



Seattle City Light



# 10-YEAR AGREEMENT WITH PEND OREILLE COUNTY FOR FINANCIAL BURDEN FUNDING

Mike Haynes, Chief Operating Officer

Date: September 16, 2020

Jeff Wolf, Legal Affairs Advisor

## PURPOSE OF ORDINANCE

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- Authorize a 10-year schedule of negotiated payments to Pend Oreille County with dollars designated therefrom to be distributed to certain towns and school districts within the county to compensate for financial burdens caused by Seattle City Light's operation of the Boundary Hydroelectric Project as required by RCW 35.21.420 and 425.

# RCW 35.21.420

## IMPACT PAYMENTS

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- Requires City to pay impact payments if:
  - City has population greater than five hundred thousand people;
  - Owns and operates a public utility;
  - Constructs or operates a hydroelectric generating plant in another county (in this case Pend Oreille)
  - Hydroelectric Plant was built after March 17,1955.
- Requires written agreement and continued payments after expiration of agreement. `

# RCW 35.21.425

## REIMBURSEMENT TO COUNTY AND SCHOOL DISTRICTS

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- City must enter agreement to reimburse county and school districts for increased financial burdens related to:
  - Public peace
  - Health
  - Safety
  - Welfare
  - Roads - maintenance, construction, and relocation; and
  - Additional students attending schools.

# RCW 35.21.426 AND 427

## NEGOTIATIONS AND ARBITRATION

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- Arbitration mandated under above statutes if negotiations fail.
- Successful negotiations enabled City to avoid arbitration
- This agreement follows a prior agreement negotiated in 2009 and covering 2010-2019. (Ord. 123402)
- Anticipated that new contract will need to be negotiated in 2029

# AGREED STATUTORY PAYMENTS

Year	Payment
2020	\$2,705,175
2021	\$2,763,336
2022	\$2,822,748
2023	\$2,883,437
2024	\$2,945,431
2025	\$3,008,758
2026	\$3,073,446
2027	\$3,139,525
2028	\$3,207,025
2029	\$3,275,976

Appropriations covered by existing funds in CL538 SCL Budget

## WRITTEN AGREEMENTS

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- Agreements previously approved and signed by authorized persons:
  - Pend Oreille County
  - Towns of Metaline, Metaline Falls, and Ione
  - School Districts of Selkirk, Cusick and Newport
- Agreements require affirmation from county, towns, and school districts that amounts to be received satisfy statutory obligations.



Seattle City Light



QUESTIONS



## 5-YEAR CONTRACT LIMITS DO NOT APPLY

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- 5-Year contract limits
  - SMC 3.127.010B – lease agreement
  - SMC 3.127.020A – consultation agreement
  - SMC 21.49.100 – power purchase/sale agreements

