

BILL SUMMARY & FISCAL NOTE

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|--------------------------|------------------------------|---------------------------------|
| Department: | Contact Person/Phone: | Executive Contact/Phone: |
| Seattle Public Utilities | Maria Coe/3-7905 | Aaron Blumenthal/3-2656 |

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to drainage services of Seattle Public Utilities; amending Sections 21.33.010, 21.33.030, and 21.33.040, and subsection 21.76.040.A of the Seattle Municipal Code to update definitions; adjust drainage rates and provide clarification regarding assignment of parcels to rate categories; define additional conditions under which rate credits may be applicable; and revise credits to low-income drainage customers.

Summary and background of the Legislation:

This ordinance would revise drainage rates for residential and general service customers and adjust drainage low-income assistance credits. It would increase rates to meet debt service coverage requirements driven largely by capital financing decisions.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

| | | | | |
|---|--------------------------------|-------------|-------------------------------|-------------|
| Budget program(s) affected: | | | | |
| Estimated \$ Appropriation change: | General Fund \$ | | Other \$ | |
| | 2015 | 2016 | 2015 | 2016 |
| Estimated \$ Revenue change: | Revenue to General Fund | | Revenue to Other Funds | |
| | 2015 | 2016 | 2015 | 2016 |
| Positions affected: | No. of Positions | | Total FTE Change | |
| | 2015 | 2016 | 2015 | 2016 |
| Other departments affected: | | | | |

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:

Appropriations for changes in drainage rate revenues will be included in the proposed budget for those years.

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 Revenue |
|----------------------------------|------|----------------|--------------|--------------|
| Drainage & Wastewater Fund 44010 | SPU | Drainage Fees | \$0 | |
| TOTAL | | | \$0 | |

Revenue/Reimbursement Notes:

The 2016-2018 Drainage & Wastewater Rate Study proposes drainage rates for 2016 through 2018, which, when applied to the current demand forecast, will increase 2016, 2017 and 2018 revenues \$5,438,643, \$14,640,748 and \$21,789,603, respectively, over current law.

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?**

No

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

The Drainage & Wastewater Fund would not fully recover the cost of its business operations and meet its financial policy targets. This could result in a downgrade in the Fund's bond ratings and increase the cost of borrowing.

- c) **Does this legislation affect any departments besides the originating department?**
Several City departments incur drainage fees. The drainage fees for these departments will increase commensurate with the rate increases proposed in this legislation. The impacts will be included in the 2016-2017 Proposed Budget. The impacted departments include: Seattle Center, the City Budget Office, Seattle City Light, the Department of Neighborhoods, the Seattle Department of Transportation, the Seattle Fire Department, the Department of Finance and Administrative Services, the Department of Parks and Recreation, the Seattle Police Department, Seattle Public Utilities, and the Seattle Public Library.
- 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?**
No
- 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 impacts all residential and general service drainage customers, and at the same time adjusts credits for residential customers who qualify for the Utility Discount Program.
- 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.**
n/a
- i) **Other Issues:**
None

List attachments below:

Exhibit A: Seattle Public Utilities 2016-2018 Drainage and Wastewater Rate Study