2 - Legal Descriptions for Temporary Construction Easements

ATTACHMENT 1 – Legal Descriptions for Permanent Easements

1. 9144 45th Ave SW, Parcel #2488200480

FOR THAT PORTION OF LOTS 12-13, BLOCK 6 OF FAUNTLEROY THIRD DIVISION ADDITION

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOTS 12 AND 13, BLOCK 6, FAUNTLEROY THIRD DIVISION ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 27 OF PLATS, PAGE 17, IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 13; THENCE ALONG THE WESTERLY LINE OF LOT 13 NORTH 1°39'08" EAST 27.69 FEET; THENCE LEAVING SAID WESTERLY LINE SOUTH 71°33'57" EAST 49.49 FEET; THENCE NORTH 79°14'15" EAST 53.87 FEET TO THE EASTERLY LINE OF LOT 13; THENCE ALONG THE EASTERLY LINE OF LOT 13 SOUTH 1°39'08" WEST 26.72 FEET TO THE SOUTHERLY LINE OF LOT 13; THENCE ALONG THE SOUTHERLY LINE OF LOT 13 NORTH 87°20'53" WEST 100.02 FEET TO THE SOUTHWESTERLY CORNER OF LOT 13 AND THE POINT OF BEGINNING.

CONTAINING 2070 SQ. FT., MORE OR LESS

2. 9165 45th Ave SW, Parcel #2485500000

FOR THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 24 NORTH, RANGE 3 EAST W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SOUTHWEST BARTON STREET WITH THE WESTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID LINE 190 FEET; THENCE NORTH 13°58'30" EAST 55.165 FEET; THENCE SOUTH 65°19'52" EAST TO THE WEST LINE OF 45TH AVENUE SOUTHWEST; THENCE SOUTH 114.61 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SOUTHWEST BARTON STREET WITH THE WESTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE NORTH 48°43'11" WEST ALONG THE NORTHEASTERLY RIGHT OF WAY LINE OF SOUTHWEST BARTON STREET 85.49 FEET; THENCE LEAVING SAID

RIGHT OF WAY LINE SOUTH 53°04'05" EAST 5.22 FEET SAID POINT ALSO BEING THE BEGINNING OF A NON TANGENT CURVE WITH A RADIUS OF 481.00 FEET CONCAVE TO NORTHEAST WHICH RADIUS POINT BEARS N 37L 50' 08" E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 8L 38' 41" A DISTANCE OF 72.57 FEET TO THE WESTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE SOUTH 1°39'08" WEST ALONG SAID THE WESTERLY LINE 13.24 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 358 SQ. FT., MORE OR LESS

3. 4518 SW Wildwood Pl, Parcel #2487201215

FOR THAT PORTION OF LOTS 12, 13 AND TRACT B, BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOT 12; THE WEST HALF IN WIDTH OF LOT 13; ALSO THE WESTERLY 75 FEET OF THAT PORTION OF TRACT "B" LYING EASTERLY OF THE NORTHERLY PRODUCTION OF THE WESTERLY LINE OF SAID LOT 12, ALL IN BLOCK 13, FAUNTLEROY AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 20 OF PLATS, PAGE 63](#), IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID DESCRIBED LOT;

THENCE NORTH 48°43'11" WEST ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SOUTHWEST BARTON STREET 54.86 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE SOUTH 33°42'09" WEST 13.83 FEET; THENCE SOUTH 56°22'02" EAST 34.90 FEET; THENCE SOUTH 53°59'39" EAST 19.00 FEET TO THE EASTERLY LINE OF SAID LOT; THENCE ALONG SAID EASTERLY LINE NORTH 37°35'16" EAST 7.33 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 559 SQ. FT., MORE OR LESS

4. 4500 & 4502 SW Wildwood Pl, Parcel #2487201221

FOR THAT PORTION OF LOTS 13-15 AND TRACT B, BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOTS 14 AND 15 AND THE SOUTHEASTERLY HALF IN WIDTH OF LOT 13 IN BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS AT PAGE 63, IN KING COUNTY, WASHINGTON;

AND THAT PORTION OF TRACT "B" OF SAID PLAT LYING SOUTHEASTERLY OF THE NORTHEASTERLY PRODUCTION OF THE NORTHWESTERLY LINE OF SAID SOUTHEAST HALF IN WIDTH OF LOT 13;

EXCEPT THAT PORTION OF SAID LOT 15 AND SAID TRACT "B" CONVEYED TO THE CITY OF SEATTLE FOR STREET BY DEED RECORDED UNDER RECORDING NO. 1003396.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID DESCRIBED LOT;

THENCE NORTH 48°43'11" WEST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 75.66 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT; THENCE LEAVING SAID RIGHT OF WAY MARGIN ALONG THE WESTERLY BOUNDARY OF SAID LOT SOUTH 37°35'16" WEST 7.33 FEET; THENCE LEAVING SAID BOUNDARY LINE SOUTH 57°07'00" EAST 37.55 FEET; THENCE SOUTH 33°52'02" EAST 6.94 FEET; THENCE SOUTH 37°42'25" WEST 1.40 FEET; THENCE SOUTH 48°43'11" EAST 35.38 FEET TO THE WESTERLY RIGHT OF WAY MARGIN OF 45TH AVENUE SOUTHWEST; THENCE ALONG SAID RIGHT OF WAY MARGIN NORTH 1°38'25" EAST 6.49 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 357 SQ. FT., MORE OR LESS

5. Parcel #2487201365

FOR THAT PORTION OF TRACT A, BLOCK 1 OF FAUNTLEROY,

AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; PORTION OF TRACT A, BLOCK 1, FAUNTLEROY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 63, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF LOT 7, BLOCK 1, PRODUCED NORTHWESTERLY 20 FEET FROM THE NORTHEAST CORNER OF SAID LOT 7; THENCE SOUTHWESTERLY PARALLEL WITH AND 20 FEET DISTANT FROM THE NORTHERLY LINE OF SAID LOT 7 AND LOTS 6 AND 5 IN SAID BLOCK 1, TO THE EAST LINE OF SAID LOTS 1 AND 2; THENCE NORTH ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 49 FEET; THENCE NORTH PARALLEL WITH SAID EAST LINE 60.22 FEET TO THE SOUTH LINE OF WEST BARTON STREET; THENCE EAST ALONG SAID SOUTH LINE OF WEST BARTON STREET TO AN INTERSECTION WITH THE EASTERLY LINE OF SAID LOT 7 PRODUCED NORTHWESTERLY; THENCE SOUTHEASTERLY ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHERLY RIGHT OF WAY INTERSECTION OF 45TH AVENUE SOUTHWEST AND SOUTHWEST BARTON STREET; THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 68.89 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID RIGHT OF WAY MARGIN SOUTH 87°20'53" EAST 32.57 FEET; THENCE LEAVING SAID RIGHT OF WAY MARGIN SOUTH 36°36'52" EAST 10.45 FEET; THENCE SOUTH 53°23'08" WEST 18.67 FEET; THENCE NORTH 36°36'52" WEST 20.61 FEET; THENCE NORTH 77°21'17" WEST 11.97 FEET; THENCE NORTH 5°52'34" EAST 1.88 FEET TO THE POINT OF BEGINNING.

CONTAINING 365 SQ. FT., MORE OR LESS

6. 9131 California Ave SW, Parcel #3524039040

FOR THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT "A" THENCE NORTH 1°39'08" EAST ALONG THE WESTERLY BOUNDARY OF SAID LOT 122.60 FEET TO THE SOUTHERLY BOUNDARY OF LOT "J" OF SAID SEATTLE LOT BOUNDARY ADJUSTMENT; THENCE ALONG SAID BOUNDARY SOUTH 87°42'07" EAST 30.00 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 1°39'08" WEST 122.79 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT "A"; THENCE ALONG SAID BOUNDARY NORTH 87°20'53" WEST 30.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 3677 SQ. FT., MORE OR LESS

7. Parcel #2488200495

FOR THAT PORTION OF LOT "I" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "I" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT "I" THENCE SOUTH 87°42'06" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET;

THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'06" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

8. Parcel #2488200500

FOR THAT PORTION OF LOT "H" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "H" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT "H" THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'06" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

9. Parcel #2488200490

FOR THAT PORTION OF LOT "J" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "J" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT "J" THENCE SOUTH 87°42'06" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

10. Parcel #2488200505

FOR THAT PORTION OF LOT "G" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "G" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT "G" THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

ATTACHMENT 2 – Legal Descriptions for Temporary Construction Easements

1. 9144 45th Ave SW, Parcel #2488200480

FOR THAT PORTION OF LOTS 12-13, BLOCK 6 OF FAUNTLEROY THIRD DIVISION ADDITION

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOTS 12 AND 13, BLOCK 6, FAUNTLEROY THIRD DIVISION ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 27 OF PLATS, PAGE 17, IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT 13; THENCE ALONG THE WESTERLY LINE OF LOT 13 NORTH 1°39'08" EAST 27.69 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 1°39'08" EAST 7.93 FEET; THENCE LEAVING SAID WESTERLY LINE SOUTH 88°18'40" EAST 100.00 FEET TO THE EASTERLY LINE OF LOT 13; THENCE ALONG THE EASTERLY LINE OF LOT 13 SOUTH 1°39'08" WEST 10.58 FEET; THENCE LEAVING SAID EASTERLY LINE SOUTH 79°14'15" WEST 53.87 FEET; THENCE NORTH 71°33'57" WEST 49.49 FEET TO THE POINT OF BEGINNING.

CONTAINING 1576 SQ. FT., MORE OR LESS

2. 9165 45th Ave SW, Parcel #2485500000

FOR THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 24 NORTH, RANGE 3 EAST W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SOUTHWEST BARTON STREET WITH THE WESTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID LINE 190 FEET; THENCE NORTH 13°58'30" EAST 55.165 FEET; THENCE SOUTH 65°19'52" EAST TO THE WEST LINE OF 45TH AVENUE SOUTHWEST; THENCE SOUTH 114.61 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SOUTHWEST BARTON STREET WITH THE WESTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE NORTH 1°39'08" EAST ALONG THE WESTEASTERLY RIGHT OF WAY LINE OF 45TH AVENUE SOUTHWEST 13.24 FEET TO THE POINT OF

BEGINNING; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE NORTH 1°39'08" EAST 20.63 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 88°20'52" WEST 30.10 FEET; THENCE NORTH 54°42'30" WEST 29.26 FEET; THENCE NORTH 31°00'33" WEST 15.24 FEET; THENCE NORTH 38°48'07" WEST 37.68 FEET; THENCE SOUTH 83°28'45" WEST 20.19 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF SOUTHWEST BARTON STREET; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE SOUTH 48°43'11" EAST 53.60 FEET; THENCE LEAVING SAID RIGHT OF WAY LINE SOUTH 53°04'05" EAST 5.22 FEET SAID POINT ALSO BEING THE BEGINNING OF A NON TANGENT CURVE WITH A RADIUS OF 481.00 FEET CONCAVE TO NORTHEAST WHICH RADIUS POINT BEARS N 37L 50' 08" E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 8L 38' 41" A DISTANCE OF 72.57 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1087 SQ. FT., MORE OR LESS

3. 4518 SW Wildwood Pl, Parcel #2487201215

FOR THAT PORTION OF LOTS 12, 13 AND TRACT B, BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOT 12; THE WEST HALF IN WIDTH OF LOT 13; ALSO THE WESTERLY 75 FEET OF THAT PORTION OF TRACT "B" LYING EASTERLY OF THE NORTHERLY PRODUCTION OF THE WESTERLY LINE OF SAID LOT 12, ALL IN BLOCK 13, FAUNTLEROY AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 20 OF PLATS, PAGE 63](#), IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID DESCRIBED LOT; THENCE SOUTH 37°35'16" WEST ALONG THE EASTERLY LINE OF SAID LOT 7.33 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE SOUTH 37°35'16" WEST 26.89 FEET; THENCE LEAVING SAID LINE NORTH 48°43'11" WEST 22.44 FEET; THENCE NORTH 41°16'49" EAST 5.00 FEET; THENCE NORTH 48°43'11" WEST 53.05 FEET TO THE WESTERLY LINE OF SAID LOT; THENCE CONTINUING ALONG SAID LINE NORTH 37°34'14" EAST 29.21 FEET TO THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET; THENCE CONTINUING ALONG SAID RIGHT OF WAY MARGIN SOUTH 48°43'11" EAST 20.31 FEET; THENCE LEAVING SAID RIGHT OF WAY MARGIN SOUTH 33°42'09" WEST 13.83 FEET; THENCE SOUTH 55°31'54" EAST 53.89 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1730 SQ. FT., MORE OR LESS

