

CITY OF SEATTLE

ORDINANCE 126688

COUNCIL BILL 120421

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; adjusting wastewater rates code to automatically pass-through changes to treatment rates charged by external wastewater treatment providers; amending Section 21.28.040 of the Seattle Municipal Code to enable automatic adjustment of treatment rates; and amending Section 21.76.040 of the Seattle Municipal Code to enable automatic adjustment of credits to low-income wastewater customers.

WHEREAS, Seattle Public Utilities' wastewater rates are based on the sum of the treatment rate and system rate and the treatment rate is designed to pass through the wastewater share of King County and other external treatment providers' charges to Seattle Public Utilities for wastewater treatment services; and

WHEREAS, the King County Council is contractually required to adopt a new wastewater treatment on an annual basis by June 30; and

WHEREAS, Seattle Public Utilities is contractually required to pay treatment rates adopted by the King County Council and other external treatment providers; and

WHEREAS, wastewater credits for qualified low-income customers, not billed directly by Seattle Public Utilities, are based on typical residential bills, and credits for such customers need to be revised to reflect the changes in the wastewater rates; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsection 21.28.040.B of the Seattle Municipal Code, which section was last amended by Ordinance 126433, is amended as follows:

21.28.040 Wastewater volume charge

* * *

1 B. The wastewater volume rate shall be the sum of the treatment rate and the system rate,
2 as follows:

3 1. Treatment rate. The "treatment rate" shall be the rate required to pay the
4 wastewater share of "treatment cost," which is the cost of wastewater treatment, interception and
5 disposal services as paid to external treatment providers by the Department, any taxes incurred
6 on treatment rate revenue, and any other associated costs required to meet Drainage and
7 Wastewater Fund financial policies. The treatment rate shall be ~~((the amount obtained when (a)~~
8 ~~the projected wastewater treatment cost is divided by (b) the projected billed wastewater~~
9 ~~consumption, each for the next calendar year, and the result is multiplied by 1.180797 in 2022,~~
10 ~~1.184033 in 2023, and 1.184530 in 2024 and thereafter to cover the costs of taxes and low-~~
11 ~~income rate assistance. The projected treatment cost shall be the treatment cost anticipated for~~
12 ~~the upcoming calendar year, which may include an adjustment to reflect the difference, whether~~
13 ~~positive or negative, between the total expected treatment cost for the current year and the total~~
14 ~~wastewater volume charge revenues attributable to the treatment rate expected for the current~~
15 ~~year.)) adjusted for utility discount program credits or any other revenue-reducing credits. The
16 treatment rate ~~((is designed to pass through cost changes driven by King County and))~~ may be
17 adjusted ~~((by ordinance))~~ at any time in response to ~~((such charges))~~ changes in the rates charged
18 by external treatment providers.~~

19 If an external treatment provider implements new rates for wastewater treatment
20 or related services, the updated treatment contract cost under the new rates for the subsequent 12-
21 month period shall be compared with the Department's cost assumption used in the adopted
22 revenue requirement for the same time period. If the calculated difference for the rate year is
23 \$500,000 greater than what was adopted, then it will be deemed material and passed through in

1 rates. Treatment rates in all rate schedules will be adjusted upwards or downwards by a
2 consistent amount such that the identified material cost difference, including taxes and Utility
3 Discount Program expense, is collected from or credited to customers over the subsequent 12-
4 month period from the onset of the rate adjustment.

5 2. System rate. The "system rate" shall be the rate required to pay the cost of
6 carrying and discharging all wastewater and any wastewater-funded share of stormwater into the
7 City sewerage system, as presently maintained and operated and as may be added to, improved,
8 and extended.

