

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|---------|
| BLG | 010 | A | 001 |

Budget Action Title: Pass CB 119915 - SPU Drainage Treatment Rate Passthrough Ordinance

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Brian Goodnight

Council Bill or Resolution: CB 119915

| Date | | Total | LH | TM | KS | AP | DJ | DS | AL | TM | LG |
|------|---------|-------|----|----|----|----|----|----|----|----|----|
| | Yes | 0 | | | | | | | | | |
| | No | 0 | | | | | | | | | |
| | Abstain | 0 | | | | | | | | | |
| | Absent | 0 | | | | | | | | | |

Summary of Dollar Effect

See the following pages for detailed technical information

| | 2021 Increase (Decrease) | 2022 Increase (Decrease) |
|------------------------------------|--------------------------|--------------------------|
| General Fund | | |
| General Fund Revenues | \$0 | |
| General Fund Expenditures | \$0 | |
| Net Balance Effect | \$0 | |
| | | |
| Total Budget Balance Effect | \$0 | |

Budget Action Description:

This budget action recommends passage of CB 119915, Seattle Public Utilities' (SPU) drainage treatment rate passthrough ordinance. This CB would adjust SPU's drainage rates for 2021 to account for an increase in the King County wastewater treatment charge and a decrease in wastewater volumes.

In October 2018, Council passed Ordinance 125686 establishing drainage rates for 2019 through 2021. These rates incorporated the King County wastewater treatment rate that was in effect for 2019 and 2020. King County typically increases its treatment rate every other year, however, necessitating an adjustment of the City's drainage rate for 2021. Of the total amount that SPU pays to King County for wastewater treatment, approximately six percent of the cost is attributed to the drainage system based on stormwater from combined basins in the city that flows to treatment plants.

In addition to the King County wastewater treatment rate increase, however, the overall volume of

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wastewater has decreased throughout the city since the beginning of the pandemic. This lower volume has therefore reduced the forecast for treatment costs attributable to the drainage system for 2021.

The adjustment proposed in this bill would decrease the treatment portion of drainage rates and bring the total average drainage rate increase for 2021 to 7.4 percent. This increase is below the 8.0 percent increase for 2021 that was expected by SPU and Council at the time that rates were adopted for 2019 through 2021.

SPU estimates that passage of this bill would decrease 2021 drainage revenue by approximately \$259,000 and General Fund revenue by approximately \$30,000.

Budget Action Transactions

| # | Transaction Description | Position Title | Number of Positions | FTE | Dept | BSL | Fund | Year | Revenue Amount | Expenditure Amount |
|---|-------------------------|----------------|---------------------|-----|------|-----|------|------|----------------|--------------------|
|---|-------------------------|----------------|---------------------|-----|------|-----|------|------|----------------|--------------------|