4. 4502 SW Wildwood Pl, Parcel #2487201221

FOR THAT PORTION OF LOTS 13-15 AND TRACT B, BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOTS 14 AND 15 AND THE SOUTHEASTERLY HALF IN WIDTH OF LOT 13 IN BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS AT PAGE 63, IN KING COUNTY, WASHINGTON;

AND THAT PORTION OF TRACT "B" OF SAID PLAT LYING SOUTHEASTERLY OF THE NORTHEASTERLY PRODUCTION OF THE NORTHWESTERLY LINE OF SAID SOUTHEAST HALF IN WIDTH OF LOT 13;

EXCEPT THAT PORTION OF SAID LOT 15 AND SAID TRACT "B" CONVEYED TO THE CITY OF SEATTLE FOR STREET BY DEED RECORDED UNDER RECORDING NO. 1003396.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHEASTERLY CORNER OF SAID DESCRIBED LOT; THENCE SOUTH 1°38'25" WEST ALONG THE WESTERLY RIGHT OF WAY MARGIN OF 45TH AVENUE SOUTHWEST 6.49 FEET TO THE POINT OF BEGINNING; THENCE CONTINUEING ALONG SAID RIGHT OF WAY MARGIN SOUTH 1°38'25" WEST 56.28 FEET; THENCE LEAVING SAID ROGHT OF WAY MARGIN NORTH 88°21'35" WEST 12.90 FEET; THENCE NORTH 44°11'26" WEST 16.77 FEET; THENCE NORTH 46°11'24" EAST 16.92 FEET; THENCE NORTH 43°57'04" WEST 16.87 FEET; THENCE NORTH 46°08'41" EAST 16.89 FEET; THENCE NORTH 44°13'06" WEST 16.73 FEET; THENCE NORTH 51°32'12" EAST 5.36 FEET; THENCE NORTH 44°12'17" WEST 13.39 FEET; THENCE NORTH 34°58'43" EAST 1.29 FEET; THENCE NORTH 44°16'21" WEST 9.88 FEET; THENCE NORTH 88°44'39" WEST 1.76 FEET; THENCE NORTH 44°07'56" WEST 16.07 FEET; THENCE SOUTH 46°41'57" WEST 11.28 FEET; THENCE NORTH 44°11'20" WEST 5.00 FEET; THENCE SOUTH 45°48'55" WEST 8.03 FEET; THENCE NORTH 48°43'11" WEST 7.58 FEET; THENCE SOUTH 41°16'49" WEST 5.00 FEET; THENCE NORTH 48°43'11" WEST 2.21 FEET TO THE WESTERLY LINE OF SAID DESCRIBED PARCEL; THENCE NORTH 37°35'16" EAST ALONG SAID PARCEL LINE 26.90 FEET; THENCE LEAVING SAID PARCEL LINE SOUTH 57°07'00" EAST 37.55 FEET; THENCE SOUTH 33°52'02" EAST 6.94 FEET; THENCE SOUTH 37°42'25" WEST 1.40 FEET; THENCE SOUTH 48°43'11" EAST 35.38 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1915 SQ. FT., MORE OR LESS

5. Parcel #2487201365

FOR THAT PORTION OF TRACT A, BLOCK 1 OF FAUNTLEROY,
AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; PORTION OF TRACT A, BLOCK 1, FAUNTLEROY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 63, RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF LOT 7, BLOCK 1, PRODUCED NORTHWESTERLY 20 FEET FROM THE NORTHEAST CORNER OF SAID LOT 7; THENCE SOUTHWESTERLY PARALLEL WITH AND 20 FEET DISTANT FROM THE NORTHERLY LINE OF SAID LOT 7 AND LOTS 6 AND 5 IN SAID BLOCK 1, TO THE EAST LINE OF SAID LOTS 1 AND 2; THENCE NORTH ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 1, A DISTANCE OF 49 FEET; THENCE NORTH PARALLEL WITH SAID EAST LINE 60.22 FEET TO THE SOUTH LINE OF WEST BARTON STREET; THENCE EAST ALONG SAID SOUTH LINE OF WEST BARTON STREET TO AN INTERSECTION WITH THE EASTERLY LINE OF SAID LOT 7 PRODUCED NORTHWESTERLY; THENCE SOUTHEASTERLY ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHERLY RIGHT OF WAY INTERSECTION OF 45TH AVENUE SOUTHWEST AND SOUTHWEST BARTON STREET; THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 68.89 FEET; THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL SOUTH 5°52'34" WEST 1.88 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY SOUTH 5°52'34" WEST 48.20 FEET; THENCE LEAVING SAID WESTERLY BOUNDARY SOUTH 87°20'53" EAST 42.20 FEET; THENCE NORTH 2°39'07" EAST 10.00 FEET; THENCE SOUTH 87°20'53" EAST 85.43 FEET TO THE EASTERLY BOUNDARY OF SAID PARCEL; THENCE ALONG SAID EASTERLY BOUNDARY NORTH 24°48'00" WEST 45.08 FEET TO THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET; THENCE ALONG SAID RIGHT OF WAY MARGIN NORTH 87°20'53" WEST 71.47 FEET; THENCE LEAVING SAID RIGHT OF WAY MARGIN SOUTH 36°36'52" EAST 10.45 FEET; THENCE SOUTH 53°23'08" WEST 18.67 FEET; THENCE NORTH 36°36'52" WEST 20.61 FEET; THENCE NORTH 77°21'17" WEST 11.97 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 4676 SQ. FT., MORE OR LESS

6. 9131 California Ave SW, Parcel #3524039040

FOR THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT "A" THENCE SOUTH 3°57'17" WEST ALONG THE WESTERLY BOUNDARY OF SAID LOT 167.71 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 87°49'39" EAST 9.75 FEET; THENCE NORTH 3°49'57" EAST 40.02 FEET; THENCE SOUTH 87°48'21" EAST 15.01 FEET; THENCE NORTH 30°45'43" EAST 99.39 FEET TO THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST DIRECTOR STREET; THENCE ALONG SAID MARGIN NORTH 57°14'02" WEST 79.30 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 5902 SQ. FT., MORE OR LESS

FOR THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "A" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT "A" THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY BOUNDARY OF SAID LOT 30.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID LOT SOUTH 87°20'53" EAST 106.76 FEET TO THE WESTERLY BOUNDARY OF KILBOURNE PARK; THENCE ALONG SAID BOUNDARY NORTH 1°33'37" EAST 27.00 FEET; THENCE LEAVING SAID BOUNDARY NORTH 82°56'13" WEST 87.09 FEET; THENCE NORTH 1°39'08" EAST 89.21 FEET TO THE SOUTHERLY BOUNDARY OF LOT "J" OF SAID SEATTLE LOT BOUNDARY ADJUSTMENT; THENCE NORTH 87°42'07" WEST ALONG SAID BOUNDARY 20.00 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 1°39'08" WEST 122.79 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 5089 SQ. FT., MORE OR LESS

7. Parcel #2488200495

FOR THAT PORTION OF LOT “I” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT “I” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT “I” THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 87°42'07" EAST 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

8. Parcel #2488200500

FOR THAT PORTION OF LOT “H” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT “H” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT “H” THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 87°42'07" EAST 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

9. Parcel #2488200490

FOR THAT PORTION OF LOT “J” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT “J” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT “J” THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 87°42'07" EAST 35.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 35.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1400 SQ. FT., MORE OR LESS

10. Parcel #2488200505

FOR THAT PORTION OF LOT “G” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT “G” OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID LOT “G” THENCE SOUTH 87°42'07" EAST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 15.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID BOUNDARY SOUTH 87°42'07" EAST 15.00 FEET; THENCE SOUTH 1°39'08" WEST 40.00 FEET; THENCE NORTH 87°42'07" WEST 15.00 FEET TO THE WESTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 1°39'08" EAST 40.00 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 600 SQ. FT., MORE OR LESS

11. 4401 SW Director St, Parcel #2488200515

FOR THAT PORTION OF LOT "E" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "E" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT "E" THENCE NORTH 87°42'28" WEST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 10.34 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 3°49'57" WEST 40.02 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY SOUTH 87°42'21" EAST 10.25 FEET TO THE EASTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 3°57'17" EAST 40.02 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 412 SQ. FT., MORE OR LESS

12. Parcel #2488200520

FOR THAT PORTION OF LOT "D" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "D" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT "D" THENCE NORTH 87°42'42" WEST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 45.44 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 3°49'56" WEST 40.02 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY SOUTH 87°42'28" EAST 45.35 FEET TO THE EASTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 3°57'17" EAST 40.02 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1816 SQ. FT., MORE OR LESS

13. Parcel #2488200525

FOR THAT PORTION OF LOT "C" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "C" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT "C" THENCE NORTH 87°42'42" WEST ALONG THE NORTHERLY BOUNDARY OF SAID LOT 45.52 FEET; THENCE LEAVING SAID BOUNDARY SOUTH 3°49'56" WEST 40.02 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY SOUTH 87°42'42" EAST 45.44 FEET TO THE EASTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 3°57'17" EAST 40.02 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1819 SQ. FT., MORE OR LESS

14. Parcel #2488200530

FOR THAT PORTION OF LOT "B" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439

THAT PORTION OF LOT "B" OF SEATTLE LOT BOUNDARY ADJUSTMENT NO. 3010439, RECORDED FEBRUARY 26, 2010 UNDER RECORDING NO. 20100226900001 IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT "B" THENCE NORTH 57°14'02" WEST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST DIRECTOR STREET 52.11 FEET; THENCE LEAVING SAID RIGHT OF WAY MARGIN SOUTH 3°49'56" WEST 74.51 FEET TO THE SOUTHERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY SOUTH 87°42'42" EAST 45.52 FEET TO THE EASTERLY BOUNDARY OF SAID LOT; THENCE ALONG SAID BOUNDARY NORTH 3°57'17" EAST 48.07 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 2793 SQ. FT., MORE OR LESS

15. 9212 45th Ave SW, Parcel #2346700000

FOR THAT PORTION OF LOTS 1-2 AND TRACT A, BLOCK 1 OF FAUNTLEROY,
AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOTS 1 AND 2, AND THAT PORTION OF TRACT "A", LYING WESTERLY OF THE EASTERLY LINE OF SAID LOT 1, PRODUCED NORTHERLY, ALL IN BLOCK 1, FAUNTLEROY, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 63, IN KING COUNTY, WASHINGTON; EXCEPT THE EASTERLY 49 FEET THEREOF; EXCEPT THAT PORTION OF SAID LOT 2 CONVEYED TO THE CITY OF SEATTLE FOR WILDWOOD PLACE BY DEED RECORDED UNDER RECORDING NO. 18744291; TOGETHER WITH THAT PORTION OF 45TH AVENUE SOUTHWEST VACATED UNDER ORDINANCE NUMBER 85942 OF THE CITY OF SEATTLE ON FEBRUARY 25, 1957, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF WILDWOOD PLACE AND THE EASTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE WESTERLY ALONG THE WESTERLY PRODUCTION OF SAID NORTHERLY LINE, 7.29 FEET; THENCE NORTHERLY ALONG A STRAIGHT LINE TO A POINT ON THE WESTERLY PRODUCTION OF THE SOUTHERLY LINE OF SOUTHWEST BARTON ST, WHICH POINT IS 17.80 FEET WESTERLY FROM THE EASTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE EASTERLY ALONG SAID SOUTHERLY LINE TO THE EASTERLY LINE OF 45TH AVENUE SOUTHWEST; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE SOUTHERLY RIGHT OF WAY INTERSECTION OF 45TH AVENUE SOUTHWEST AND SOUTHWEST BARTON STREET; THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 68.89 FEET TO THE EASTERLY BOUNDARY OF SAID PARCEL;

