

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Martha Neuman	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE authorizing the General Manager and CEO of Seattle Public Utilities to enter into an interlocal agreement to participate in the regional Water Supply Forum to coordinate and collaborate on current and future regional drinking water supply issues in King, Snohomish, and Pierce counties; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation:

Regional drinking water suppliers and association leaders in the Puget Sound region have been meeting as the Water Supply Forum (“Forum”) since 1999, as an informal association to coordinate and collaborate on water supply and water resource items and projects of mutual interest and benefit. Regional water-related concerns include water supply planning, system resiliency, water quality, water operations, and water conservation.

The Forum members previously entered funding agreements to cooperatively fund activities, including consultant assistance, consistent with their mutual interests in accordance with identified budgets. These funding agreements had exhibits with Rules of Conduct for Business, Action Items, and Budget Plans and Schedules of Funding Shares (Dues). The Forum’s most recent Memorandum of Agreement covered the years 2021-2025. During the process to update that agreement, the Forum members determined an interlocal agreement is the most appropriate vehicle for its funding agreements.

The new ILA outlines roles and responsibilities, funding and administration, operations, and other provisions. Key provisions include:

- Four regional members are City of Seattle, City of Tacoma, City of Everett, and Cascade Water Alliance. These members pay most of the dues and form the Forum’s Steering Committee. Individual water utilities, other associations, and counties are fee-based members.
- One of the regional members serves as the Forum’s administrator, including invoicing and collecting dues, administering Forum funds and initiating and managing any consultant or vendor contracts in accordance with its usual procedures, paying vendor invoices, paying taxes, tracking expenses and related fiscal management, as well as providing an annual report documenting the same, all at the direction of the Steering Committee. The City of Tacoma has long served in this capacity and has agreed to continue.
- The Forum will collect dues if necessary and as determined by the Steering Committee in its annual work plan and budget. After collecting the dues from the fee members, the remaining balance will be allocated to regional members as follows: 25% to Everett, 25% to Tacoma, 35% to Seattle, and 15% to Cascade. This percentage is roughly based on

service area and number of service connections. The Forum has not collected dues in over five years due to a healthy balance.

- The Forum plans to adopt bylaws in 2026 to cover some of the operating details and practices that were in the now expired Memorandum of Understanding.

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 Forum would determine the dues need based on the workplan and budget. Dues have not been collected in over five years and will not be collected in 2026. In a year that dues are collected, Seattle would pay about 35% of the dues from the Water Fund. In the mid-2010s, Seattle paid about \$50,000 per year. That number is used below. Actual dues could be lower than \$50,000 per year and will be absorbed in existing budget authority.

Expenditure Change (\$); General Fund	2026	2027 est.	2028 est.	2029 est.	2030 est.
Expenditure Change (\$); Other Funds	2026	2027 est.	2028 est.	2029 est.	2030 est.
		\$50,000	\$50,000	\$50,000	\$50,000

Revenue Change (\$); General Fund	2026	2027 est.	2028 est.	2029 est.	2030 est.
Revenue Change (\$); Other Funds	2026	2027 est.	2028 est.	2029 est.	2030 est.

Number of Positions	2026	2027 est.	2028 est.	2029 est.	2030 est.
Total FTE Change	2026	2027 est.	2028 est.	2029 est.	2030 est.

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.

These costs are assumed in the existing budgets and have been planned annually.

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

Seattle is a key player in the region's drinking water supply. There are political risks to withdrawing from the long-established, collaborative efforts to work together. Other members with different political agencies could be in more of a leadership role.

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?** 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.**

Regional drinking water collaboration benefits all customers. It does not have a direct or specific RSJ nexus. One of the current topics of collaboration is emergency management. Seattle brings leadership on this issue to other utilities.
 - 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 not directly communicate with the public about the ILAs or the collaborative work. SPU provides leadership to the Forum related to the website and any project specific communications.
- 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.** The Forum’s work generally contributes to climate preparedness and 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.** The ILA does not create a new initiative or 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.