

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Public Utilities	Ed Mirabella/4-5959	Aaron Blumenthal/3-2656

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to submit the “Plan to Protect Seattle’s Waterways” and to fulfill the obligations set forth therein, to fulfill obligations under a Consent Decree required by the United States Environmental Protection Agency and the State of Washington Department of Ecology.

Summary and background of the Legislation:

The proposed ordinance would authorize the director of Seattle Public Utilities to sign and carry out the Plan to Protect Seattle’s Waterways. The Plan would implement projects to control Combined Sewer Overflows (CSOs) and stormwater discharges to comply with a Consent Decree with the Environmental Protection Agency (EPA) and the Washington Department of Ecology (Ecology).

Seattle Public Utilities owns, maintains and operates a system of sanitary sewers and storm and surface water drainage as part of the City’s drainage and wastewater system. The EPA determined sewage discharges from Seattle’s combined sewers violate the federal Clean Water Act and the conditions and limitations of a permit from Ecology. They issued a Consent Decree requiring the City develop and implement a CSO long-term control plan by 2025. The Consent Decree includes a special provision allowing the City to defer certain CSO projects if alternative stormwater projects yielding greater environmental benefits could be identified.

SPU therefore developed two alternatives to comply with the Consent Decree. The Long Term Control Plan Alternative focuses on reducing uncontrolled CSO overflows by 2025 by constructing CSO control projects. The second alternative, the Integrated Plan Alternative, would implement the Long Term Control Plan as described above, modified to construct some CSO projects by 2030, in exchange for constructing three stormwater projects by 2025. SPU determined greater environmental benefits would be achieved by implementing the Integrated Plan Alternative, albeit at a greater financial cost, and recommends the Integrated Plan Alternative be submitted to EPA and Ecology for Compliance with the Consent Decree.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

- This legislation has direct financial implications.
- This legislation does not have direct financial implications.

The Consent Decree which this legislation is intended to satisfy requires the City implement its CSO reduction program by 2025. The budget estimate for completing SPU’s Plan to Protect Seattle’s Waterways by 2030 is estimated to be \$600 million. Supporting appropriations will be proposed to Council for consideration and approval during the development of future CIPs. More information about estimated costs by fiscal year and rate impacts on drainage and wastewater rates are provided in the attachment to this fiscal note.

3.a. Appropriations

- This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

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

Appropriations Notes:

No 2015 appropriation actions are required by this proposed Council Bill. Appropriations for the Plan to Protect Seattle’s Waterways are included in the City of Seattle’s 2015/16 budget and the six- year CIP. SPU has included the costs of compliance with the Consent Decree in the SPU Strategic Business Plan, approved by Council in 2014, and associated 2015-2020 rate package.

3.b. Revenues/Reimbursements

- This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes:

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

Yes, the legislation has long-term financial implications which are described in Exhibit A.

- b) **Is there financial cost or other impacts of not implementing the legislation?**

The Consent Decree contains penalties ranging from \$3,000 to \$5,000 per day per violation depending on the period of Non-compliance. The City could also be sued by a third-party for instances of non-compliance, which could result in the City paying fines up to \$25,000 per day per violation and associated legal fees. Non-compliance could result in criminal prosecution is possible against the City and against individuals.

- c) **Does this legislation affect any departments besides the originating department?**

This legislation primarily impacts SPU. However, the types of projects implemented to comply with the Consent Decree (e.g., pipelines, pump stations, small retrofits, green stormwater infrastructure, and underground storage structures) may have impacts on the Department of Planning and Development, the Department of Parks and Recreation, the Seattle Department of Transportation, and other City departments.

- d) **Is a public hearing required for this legislation?**

No

- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

- f) **Does this legislation affect a piece of property?**

This legislation does not have a direct on a particular piece of property. However, the types of projects that will be implemented to comply with the Consent Decree (e.g., pipelines, pump stations, small retrofits, green stormwater infrastructure (GSI), and underground storage structures) will have impacts on both private and public property. These projects will be constructed in the public right-of-way, in City-owned lands, and/or on private property.

- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This legislation does not unfairly impact any particular population or community.

- h) If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how
this legislation would help achieve the program's desired goals.**

The plan which is the subject of this legislation would significantly improve water quality by reducing overflows from Seattle's 90 CSO outfalls and implementing stormwater pollution control projects and enable the City to comply with a Consent Decree with the Federal and State governments.

- i) Other Issues:**

List attachments below:

Exhibit A: Financial Impacts Summary