THENCE ALONG THE EASTERLY BOUNDARY OF SAID PARCEL SOUTH 5°52'41" WEST 16.10 FEET; THENCE LEAVING SAID EASTERLY BOUNDARY NORTH 84°13'25" WEST 18.82 FEET; THENCE SOUTH 7°22'31" WEST 8.00 FEET; THENCE NORTH 84°30'28" WEST 33.95 FEET; THENCE SOUTH 5°42'57" WEST 4.79 FEET; THENCE NORTH 84°17'03" WEST 6.75 FEET; THENCE SOUTH 6°11'29" WEST 46.63 FEET; THENCE NORTH 88°21'35" WEST 3.48 FEET TO THE EASTERLY RIGHT OF WAY MARGIN OF 45TH AVENUE SOUTHWEST; THENCE ALONG THE SAID EASTERLY MARGIN NORTH 1°38'25" EAST 72.38 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1684 SQ. FT., MORE OR LESS

16. 4402 SW Brace Point Drive, Parcel #2487200035

FOR THAT PORTION OF LOTS 6-8 AND TRACT A, BLOCK 1 OF FAUNTLEROY,

AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; THE NORTHEASTERLY FIVE FEET IN WIDTH OF LOT 6, ALL OF LOT 7, AND THE SOUTHWESTERLY 30 FEET IN WIDTH OF LOT 8, ALL IN BLOCK 1, FAUNTLEROY AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT RECORDED IN VOLUME 20 OF PLATS, PAGE 63, RECORDS OF KING COUNTY, WASHINGTON;

ALSO THOSE PORTIONS OF TRACT A IN SAID BLOCK 1, DESCRIBED AS FOLLOWS:

THAT PORTION OF TRACT A LYING BETWEEN THE PROJECTIONS NORTHWESTERLY TO S.W. BARTON STREET OF THE SOUTHWESTERLY LINE OF SAID LOT 8 AND THE NORTHEASTERLY LINE OF THE SOUTHWESTERLY 30 FEET IN WIDTH OF SAID LOT 8;

AND THAT PORTION OF THE SOUTHEASTERLY 20 FEET, MEASURED AT RIGHT ANGLES THERETO OF SAID TRACT A LYING BETWEEN THE PROJECTION NORTHWESTERLY OF THE NORTHEASTERLY LINE OF SAID LOT 7 AND THE PROJECTION NORTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE NORTHEASTERLY FIVE FEET IN WIDTH OF LOT 6 IN SAID BLOCK 1.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHERLY RIGHT OF WAY INTERSECTION OF 45TH AVENUE SOUTHWEST AND SOUTHWEST BARTON STREET; THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 172.93 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY MARGIN SOUTH 87°20'53" EAST 33.81 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY MARGIN SOUTH 24°48'00" EAST 31.71 FEET ALONG SAID EASTERLY LINE; THENCE LEAVING SAID EASTERLY LINE SOUTH 68°59'01" WEST 30.07 FEET TO THE WESTERLY LINE OF SAID PARCEL; THENCE ALONG SAID WESTERLY LINE NORTH 24°48'00" WEST 45.31 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1155 SQ. FT., MORE OR LESS

17. 4330 SW Brace Point Drive, Parcel #2487200050

FOR THAT PORTION OF LOTS 8-9 AND TRACT A, BLOCK 1 OF FAUNTLEROY,
AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOT 9 AND THE NORTHEASTERLY 20 FEET OF LOT 8, BLOCK 1, FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 20 OF PLATS, PAGE 63, RECORDS OF KING COUNTY, WASHINGTON; ALSO

THAT PORTION OF TRACT "A" IN SAID BLOCK 1, LYING BETWEEN THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF THE FOREGOING DESCRIBED PREMISES PRODUCED NORTHWESTERLY, IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

COMMENCING AT THE SOUTHERLY RIGHT OF WAY INTERSECTION OF 45TH AVENUE SOUTHWEST AND SOUTHWEST BARTON STREET; THENCE SOUTH 87°20'53" EAST ALONG THE SOUTHERLY RIGHT OF WAY MARGIN OF SOUTHWEST BARTON STREET 206.74 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY MARGIN SOUTH 87°20'53" EAST 78.88 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY MARGIN SOUTH 69°00'08" WEST 70.15 FEET TO THE WESTERLY LINE OF SAID PARCEL; THENCE ALONG SAID WESTERLY LINE NORTH 24°48'00" WEST 31.71 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.

CONTAINING 1088 SQ. FT., MORE OR LESS

18. 4604 SW Wildwood Place, Parcel #2487201210

FOR THAT PORTION OF LOT 11 AND TRACT B, BLOCK 13 OF FAUNTLEROY, AN ADDITION TO THE CITY OF SEATTLE

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY; LOT 11 OF THAT PART OF TRACT "B" LYING BETWEEN THE EASTERLY PROLONGATION OF THE NORTHWESTERLY AND SOUTHWESTERLY LINES OF SAID LOT 11, BLOCK 13, FAUNTLEROY AN ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN [VOLUME 20 OF PLATS, PAGE 63](#), IN KING COUNTY, WASHINGTON.

DESCRIBED AS FOLLOWS,

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID DESCRIBED LOT;

THENCE NORTH 48°43'11" WEST ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SOUTHWEST BARTON STREET 50.10 FEET TO THE WESTERLY LINE OF SAID LOT; THENCE ALONG SAID LOT LINE SOUTH 37°34'13" WEST 6.88 FEET; THENCE SOUTH 33°03'21" EAST 53.00 FEET TO THE WESTERLY LINE OF SAID LOT; THENCE ALONG SAID LOT LINE NORTH 37°34'14" EAST 21.22 FEET TO THE POINT OF BEGINNING.

SITUATED IN THE CITY OF SEATTLE, COUNTY OF KING, STATE OF WASHINGTON.
CONTAINING 702 SQ. FT., MORE OR LESS

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Bryan Solemsaas	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the acquisition of certain real property rights by negotiation or eminent domain (condemnation) of ten separate permanent easements located on parcels identified as King County Parcel Number 2487201221 located at 4500 & 4502 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200505, King County Parcel Number 2488200500, King County Parcel Number 2488200495, King County Parcel Number 2488200490; and authorizing the acquisition of temporary construction easements by negotiation or eminent domain (condemnation) located on eighteen separate parcels of land identified as King County Parcel Number 2487201221 located at 4502 SW Wildwood Place, King County Parcel Number 2346700000 located at 9212 45th Avenue SW, King County Parcel Number 2485500000 located at 9165 45th Avenue SW, King County Parcel Number 2487200035 located at 4402 SW Brace Point Drive, King County Parcel Number 2487200050 located at 4330 SW Brace Point Drive, King County Parcel Number 2487201210 located at 4604 SW Wildwood Place, King County Parcel Number 2487201215 located at 4518 SW Wildwood Place, King County Parcel Number 2487201365, King County Parcel Number 2488200480 located at 9144 45th Avenue SW, King County Parcel Number 3524039040 located at 9131 California Avenue SW, King County Parcel Number 2488200530, King County Parcel Number 2488200525, King County Parcel Number 2488200520, King County Parcel Number 2488200515 located at 4401 SW Director Street; King County Parcel Number 2488200505; King County Parcel Number 2488200500; King County Parcel Number 2488200495; and King County Parcel Number 2488200490; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities or designee to execute all documents and take other necessary actions to complete the Properties’ permanent easement acquisitions and temporary construction easement acquisitions; authorizing payment of all costs associated with the acquisitions; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: SPU owns and maintains a 24-inch diameter, 220-foot-long, vitrified clay culvert conveying Fauntleroy Creek under 45th Ave SW in the Fauntleroy neighborhood. The culvert completely bars fish passage and is failing. SPU’s 45th Ave SW Culvert Replacement Project would replace the culvert with a 14-foot-wide, 237-foot-long, three-sided, open-bottom culvert. The new culvert would meet State requirements for passage of fish and stream flows. Additionally, the project would restore wetland, riparian, and streambed habitat in areas up to 180 feet upstream and up to 80 feet downstream of the replacement culvert. The project also includes a public amenities area at street level and would include a stair system for worker access to the new culvert. This ordinance would authorize

Seattle Public Utilities to acquire, by negotiation or eminent domain, 10 permanent easements and 18 temporary easements required to construct the project.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

The project budget includes approximately \$1.2M for property acquisitions from SPU ratepayer funds. Actual payments will be subject to a fair market value determination.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

SPU has budget authority to acquire easements from 18 parcels at fair market value from the Drainage and Wastewater Fund. Negotiations regarding the purchase price for the various easements are ongoing.

Please describe any financial costs or other impacts of *not* implementing the legislation. If SPU is unable to negotiate the required property rights with property owners, the 45th Ave SW Culvert Replacement Project will not be able to move forward and replace the failing culvert infrastructure.

Please describe how this legislation may affect any City departments other than the originating department.

N/A

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?

Yes. Under RCW 8.25.290, the City is required to publish notice of this action in both the Daily Journal of Commerce and the Seattle Times newspaper.

c. Does this legislation affect a piece of property?

Yes, this legislation would authorize the City of Seattle to acquire easements on 18 parcels. See Exhibit A of this summary and fiscal note for a description of impacts to each property, Exhibit B for maps of parcels with permanent and temporary easement areas and Exhibit C for parcels with only temporary easement areas.

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response, please consider impacts within City government (employees, internal programs) as well as in the broader community.

Fauntleroy Creek is a salmon-bearing stream, and the 45th Ave SW culvert is a barrier for fish to access upstream spawning habitat. Replacing culverts that impede fish passage supports Tribal treaty rights. SPU is committed to restoring fish passage and supporting those treaty rights and regional salmon recovery and will replace the existing culvert with a structure that can support fish passage. SPU has met with and will continue to coordinate with local tribal representatives during the design phase of the Project.

The Project will also include improved maintenance access stairs, improving safety of SPU employees responsible for monitoring and maintaining the site.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

See Exhibit D for the Fauntleroy Creek Culvert Project Racial Equity Toolkit.

iii. What is the Language Access Plan for any communications to the public?

The team will develop outreach materials to help serve individuals with limited English proficiency. Essential communications materials, project milestone updates, notices of community meetings, and other relevant documents will be translated into commonly spoken languages in the area.

The project team will use local interpretation services whenever possible to bridge language barriers.

e. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

Acquisition of these property rights is not likely to increase carbon emissions in a material way. Aside from normal construction traffic related to the construction of the culvert replacement on the easement areas, emissions are not anticipated to increase.

- ii. 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.**

Acquisition of these property rights will increase Seattle’s resiliency to climate change by removing an undersized and failing culvert asset, and replacing it with a large, fish passable structure that’s sized for future climate-adjusted predicted flows.