9 3. The wastewater system volume rate per CCF shall be in accordance with the following
10 schedule:

	Effective Jan 1, 2021	Effective Jan 1, 2022	Effective Jan 1, 2023	Effective Jan 1, 2024
((Treatment Rate	\$9.25	\$9.34	\$9.34	\$9.34))
System Rate	\$7.42	\$7.67	\$7.67	\$7.67
((Wastewater Volume Rate	\$16.67	\$17.01	\$17.01	\$17.01))

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12 * * *

13 Section 2. Subsection 21.76.040.A of the Seattle Municipal Code, which section was last
14 amended by Ordinance 126434, is amended as follows:

15 **21.76.040 Rate discounts**

16 A. Drainage, wastewater, and water. Certified customers will receive rate discounts (or
17 credits) in the following amounts:

18 1. Wastewater. Certified customers billed directly for Seattle Public Utilities
19 wastewater services will receive a rate discount equal to 0.5 times the total current wastewater
20 volume charge. ~~((Certified customers who pay for wastewater services indirectly through rent~~

1 shall receive the following rate credits based on dwelling type and consistent with Section
 2 21.76.050:

	Effective Jan 1, 2021	Effective Jan 1, 2022	Effective Jan 1, 2023	Effective Jan 1, 2024
Single-Family	\$35.85	\$36.57	\$36.57	\$36.57
Duplex	\$35.85	\$36.57	\$36.57	\$36.57
Multifamily	\$25.01	\$25.52	\$25.52	\$25.52))

3 At the time of a change to the wastewater volume charge described in Section
 4 21.28.040, the Director of Seattle Public Utilities shall calculate new credits for certified
 5 customers who pay for wastewater services indirectly through rent. The rate credit for single-
 6 family and duplex customers shall be 0.5 times the wastewater volume charge multiplied by 430
 7 cubic feet (4.3 CCF), which is typical single-family residential sewer billed consumption. The
 8 rate credit for multifamily dwelling customers shall be 0.5 times the wastewater volume charge
 9 multiplied by 3.0 CCF, which is typical multifamily sewer billed consumption.

10 2. Drainage. Certified customers residing inside The City of Seattle shall receive
 11 the following rate credits for drainage services based on dwelling type:

	Effective Jan 1, 2021	Effective Jan 1, 2022	Effective Jan 1, 2023	Effective Jan 1, 2024
Single-Family	\$25.00	\$26.36	\$27.83	\$29.40
Duplex	\$12.50	\$13.18	\$13.92	\$14.70
Multifamily	\$2.68	\$2.82	\$2.98	\$3.15

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 13 3. Water. Certified customers billed directly for Seattle Public Utilities water
 14 services shall receive a rate discount equal to 0.5 times the total current commodity and base

1 service charges. Certified customers who pay for water services indirectly through their rent shall
2 receive the following rate credits based on dwelling type and consistent with Section 21.76.050:

Effective date	Single-family and duplex dwellings	Multifamily dwellings
January 1, 2017	\$20.56 per month	\$12.38 per month
January 1, 2018	\$21.15 per month	\$12.38 per month
January 1, 2019	\$21.86 per month	\$12.38 per month
January 1, 2020	\$22.85 per month	\$12.50 per month

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4 Section 3. This ordinance does not affect any existing right acquired or liability or
5 obligation incurred under the sections amended or repealed in this ordinance or under any rule or
6 order adopted under those sections, nor does it affect any proceeding instituted under those
7 sections.

8 Section 4. The provisions of this ordinance are declared to be separate and severable. The
9 invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance,
10 or the invalidity of its application to any person or circumstance, does not affect the validity of
11 the remainder of this ordinance or the validity of its application to other persons or
12 circumstances.

1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 4th day of October, 2022,
5 and signed by me in open session in authentication of its passage this 4th day of
6 October, 2022.

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8 _____

8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 5th day of October, 2022.

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11 _____

11 Bruce A. Harrell, Mayor

12 Filed by me this 5th day of October, 2022.

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14 _____

14 Elizabeth M. Adkisson, Interim City Clerk

15 (Seal)

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Attachments: