

## **SUMMARY and FISCAL NOTE**

| <b>Department:</b> | <b>Dept. Contact:</b>        | <b>CBO Contact:</b>            |
|--------------------|------------------------------|--------------------------------|
| City Finance / SPU | Kristi Beattie<br>Paul Hanna | Saroja Reddy<br>Akshay Iyengar |

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the municipal water system of The City of Seattle; adopting a system or plan of additions and betterments to and extensions of the existing municipal water system; authorizing the issuance and sale of water system revenue bonds in one or more series for the purposes of paying or reimbursing part of the cost of carrying out that system or plan, providing for the reserve requirement, and paying the costs of issuance of the bonds; providing parameters for the bond sale terms including conditions, covenants, and other sale terms; describing the lien of the bonds; creating certain accounts of the City relating to the bonds; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation provides legal authorization for the Water System to issue up to \$108 million of bonds to fund a portion of capital expenditures outlined in the proposed 2026-2031 Capital Improvement Plan (CIP). Although the budget, capital plan, and rates make specific assumptions about the use of debt financing for a certain share of the capital program, separate authorization for the issuance of bonds is technically required.

The Water bond sale is anticipated to occur in mid-2026. The bond proceeds, combined with internally generated funds, will support the Water System capital program for about 12 months. The bond sizing is based on the adopted budget, Strategic Business Plan, rates, planned cash flow, and cash contribution targets. The bond proceeds will also be used to make a deposit to the bond reserve fund as needed and to pay issuance costs. Annual debt service is expected to be approximately \$7.0 million beginning in 2027, with an interest only payment assumed in 2026. Major projects supported by the bond issue include transmission and distribution system upgrades, water quality and treatment and transportation-related projects. For further information about the Water CIP, please see the SPU Proposed 2026-2031 capital plan.

### **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

#### 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.**  
N/A
  - 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?**  
N/A
- 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?**  
No.

## **5. ATTACHMENTS**

**Summary Attachments:** None.