- f. 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)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No

5. ATTACHMENTS

Summary Attachments:

Summary Exhibit A – Easement Impacts

Summary Exhibit B – Parcels with Permanent and Temporary Easements

Summary Exhibit C – Parcels with Temporary Easements

Summary Exhibit D – SPU Racial Equity Toolkit Stakeholder Analysis

Easement Impacts
SPU 45th Ave SW Culvert Replacement Project

Address	Parcel Number	Owner	Easement Type	Impact
4500 & 4502 SW Wildwood Pl	2487201221	Wildwood Glenn - Senior Housing Authority	Temporary	Grading activities and utility modifications to install the culvert and maintenance access stairs. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install maintenance access stairs for the new culvert
9165 45th Ave SW	2485500000	Fauntlee Woods HOA	Temporary	Grading activities and utility modifications to install the culvert and maintenance access stairs. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install portion of culvert structure, which will be buried below grade.
9212 & 9214 45th Ave SW	2346700000	Endolyne Apartments LLC	Temporary	Grading activities to install the culvert and maintenance access stairs. There will also be impacts to the apartment building parking entrance from SW Barton St. The disturbed areas, including the parking lot driveway, any impacted stalls, and landscape areas, will be restored to their existing conditions (or better).
4400 & 4402 SW Brace Point Dr	2487200035	Aaron Janus	Temporary	Grading activities to install the stream channel and habitat enhancements. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
4330 SW Brace Point Dr	2487200050	Alan & Adrienne Craig	Temporary	Grading activities to install the stream channel and habitat enhancements. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
4604 SW Wildwood Pl	2487201210	Danielle D. Laing & Kristopher R. Pattison	Temporary	Grading activities to install the stream channel and habitat enhancements. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
4518 SW Wildwood Pl	2487201215	Carolin Messier	Temporary	Grading activities to install the culvert and maintenance access stairs. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install a portion of the culvert structure and associated maintenance access stairs.
N/A	2487201365	Duncan & Judith Sharp	Temporary	Grading activities to install the culvert and maintenance access stairs. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install a portion of the culvert structure and associated maintenance access stairs.
9144 45TH Ave SW	2488200480	Alpine Chalet Apts	Temporary	Parking lot for apartment building will be impacted and unavailable during construction in order to install the culvert. The parking lot will be completely restored at the end of construction.
			Permanent	Install portion of culvert structure, which will be buried below grade.
9131 California Ave SW	3524039040	Fauntleroy Cr Svc Association	Temporary	Grading activities to install the stream channel and habitat enhancements, as well as using a portion of an existing parking lot for contractor job-shack, parking, and other uses. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install soldier pile walls for parking access; soldier piles will be left in place either to support the slope, or cut down below grade.
4401 SW Director St	2488200530	Seattle Public Schools	Temporary	Use of portion of an existing parking lot for contractor job-shack, parking, and other uses. This parcel is currently leased to the West Seattle Nursery, so SPU is coordinating with them along with Seattle Public Schools.
4401 SW Director St	2488200525	Seattle Public Schools	Temporary	Use of portion of an existing parking lot for contractor job-shack, parking, and other uses. This parcel is currently leased to the West Seattle Nursery, so SPU is coordinating with them along with Seattle Public Schools.
4401 SW Director St	2488200520	Seattle Public Schools	Temporary	Use of portion of an existing parking lot for contractor job-shack, parking, and other uses. This parcel is currently leased to the West Seattle Nursery, so SPU is coordinating with them along with Seattle Public Schools.

4401 SW Director St	2488200515	Seattle Public Schools	Temporary	Modification of existing sliding gate for West Seattle Nursery access to Seattle Public Schools parcels during construction. This parcel is currently leased to the West Seattle Nursery, so SPU is coordinating with them along with Seattle Public Schools.
4401 SW Director St	2488200505	Seattle Public Schools	Temporary	Grading activities to install a soldier pile wall and temporary parking. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install soldier pile walls for parking access; soldier piles will be left in place either to support the slope, or cut down below grade.
4401 SW Director St	2488200500	Seattle Public Schools	Temporary	Grading activities to install a soldier pile wall and temporary parking. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install soldier pile walls for parking access; soldier piles will be left in place either to support the slope, or cut down below grade.
4401 SW Director St	2488200495	Seattle Public Schools	Temporary	Grading activities to install a soldier pile wall and temporary parking. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install soldier pile walls for parking access; soldier piles will be left in place either to support the slope, or cut down below grade.
4401 SW Director St	2488200490	Seattle Public Schools	Temporary	Grading activities to install a soldier pile wall and temporary parking. Disturbed areas will be restored with plantings and other landscaping once construction activities are complete.
			Permanent	Install soldier pile walls for parking access; soldier piles will be left in place either to support the slope, or cut down below grade.

SPU 45th Ave SW Culvert Replacement Project Ordinance Figures of Parcels with Permanent and Temporary Easement Areas

9165 45th Ave SW:



9144 45th Ave SW:



4518 SW Wildwood Pl:



4500 & 4502 SW Wildwood Pl:



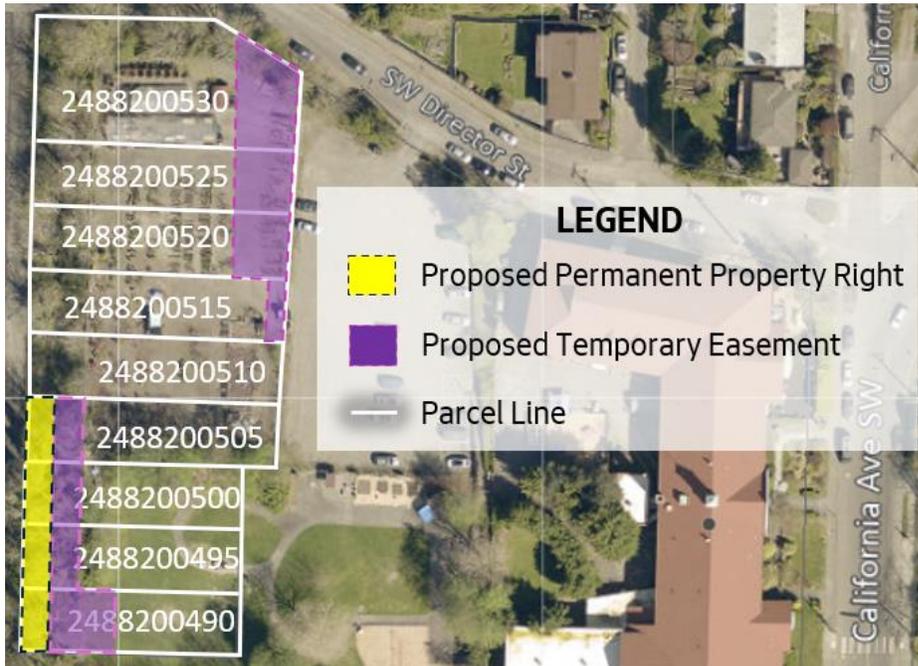
King County Parcel ID: 2487201365



9131 California Ave SW:



King County Parcels 2488200490, 2488200495, 2488200500, 2488200505, 2488200515, 2488200520, 2488200525, 2488200530 (owned by Seattle Public Schools):



SPU 45th Ave SW Culvert Replacement Project Ordinance Figures of Parcels with Temporary Easement Areas

9212 & 9214 45th Ave SW – Parcel #2346700000:



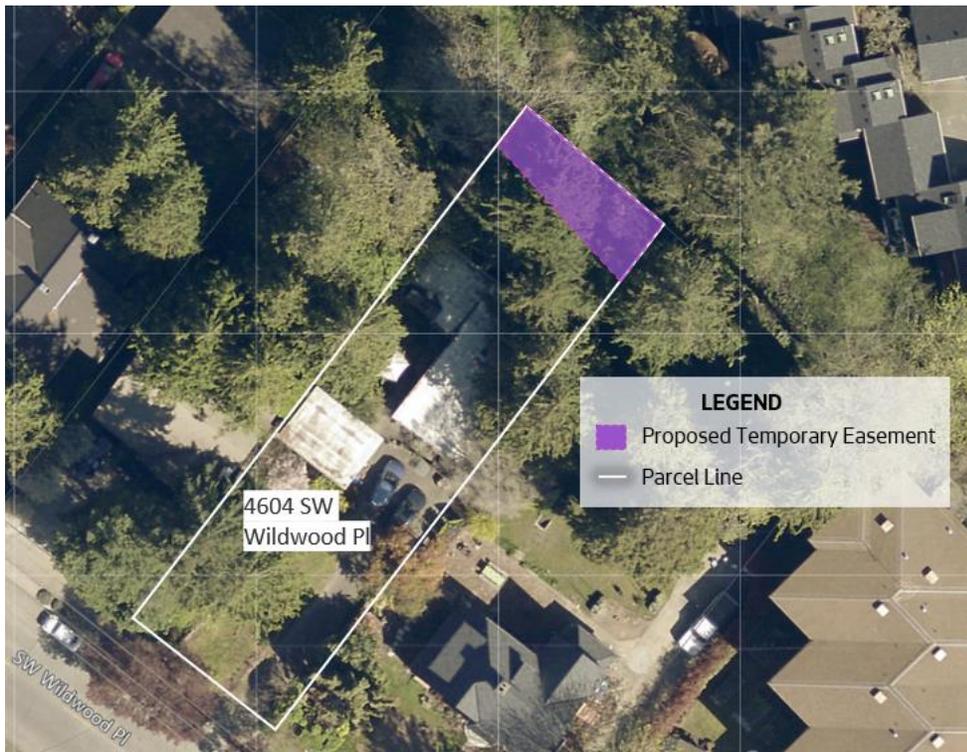
4400 & 4402 SW Brace Point Dr – Parcel #2487200035:



4330 SW Brace Point Dr – Parcel #2487200050:



4604 SW Wildwood Pl – Parcel #2487201210:



**SPU Racial Equity Toolkit
Stakeholder Analysis**

SPU Policy, Plan, Program, or Project Title: **Fauntleroy Creek Culverts Replacement
2023 Update for 45th Ave SW Culvert Replacement Project**

Team Leader: **Cody Nelson**
2023 Team Leader: Jonathan Brown
 Today's Date: **November 19, 2018, Options Analysis Phase**
Updated: 2023 in Design Phase

Additional Core Team Member Names:

Betsy Lyons	Dylan King
Masako Lo	Deb Heiden
Katherine Lynch	Kaniteli Puloka
Steve Hamai	
David Graves (Parks)	

2023 Update Team Members: Steve Hamai, Anne Fried, Magin Maier, Yunkyung Choi

In what neighborhood is this policy, plan, program, or project effecting or taking place? Check all that apply.

- | | | |
|------------------------------------|--|--|
| <input type="checkbox"/> City Wide | <input type="checkbox"/> Greater Duwamish | <input type="checkbox"/> Southeast |
| <input type="checkbox"/> Ballard | <input type="checkbox"/> Lake Union | <input checked="" type="checkbox"/> Southwest |
| <input type="checkbox"/> Central | <input type="checkbox"/> Magnolia/Queen Anne | <input type="checkbox"/> Outside City Limits: _____ |
| <input type="checkbox"/> Delridge | <input type="checkbox"/> North | |
| <input type="checkbox"/> Downtown | <input type="checkbox"/> Northeast | |
| <input type="checkbox"/> East | <input type="checkbox"/> Northwest | |

A. General Public

- Inform** **Collaborate** **Shared Decision-Making**

General Public is global categorization of all persons who reside or work in Seattle, are users of SPU assets, and typically obtain information through the media or SPU communications (e.g. At Your Service, SPU website, Twitter, etc.) Please note additional comments on this stakeholder group here:

For the purposes of this project, the general public will include community members and businesses near the project sites at 45th Ave SW. The project team will inform the general public about the purpose of the project, short-term and long-term impacts, and community and environmental benefits.

The project team will directly engage with adjacent property owners to the culverts/ROW where work will be taking place to assess impacts (potential construction access, temporary and permanent property easements) and work with the property owners on ways to understand their property use and minimize short- and long-term impacts.

B. Racial or Ethnic Groups

Inform **Collaborate** **Shared Decision-Making**

Use Citywide or specific neighborhood demographic information to determine which specific racial or ethnic groups may be targeted or impacted. ([Seattle US Census information](#)) If possible, consult with other staff, affinity groups, or community members to determine if there are 'hidden' racial/ethnic groups within your impact area. Please note additional comments on this stakeholder group here:

The project team did an initial review of data to identify potential needs. 23.92% of residents are People of Color. In this neighborhood, <2.4% of residents speak English less than very well. According to 2015 American Community Survey data, 2.24% of residents speak Spanish with <.50% speaking Chinese and Vietnamese. The team will use of plain talk language principals when developing outreach materials to help serve individuals with limited English proficiency.

The project team will collaborate with the Muckleshoot Indian Tribe informally through the options analysis phase, and more formally through the formal permit and design review process. We will collaborate with them on design requirements for fish passage and to evaluate culvert sizing, design, trade-offs, major constraints etc.

During initial outreach, the team will assess and note different language and ethnic groups as well as low-income residents that need tailored communications and engagement and adjust communications strategies to accommodate their needs.

C. Community Based & Non Profit Organizations, and Neighborhood Groups

Inform **Collaborate** **Shared Decision-Making**

Community based organizations and neighborhood groups can include advocacy groups, social service agencies, neighborhood-based clubs, political organizations, and groups sponsored by the City of Seattle (like Neighborhood/District Councils). Some of these organizations provide services Citywide, while others serve a single population or those located only within their neighborhood. Are there community based organizations, social service agencies, or neighborhood groups that would possibly be interested in collaborating with you? Please note additional comments on this stakeholder group here:

The Fautleroy Watershed Council works to enable community awareness through communication and watershed health promotion. They promote and sponsor a number of activities geared towards creating awareness such as the Salmon in the Schools program, watershed restoration and erosion control, engage other property owners such as Seattle Parks for improvements and work with Green Seattle Partnership to remove invasives and plant new vegetation. The FWC is highly active in removing fish passage barriers and has vowed to inform neighbors who are creating a barrier, assist with removal and if necessary, involve Washington Department of Fish and Wildlife to assist in encouraging homeowners to remove the barriers. The FWC will be highly interested in outcome of the project and we expect them to want to collaborate with the project team during options analysis. The project team must be cautious not to allow the FWC to skew the balance of community voice.

The Fautleroy Community Association may be a channel for the project team to promote the necessity of the project and to attend events such as the Fautleroy Food Festival. The FCA

advocates for safer streets and may be a source of information on traffic issues the community is concerned about that could inform the project as well as provide collaboration.

The project team also identified that Fauntleroy Creek is used as a environmental education site for school-aged children throughout the city, which include traditionally underserved communities. In consultation with SPU Environmental Justice and Social Equity staff, the project team will continue to see opportunities for outreach and engagement from stakeholders outside the geographical area of the project, who may be impacted by the educational opportunities and other community benefits associated with this project.

D. Other SPU Divisions, Work Units, or Employee Teams

Inform Collaborate Shared Decision-Making

Are there other SPU groups that have an interest or could support your efforts? What is their role, and how will you keep them engaged? Are they providing funding, staff, or making key decisions? Are they represented on your Team? Can this project align with or impact the work in another Division or work unit? Please note additional comments on this stakeholder group here:

SPU Drainage and Wastewater Field Operations and Maintenance Division will be highly engaged in the options analysis and design of the culvert replacements and has two members on the Project Team. After construction, FO&M will maintain the culverts over the lifespan of the assets and as such their input is important to inform the options and design. Considerations and accomodations must be made for safe access and working conditions. The project team will collaborate with FO&M to identify options that take into consideration the long term maintenance and accessibility of the assets.

E. Other City Departments

Inform Collaborate Shared Decision-Making

Are there other departments or agencies involved? What is their role, and how will you keep them engaged? Are they providing funding, staff, or making key decisions? Will this effort align or impact another department's policies, plans, services, programs, or projects? Please note additional comments on this stakeholder group here:

This project will have the potential to impact SDOT and Parks depending on the options. The project team will engage both departments for early input and collaboration. The intent of this coordination is for the City Departments to be aligned and to approach the public with a One-City voice. Tribes, Federal, State, King County, or Other Public Agencies

Inform Collaborate Shared Decision-Making

Are there tribes or other public agencies involved? What is their role, and how will you keep them engaged? Are they providing funding, staff, or making key decisions? Will this effort align or impact another agency's policies, plans, programs or projects? Please note additional comments on this stakeholder group here:

US Army Corps of Engineers (USACE) will be one of the regulatory agencies with an interest in this project as a Water of the State. USACE will permit the construction of the culvert replacements. During permit review, they consult with the local tribal agency, Muckleshoot Tribe (MIT). USACE and MIT will be focused on improving the salmon habitat and removing fish

passage barriers, while accomodating future climate change. SPU intends to plan for culvert replacements that meet all regulatory requirements, as well as have opportunity to increase the fish habitat and creek health to the maximum extent feasible. While the Tribes do not directly approve permit applications, their feedback is highly considered in the design review process. SPU will perform early outreach to gauge the desires and interest of the Tribes. We will include Tribal input and comments in the design to the extent practically feasible. Washington State Department of Fish and Wildlife (WDFW) will also be permitting the construction of the culvert replacements. New culverts will be sized based on WDFW Stream Crossing Guidelines to meet fish passage criteria. The stream simulation methodology is preferred by the USACE and Muckleshoot Tribe.

There may be opportunities for shared decision making with regards to other public agencies such as WSDOT. WSDOT is currently in the early stages of planning improvements to the Fautleroy Ferry Terminal and there may be opportunities for construction planning and sequencing to help relieve congestion and traffic due to construction in the area.

F. Other

Inform Collaborate Shared Decision-Making

Are there other stakeholder groups not listed? Who are they? Please note additional comments on this stakeholder group here:

Review your completed stakeholder list and answer the following questions:

1. What (if any) are the key decisions to be made by stakeholders? If stakeholders are NOT making any decisions, skip to question #2.
2. If stakeholder groups are only identified as collaborators (e.g. being asked to provide input or advice, and not make any decisions), how will their input be used, and what weight will their input be assigned relative to other information provided by the staff on your team?
 - a. **SPU Field Operations and Maintenance Staff will be involved in the collaborative development of the options and design of the culvert replacement.**
3. Does one stakeholder group carry more influence than another in regard to your policy, plan, program. or project? If so, please explain why.

SPU Racial Equity Toolkit Inclusive Outreach and Public Engagement Plan Development

To be completed by the staff team involved in developing the service, project or program. If warranted, seek assistance from a SPU Service Equity Subject Matter Expert. **This tool should be used following application of the [Equity Stakeholder Analysis](#).**

SPU Service, Project or Program Title: **Fauntleroy Creek Culverts Replacement Project**

Today's Date: 11/27/2018

In what [neighborhood district\(s\)](#) is this service or project taking place? Check all that apply.

- | | | |
|------------------------------------|--|---|
| <input type="checkbox"/> City Wide | <input type="checkbox"/> Greater Duwamish | <input type="checkbox"/> Southeast |
| <input type="checkbox"/> Ballard | <input type="checkbox"/> Lake Union | <input checked="" type="checkbox"/> Southwest |
| <input type="checkbox"/> Central | <input type="checkbox"/> Magnolia/Queen Anne | <input type="checkbox"/> Outside City Limits: |
| <input type="checkbox"/> Delridge | <input type="checkbox"/> North | _____ |
| <input type="checkbox"/> Downtown | <input type="checkbox"/> Northeast | |
| <input type="checkbox"/> East | <input type="checkbox"/> Northwest | |

With your team, answer the following questions:

1. In review of your completed Equity Stakeholder Analysis, what particular demographic or stakeholder group(s) will require more-targeted outreach or engagement by SPU?
 - a. Specifically, this relates to environmental education / stewardship opportunities for schools and traditionally underserved communities in South / Southwest Seattle.
 - i. *Historically, the Fauntleroy Community is not underserved, however there are users of the creek, Fauntleroy Park, and neighborhood businesses and facilities that may be from underserved communities. To improve SPU's understanding of how underserved groups or schools use the site, we could work with SPU's EnviroIssues consultant to have them interview underserved community groups or schools. One goal of the culvert replacements is to make them fish passable for native species. This may necessitate a shift in the need or desire to release hatchery salmon into the creek system. The project team would need to conduct outreach to see what other existing programs might take advantage of the Fauntleroy Creek. Some potential groups may include: Environmental Learning Center at Camp Long (Parks), Arbor Heights, Roxhill, Highland Park, White Center, Other Private Schools, and the Seattle Aquarium.*
 - ii. *Additionally, we should reach out to Native American Tribal governments who have treaty rights to this area. Because most of these tribal members do not live in the area, they will require more targeted outreach (primarily through project permit review).*
 - b. How will we determine that our outreach was successful? Are there measurable outcome goals associated with our outreach, public engagement or communications strategy related to this issue?
 - i. *This may be a follow up conversation for the line of business with regards to their programmatic work. Opportunities identified as a result of this project can inform the LOB, Parks and Seattle Public Schools on this approach. SPU needs to identify whether it's*

necessary to stop the Salmon in the Schools program for the health of the creek, and if so get stakeholder groups to shift their focus on other engagement opportunities or programs- water quality, habitat improvements, creek health, etc. SPU will look to the consultant SME's to provide input on the benefits (or not) of continuing the Salmon in the Schools hatchery release upstream. A successful outcome could be Salmon in the Schools continuing a program in the watershed but changing its focus to be more appropriate to post-restoration conditions.

2. What outreach, public engagement, or communications tools or activities are appropriate for the service or project?
 - a. *Public media managed by the SPU project team (web, social websites and notifications, fliers). Also, attendance at community events. Making sure the message of the project is "this is what we're doing and here's how it aligns with the current use/potential". However, if we ask early how ppl might use the space, there could be an opportunity for accommodating the use during design. LOB should take a comprehensive look at the entire area to see what we can offer and plan what we could offer, for example tying this to water quality and the health of the watershed through adjacent GSI.*
 - b. *Our communications consultant, EnviroIssues, could interview stakeholder groups that use the watershed for environmental education and engagement purposes to inform the team during OA and design. For example, DWW LOB is working with the Salmon in the Schools Program at Arbor Heights, however this is currently the only school-are there other schools that would get involved? How many schools are aware of this program, how can we help with awareness? We could utilize EnviroIssues to find out what other people/groups would use this if they knew about it.*
 - c. Other recommendations may come up during discussion:
 - i. *How can we connect the creek and creek health to SPU's "brand" or goals in this neighborhood? And help community members understand their role as a steward of the environment from many aspects. Want to make sure our messaging conveys SPU's overarching goal. SPU has an opportunity to make sure the local community and site uses are informed of Tribal Treaty rights and how this project will address them.*
 - d. How will we use these tools to keep the targeted community informed regarding key decisions and progress of the project?
 - i. *The project Communications Plan outlines specific onsite events during OA and identifies opportunities to reach the broader community through public drop-in sessions, door to door outreach, presentation at the Fauntleroy Community Association and the Fauntleroy Food Fest event. The Department of Neighborhoods may be able to help distribute messaging-need to see what their capabilities and target audience is-they may have a focused outreach area established in our the vicinity of our project. Tribal input will be evaluated through direct discussions with Tribes and via permit review.*
3. Are there opportunities to leverage the outreach and engagement efforts of other current or recent SPU services or projects, especially if impacting the same geographic area or community? Do similar opportunities exist with other city departments or regional agencies?
 - a. *Possibly. Parks, WSDOT Ferries, King County, Fish and Wildlife may have projects or opportunities for partnering from an outreach perspective. For example, SPU work at Longfellow could help inform work at Fauntleroy. There may be GSI projects by King County that drains into this Watershed (Barton GSI?). We could possibly influence or be included in WSDOT Ferry Dock Improvements outreach for connectivity between projects/work in the area. Through Parks, we may be able to connect volunteering efforts at the beach with improvements and*

volunteering efforts upstream. The project team will need to make sure agencies are aware of what we're doing and how their work also connects to the creek. We should message the connection between projects or activities at the beach/downstream and the upper creek/watershed.

4. How will we provide opportunities for stakeholders to become knowledgeable and consider service equity issues in their roles as collaborators?

a. *Specifically, with regards to the Church and homeowners (along Kilbourne Ravine) who own property right up to the creek-we want them to acknowledge that we're improving the health of the creek and we want them to be continued stewards of the creek system. Strategies may include informing them of the pros and cons of their involvement or lack of involvement in the future after the project work is completed. Message "We need your help to be a good land steward". Connect them with the Fauntleroy Watershed Council and other stewards to help support. Judy Pickens with the Fauntleroy Watershed Council set up a stewardship fund, and we could encourage people to look into that.*

There is the potential for tension with the idea of public access in the area/in their back yard. Also, there's the potential for these improvements to increase their property value. The project team should be aware of the "Not In My Backyard" (NIMBY) mindset. At this time, we're not sure how the public access would look in terms of the project but want homeowners to recognize the value. The Fauntleroy Church may utilize these improvements as an opportunity to reach out to underserved communities to increase the diversity and reach of their congregation. This project could provide them this opportunity - all rate payers are paying for this. Their stewardship of the property will affect the health of the creek system, and we should include messaging about their role. SPU will include Tribal Treaty Rights in the messaging as well. The community needs to understand this is not just their watershed. The City has an obligation to support Tribal Treaty Rights, and projects like this is how we're doing it.

b. How will their input be used and what weight will their input be assigned relative to other info provided by the team?

i. *The project team needs to balance the input from community. We don't anticipate community input it to affect the sizing of the culverts, but to inform the team of the potential uses and stewardship opportunities that the community identifies. The Fauntleroy Church input will be weighed more heavily for the California culvert, so we need to make sure the public understands the relationship between the Church and City.*

5. Who specifically is your:

- SPU Communications Team member **Dylan King**
- SPU Service Equity Subject Matter Expert **Vicky Raya**
- Additional SPU or other City Department staff team member who is familiar with the geographic area and/or ethnic community being targeted **Betsy Lyons, LOB Rep; Deb Heiden, Urban Ecosystems**

6. In review of your completed Equity Stakeholder Analysis, what particular demographic or stakeholder group(s) will require more-targeted outreach or engagement by SPU?

a. *(Envirolssues can help with this targeted outreach. Define who we know are the potential users, not just schools, other community groups as well.)*

7. Is the targeted community currently aware of your current planning efforts, and is there support or opposition to the service, project or program (including any proposed changes to what currently exists)? Why is there support or opposition?

- a. *(Not yet, we need to define who they are first in addition to the schools. We will start with the Salmon in Schools Seattle board. Islandwood-More connected with environmental education in broader Seattle. Beth Miller and Rich Gustav are potential contacts.)*
- b. *The Muckleshoot Indian Tribe has been notified of our project and opportunities to meet on site have been offered. They have also been invited to the City's early pre-application discussions about the project.*

8. How will you ensure that your outreach and engagement efforts are culturally relevant and linguistically appropriate, especially if targeting low income and/or non-English speaking persons or communities?

- a. *(The project team will ask EnviroIssues to research who else to reach out to after we have developed a list of potential organizations, and then we can answer this question.)*
- b. *Much of the information provided at open house sessions will be visual in nature (e.g. large posters showing options being considered).*

Memorandum



Date: February 22, 2019

To: Drainage and Wastewater Line of Business: Ben Marre, Ingrid Wertz and Tracy Tackett; Project Delivery and Engineering: Adam Schuyler, Jerry Waldron; Community Affaris: Elaine Yeung

From: Cody Nelson, Betsy Lyons, Dylan King, Masako Lo, Deb Heiden, Katherine Lynch, Kaniteli Puloka

Re: Fautleroy Creek Culverts Replacement – SPU Equity Toolkit – Stakeholder Analysis

As a result of applying the Stakeholder Analysis to the **C316078 – Fautleroy Creek Culverts Replacement** we have identified next-step follow-up tasks:

Task Description	Intended Benefits of Described Task	Staffing/Resource Needs
1. Conduct direct outreach to adjacent residents and businesses impacted by the project and work to incorporate their input in options analysis.	Provides an option that works better for the community that is directly impacted by the project.	PM, LOB and Communications Lead
2. Develop communications materials using Plain Language best practices to accommodate limited English residents, and create in-language materials when needed.	This will help inform and engage the community more affectively on the project.	Communications Lead
3. Set-up interpreter services for this project through Language Link	Non-English language speakers will be able to get information about the project and discuss the project in their native language.	Communications Lead
4. Consistently message that regulatory requirements result in benefits to the health of the environment and community.	Improve community understanding that these are necessary replacements that, while impactful, will have significant long term benefits to multiple parties.	LOB, PM and Communications Lead

5. Meet with SDOT and Parks during OA to coordinate right-of-way and public space improvements/adjustments including identifying current and proposed use that benefits the community.	Provide community benefits to traditionally underserved communities.	LOB and PM
6. Explore ways to minimize construction impacts and identify opportunities to provide community benefits and consider in analysis of options.	Support SPU's community-centered values.	LOB, PM, Options Analysis Team
4. Strategize ways to partner with and create opportunities for the Fautleroy Church United Church of Christ, so that the full culvert replacement at California Ave SW is a likely outcome.	Shows the community that SPU has the community's best interest in mind when planning and executing CIP projects.	LOB, PM, Options Analysis Team
5. Engage Muckleshoot Indian Tribe early - during Options Analysis	Greater clarity on expectations, ideas and potential conflicts	PM, LOB

As a result of applying the Stakeholder Analysis to the **C316078 – Fautleroy Creek Culverts Replacement**, the following items should be considered by appropriate 'upstream' management or governing bodies:

Recommendation & Brief Description	How and when will this recommendation be presented to the appropriate upstream management or governing body?
1. Need formal interagency agreement to the approach to the Partnership with the Church. Agreement could include SPU, Parks, and SDOT.	3Q, 2019
2. Need formal cost sharing agreement with the Church	3Q, 2019 after the OA Team has strategized ways to reduce the cost and maintenance impact on the Church
3. Management needs to define lead role and authority in pursuing partnership with Church	3Q, 2019

As a result of applying the Stakeholder Analysis to the **C316078 – Fautleroy Creek Culverts Replacement**, key lessons were learned that should be applied to future related plans, projects, programs or services:

Lessons Learned
1. When equity toolkits are performed only at the project-level, it does not take into account systemic equity issues. Therefore, we recommend conducting programmatic equity toolkits to inform project-level work.
2. To be a community-centered utility, the project team should consider short-term and long-term impacts to residents and businesses as well as opportunities to provide community benefits.
3. SPU does not have a consistent policy on 3 rd party cost sharing. Different cost-sharing approaches have been used by project teams when negotiating with other partners. The project team plans to use the interagency agreement as a model or starting point.

cc. **Michael Davis**

Seattle Public Utilities

45th Ave SW Culvert Replacement Project

Seattle City Council

Parks, Public Utilities & Technology Committee

September 10, 2025

Purpose of Legislation

To authorize Seattle Public Utilities to acquire, by negotiation or eminent domain, 10 permanent easements and 18 temporary easements along Fauntleroy Creek, required to construct the 45th Ave SW Culvert Replacement Project.

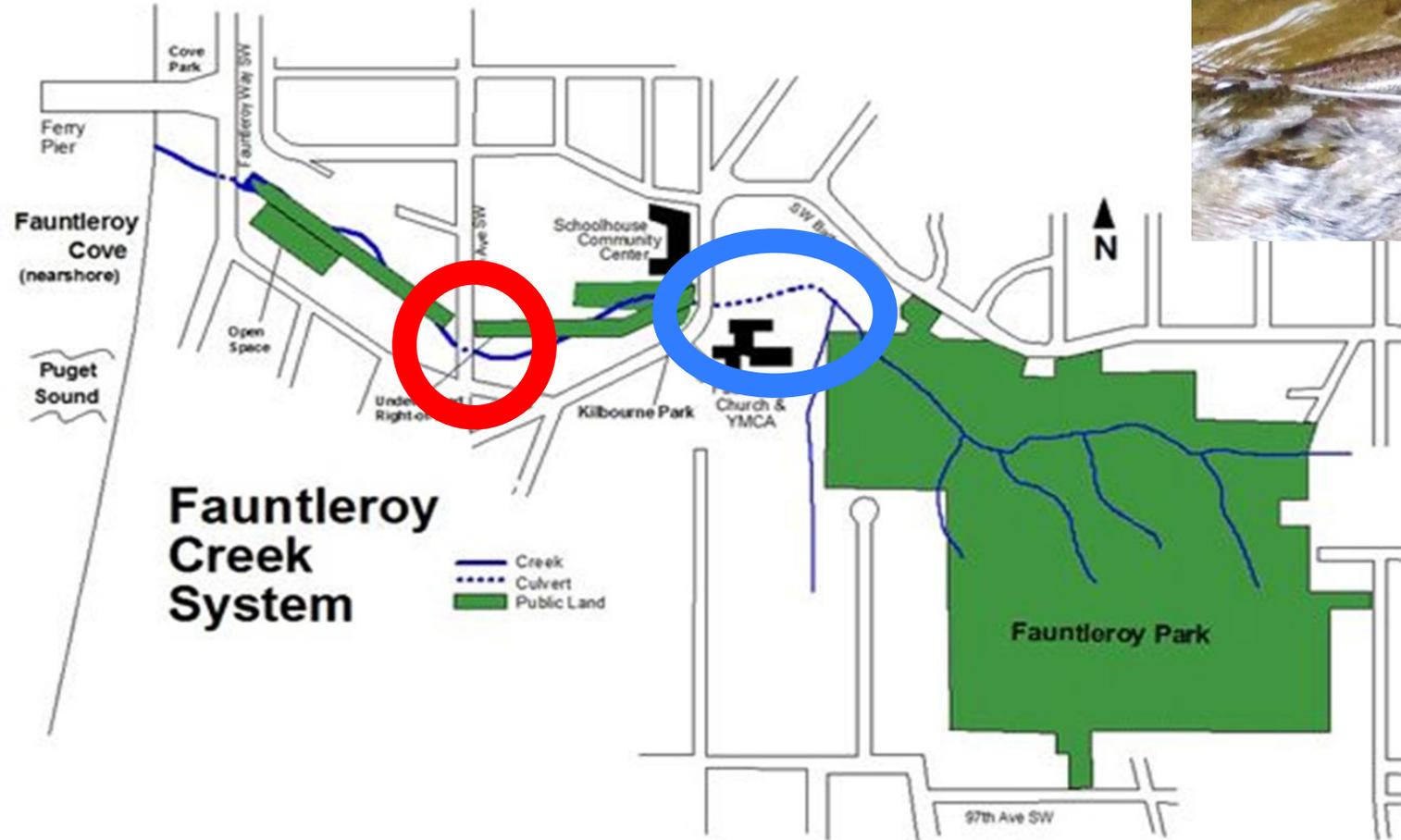
Projects Overview

- Two projects to replace failing culverts that are fish blockages
- Will replace with **fish passable culverts**



*Spawning salmon in Fauntleroy Creek
(photo courtesy of Whitney F.)*

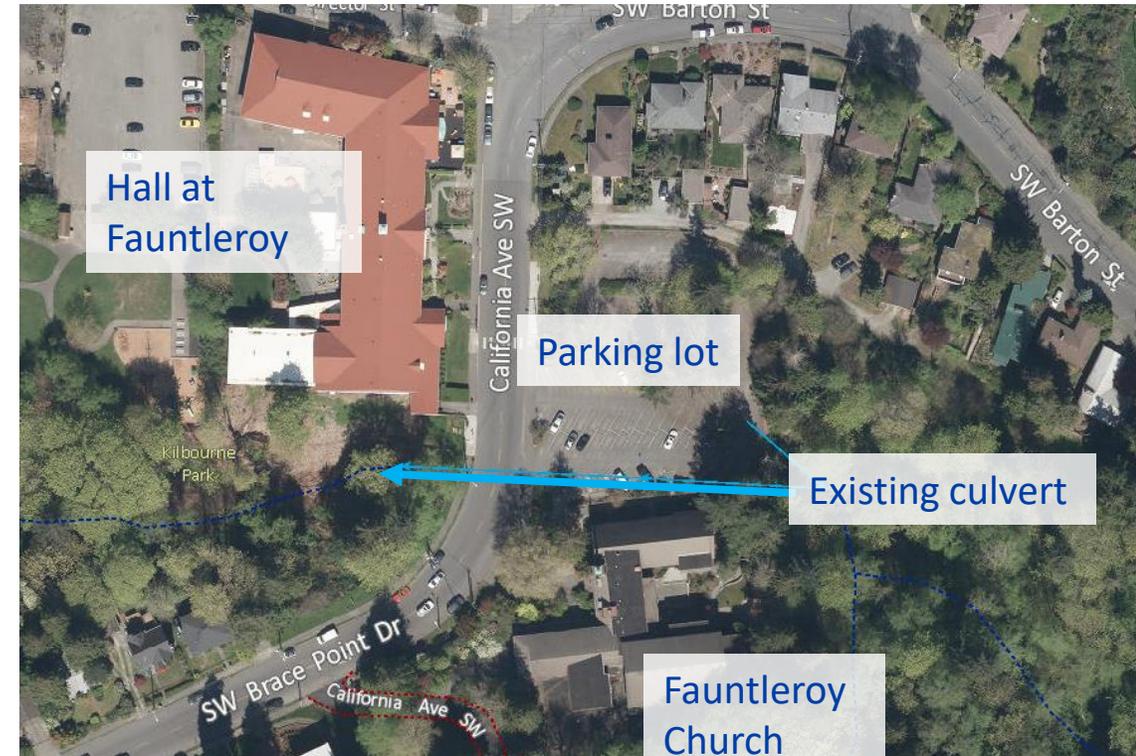
Fautleroy Creek Context



*Spawning salmon in Fautleroy Creek
(photo courtesy of Whitney F.)*

California Culvert Emergency Project Schedule + Risks

- Implementing Emergency Project to line the pipe September 2025
- Permanent solution planned for construction initiation in 2028



45th Ave SW Culvert Project Purpose



45th Ave SW Culvert Project Schedule



45th Ave SW Culvert Replacement Benefits

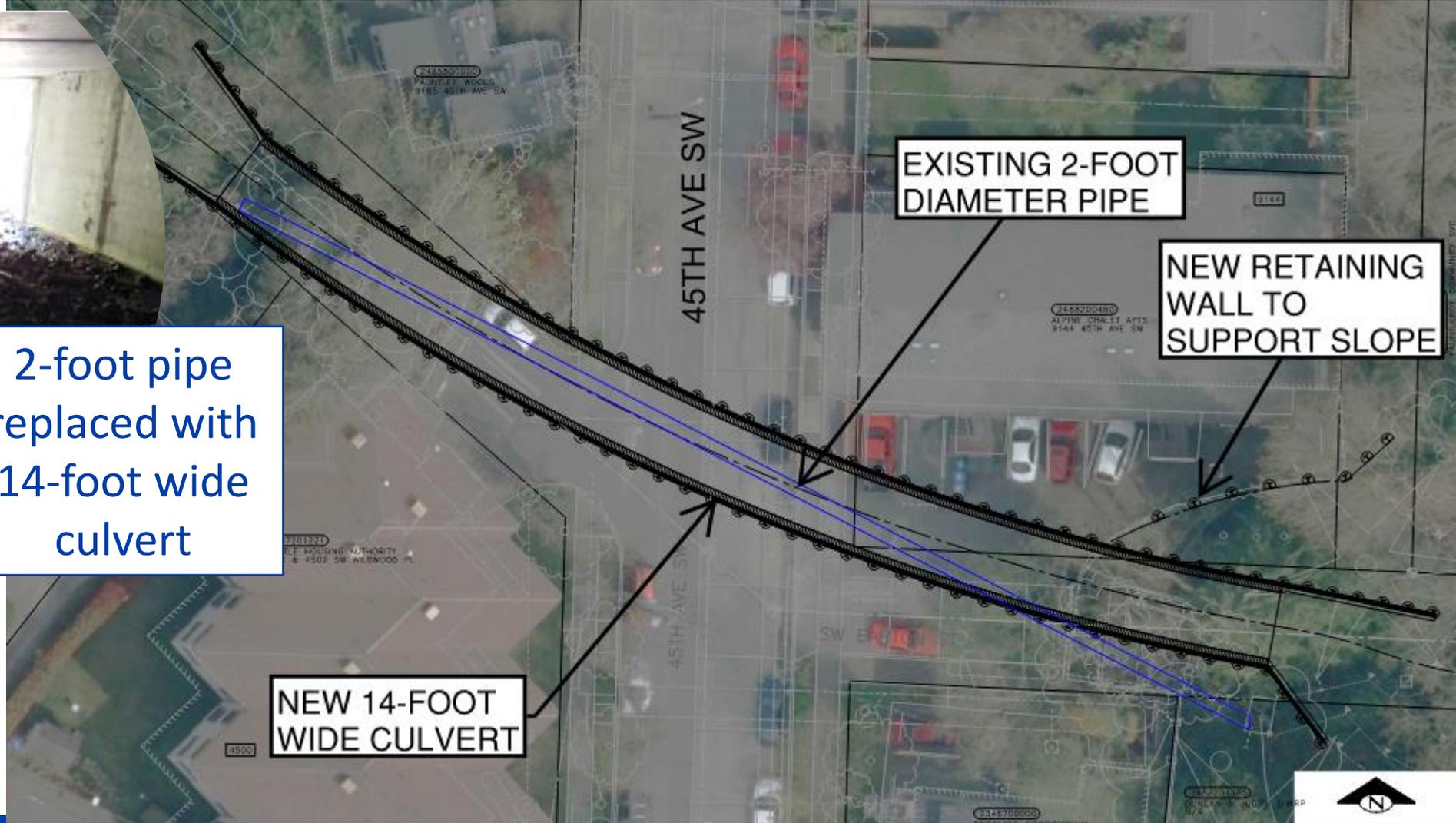
- Restore fish passage & improve habitat
- Supports Tribal Treaty rights and SPU's commitment to racial and social justice
- Enhance Community connection with Fauntleroy Creek Watershed
- Provide safer working conditions for SPU's maintenance crews



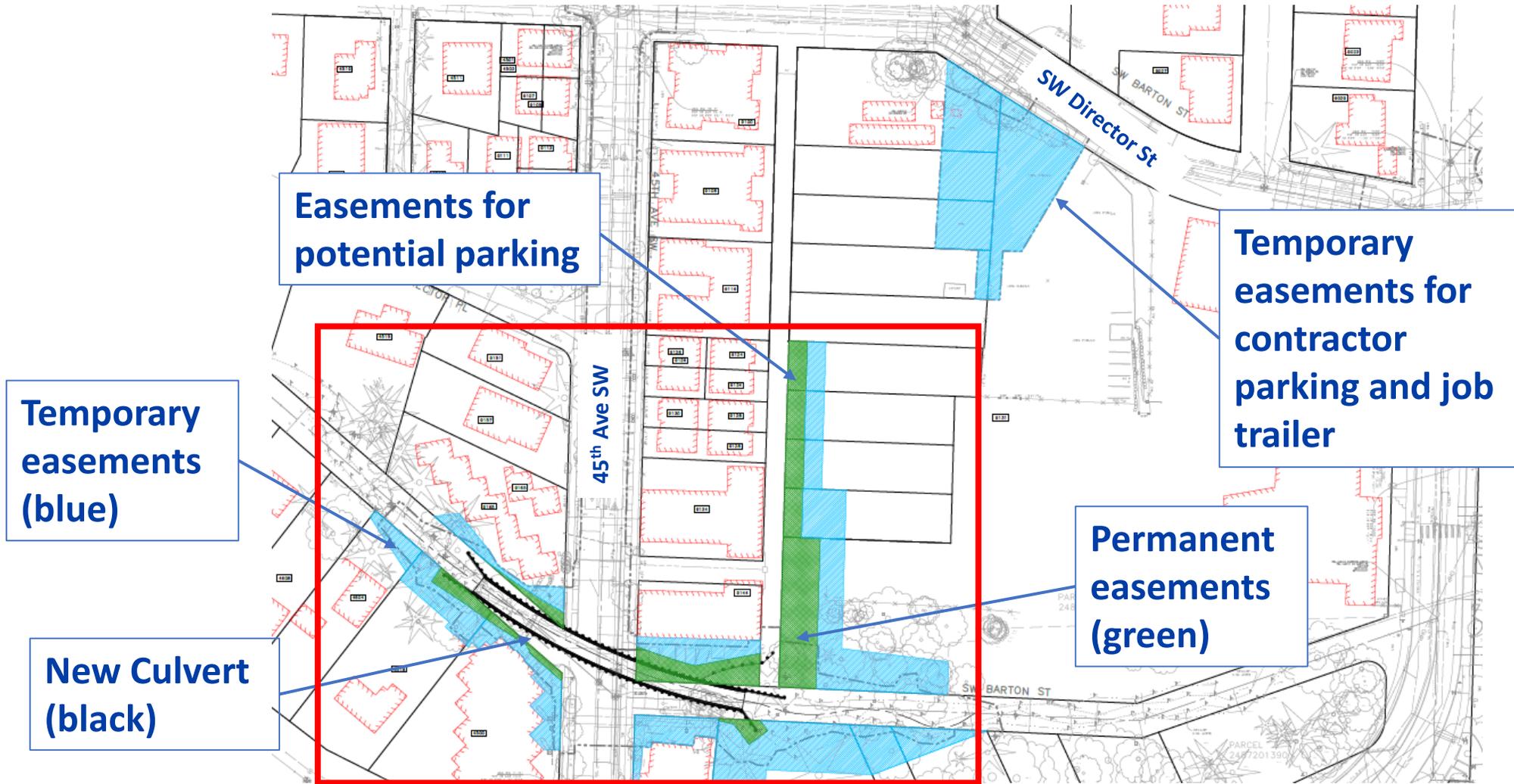
45th Ave SW Culvert Replacement Project



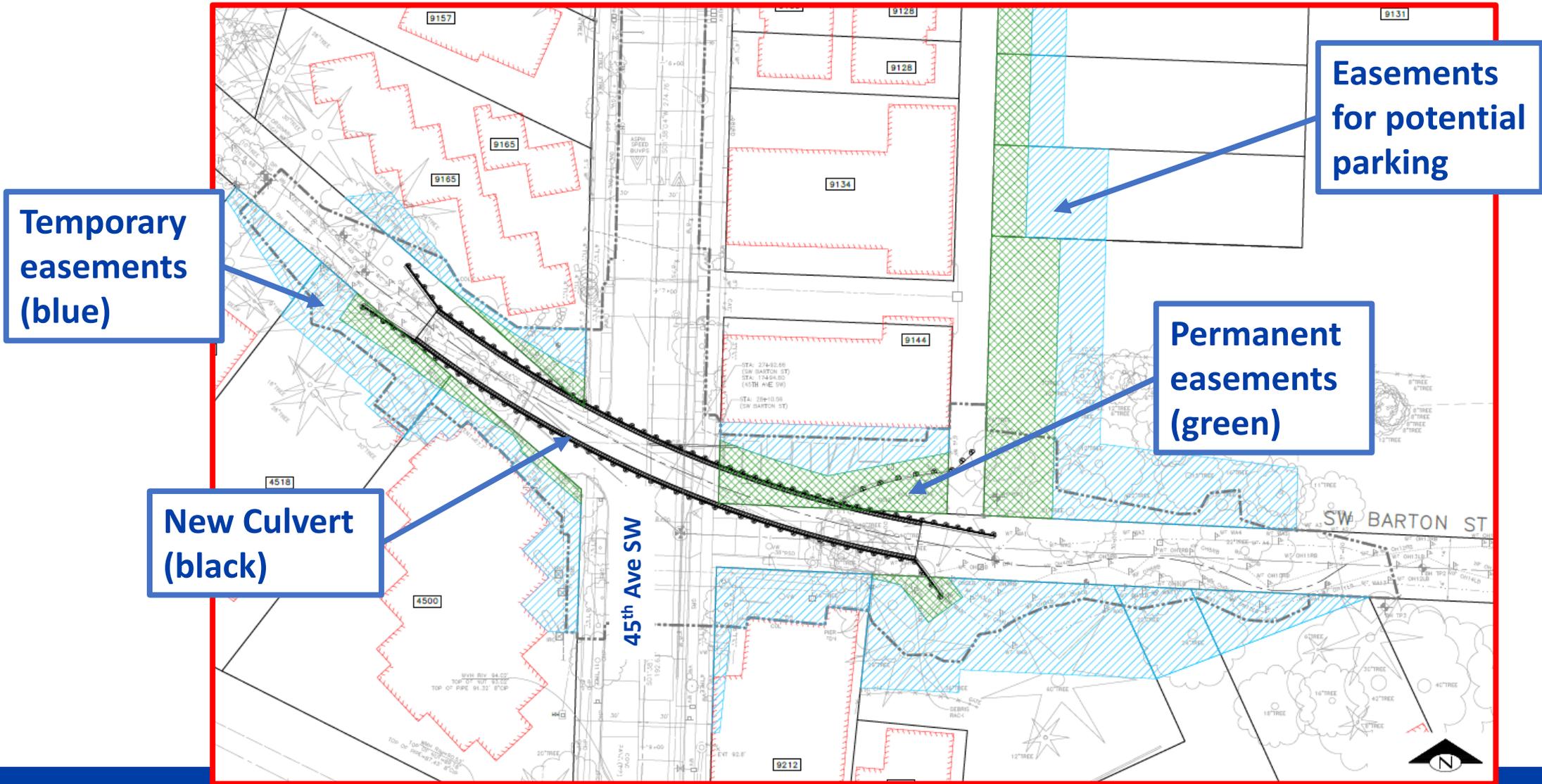
2-foot pipe replaced with 14-foot wide culvert



Parcels & Project Site



Parcels & Project Site



Temporary easements (blue)

New Culvert (black)

Permanent easements (green)

Easements for potential parking

Property Acquisition Timeline

- Project plan includes acquiring 10 permanent and 18 temporary easements through negotiations.
- If negotiations fail, SPU will acquire the rights through eminent domain by filing a condemnation petition, authorized by City Council.
- Preparing for Condemnation & Appeal, which would delay start of construction for the full culvert.



Questions?



Benefits & Impacts of Legislation



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



FAUNTLEROY CREEK RESTORATION
SECTION VIEW THROUGH CULVERT LOOKING NORTH

DRAFT
2025-05-15



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



Maps & Photos of Parcels and Project Site



45th Ave SW Culvert Replacement and Fish Passage Restoration Project

SEATTLE PUBLIC UTILITIES / SEATTLE, WA

Notes:

1. Vehicular access to 45th Ave SW will be provided for local traffic only for the duration of construction.
2. Pedestrian access through this portion of 45th Ave SW may not be available during times of heavy construction. Non-vehicular access alternatives will be developed as design progresses.

LEGEND

- Fauntleroy Creek
- - - Primary Work Area (No Street Parking) ⁽¹⁾
- Potential Area of Additional Impacted Street Parking ⁽¹⁾
- Road Closed - Contractor Access Only
-  Bus Stop



Maps & Photos of Parcels and Project Site



Outreach during Design Phase





Legislation Text

File #: Res 32175, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION relating to Seattle Public Utilities (SPU); amending Resolution 31800, as later amended by Resolution 31825; and updating the ongoing Customer Review Panel to provide additional opportunities for young adult engagement and clarify panel eligibility for optional stipends, as SPU implements the six-year Strategic Business Plan (Plan) and conducts future Plan updates.

WHEREAS, Resolution 31800, adopted by the City Council on February 20, 2018, established the Seattle

Public Utilities (SPU) Customer Review Panel (Panel) to review and provide input on the progress of the action plans and other deliverables related to the adopted 2018-2023 Strategic Business Plan; and

WHEREAS, Resolution 31800 calls for nine Panel members representing various views within SPU's customer base to serve for specified terms; and

WHEREAS, finding that additional members on the Panel would be beneficial to the work of the Panel by allowing a more diverse set of views, on July 16, 2018, the City Council adopted Resolution 31825, which increased the panel composition from nine to 11 positions; and

WHEREAS, SPU would like to provide additional opportunities for youth engagement and clarify panel eligibility for optional stipends to honor participation time; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR

CONCURRING, THAT:

Section 1. Section 2 of Resolution 31800, last amended by Resolution 31825, is amended as follows:

Section 2. Composition. The Panel will be composed of ~~((44))~~ 13 positions, numbered 1 through ~~((44))~~ 13, filled with members drawn from: SPU's residential and commercial customers or their tenants or members of their households; nonprofits; and business customers or their owners or employees.

Members will be selected to ensure a balance of personal and professional expertise, lived experience, and viewpoints regarding services and rates that are representative of the views within SPU’s customer base, including residential, ~~((commercial))~~ business, low-income housing, non-profits, and the development community. Positions 12 and 13 will be filled by young adults ages 18 through 29 at the time of appointment or reappointment.

Section 2. Section 4 of Resolution 31800, last amended by Resolution 31825, is amended as follows:

Section 4. Terms. The term of each position shall be three years ~~((, except that the initial term of positions 1-5 shall be 23 months and the initial term of positions 6-11 shall be 35 months))~~. Panel members may be re-appointed by the Mayor or City Council up to a maximum of one additional term. A member whose term is ending shall continue on an interim basis as a member with voting rights until such time as a successor has been appointed by the Council or confirmed by the Council.

The appointing authority shall appoint a person to fill the duration of an unexpired term without confirmation by the City Council.

Panel members will serve without pay, but they may be eligible for and offered an annual stipend for participation and may also be reimbursed for reasonable expenses for attending meetings.

Adopted by the City Council the _____ day of _____, 2025, and signed by me in open session in authentication of its adoption this _____ day of _____, 2025.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2025.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2025.

Scheereen Dedman, City Clerk

(Seal)

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Paula Laschober	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: A RESOLUTION relating to Seattle Public Utilities (SPU); amending Resolution 31800, as later amended by Resolution 31825; and updating the ongoing Customer Review Panel (CRP) to provide additional opportunities for young adult engagement and clarify panel eligibility for optional stipends, as SPU implements the six-year Strategic Business Plan (Plan) and conducts future Plan updates.

Summary and Background of the Legislation: The Council in 2012 approved a Statement of Legislative Intent directing SPU to develop a six-year Strategic Business Plan. A subsequent resolution, Resolution 31429, clarified the primary goal of the Plan, which is to set a transparent and integrated direction for all of SPU’s business lines that reflects customer values, provides customer rate predictability, and results in the best value for customer dollars. That resolution also established a nine-member CRP to provide input to the Plan during its development and provide to the Mayor and City Council comments on the Plan concurrent with delivery of the final proposed Plan to Council. In 2018, the Council passed Resolution 31825, expanding the panel to 11 positions to ensure continuous stakeholder engagement and acknowledge the benefit of additional members in fostering a more diverse set of views.

This legislation creates two additional positions on the panel, increasing the number of seats on the panel from 11 to 13. The two new seats would be reserved for young adult representatives.

This legislation also codifies the stipends paid to the CRP members who opt to receive them. Current CRP rules provide for an annual stipend of \$1,300 for panel members, and \$2,000 for the Chair and Vice Chair.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

Expenditure Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Expenditure Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
	\$650	\$2,600	\$2,600	\$2,600	\$2,600

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.

Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.

Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.

The annual incremental cost of two additional panel members is \$2,600. It is assumed the two new members would be empaneled by Q4 of 2025.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

None.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

The stipends for panel members can be absorbed within existing operations.

Please describe any financial costs or other impacts of *not* implementing the legislation.

Black, Indigenous, People of Color, Immigrant & Refugee, and low-income communities are routinely asked to participate in public engagement by the city. Over time, continual unfunded requests of time and lived experience to participate in public engagement leave communities feeling fatigued, disrespected, and distrustful. Compensation is a way to honor and build relationships and trust with community as more equal partners in our work.

Including positions for two young adults, ages 18 through 29 at the time of appointment or reappointment shows intentionality to engage younger generations by having seats at the table to participate in their public utility and for SPU to gain further insight from younger ratepayers and community members. Not implementing the legislation would result in an inability to add two positions specifically designed to represent the perspective of young adults in the community. While SPU retains the right to nominate young adults to currently existing CRP seats, creating these dedicated new positions establishes a more focused and intentional pathway for ensuring sustained young adult participation within the panel.

Please describe how this legislation may affect any City departments other than the originating department.

This legislation involves continuing coordination with the Department of Neighborhoods for the support of the CRP and models best practices for the City's Boards and Commissions.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?

No

c. Does this legislation affect a piece of property?

No

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response, please consider impacts within City government (employees, internal programs) as well as in the broader community.

This legislation will create additional opportunities for young adults, including those from vulnerable or historically disadvantaged communities, to participate in advising SPU. Compensation for community participation is a race and social justice best practice proven to reduce barriers to participation and honor volunteer commitment, expertise, and lived experience. This practice aims to advance racial equity best practices and build community trust, furthering the vision of being a Community Centered Utility as outlined in the SPU Strategic Business Plan. Black, Indigenous, People of Color, Immigrant & Refugee, and low-income communities are routinely asked to participate in public engagement by the city. Over time, continual unfunded requests of time and lived experience to participate in public engagement leave communities feeling fatigued, disrespected, and distrustful. Compensation is a way to honor and build relationships/trust with community as more equal partners in the utility's work.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

N/A

iii. What is the Language Access Plan for any communications to the public?

The CRP operates under the City of Seattle's citywide Language Access Plan for all public communications. In accordance with this policy, the Panel ensures materials and meetings are accessible, and does not maintain a separate, duplicative plan.

e. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

This legislation does not directly increase or decrease carbon emissions but could indirectly impact them by enhancing the CRP's ability to advise on SPU policies that influence carbon emissions. By reducing barriers to participation for young adults and members of vulnerable or historically disadvantaged communities, who offer unique perspectives on climate impacts, SPU can develop a more holistic approach to policies, potentially leading to better strategies for emission reduction.

- ii. 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.**

This legislation is likely to increase Seattle's ability to adapt to climate change in a material way. The CRP weighs in on SPU policies, including those that directly influence climate resiliency. Young adults and members of vulnerable or historically disadvantaged communities experience climate change impacts uniquely, offering critical perspectives on adaptation strategies. By reducing barriers to their participation on the CRP, this legislation enables SPU to gain invaluable insights, fostering a more holistic and equitable approach to developing policies that effectively address climate change implications for resiliency.

- f. 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)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No

5. ATTACHMENTS

Summary Attachments: None

SPU Customer Review Panel Young Adults Resolution

September 10, 2025

Parks, Public Utilities & Technology Committee
Seattle City Council

Andrew Lee, General Manager and CEO

Justin Chan, Strategic Business Planning and Policy Advisor

Seattle Public Utilities

General Manager's Office



Legislation Purpose

To expand the SPU's Customer Review Panel to include **two additional members and clarify stipend eligibility.**



SPU Customer Review Panel (CRP)

- Formed in 2013 to provide advice and recommendations to the Mayor and City Council on SPU's Strategic Business Plan and rates.
- Includes representatives from private, public and nonprofit sectors, utility experts, business leaders, and community representatives.
- Members serve 3-year terms and may be reappointed once.



Proposed Youth Seat Structure



- Additional 2 dedicated positions (Positions 12 and 13).
- Young adults ages 18 through 29.
- 3-year terms, consistent with other members.
- Eligible for one additional term.

Stipends



- Members are unpaid but may be eligible for a stipend.
- \$1,300 annually per member.
- \$2,000 annually for Chair/Vice-Chairs.
- Covered in existing budget

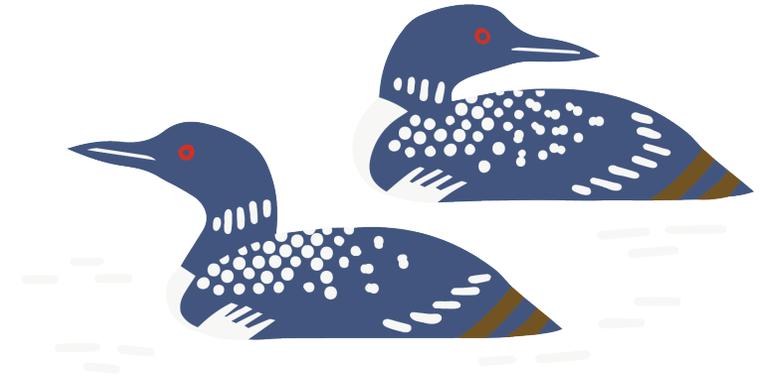
Benefits

Youth Seats

- Future customers and leaders
- Fresh perspectives and innovation
- Stronger connection to climate, affordability, and equity
- Builds civic engagement pipeline

Stipend

- Honors member commitment
- Reduces barriers for participation
- Broadens representation
- Recognizes added workload of Chair/Co-Chairs



Next Steps

- Committee consideration and vote
- Full Council
- Outreach and recruitment
- Appointment



Questions

