

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle City Light	Andrew Strong	Greg Shiring

1. BILL SUMMARY

Legislation Title: A RESOLUTION approving the proposed budget framework of the Skagit Environmental Endowment Commission for Canada fiscal years 2024-2025 through 2028-2029.

Summary and Background of the Legislation: In 2019, Resolution 31872 established a 5-year review and approval process for the Skagit Environmental Endowment Commission (SEEC) budget framework. This resolution will approve the SEEC budget framework for the next five-year period from April 1, 2024 through March 31, 2029. The SEEC budget is funded by the Skagit Environmental Endowment Fund (Fund).

The Skagit Environmental Endowment Fund was jointly established by Seattle City Light and BC Hydro during the period 1985-89 as a result of the 1984 High Ross Treaty (Treaty) between the US and Canada and an associated Agreement (Agreement) between the City of Seattle and British Columbia. The Fund is separate and not part of the City of Seattle's budget, but City approval of SEEC's budget is required by the Treaty and Agreement.

The Fund is currently managed by Phillips, Hager & North, the institutional arm of the Royal Bank of Canada Global Asset Management, Inc., to maintain capital and produce revenue. SEEC policy is to preserve the corpus of the Fund, considering inflation, and to expend available proceeds from the Fund according to a budget developed through SEEC's 5-year strategic planning process.

The Treaty and Agreement require Seattle City Light to supplement the Fund by an annual, inflation-adjusted payment, based on a fixed amount of power purchase. Seattle City Light's payments for future years will be subject to Council approval by ordinance of the City's annual budgets, and funds for such payments will be included in the Purchased Power Budget Control Level.

The projected amounts are shown in the table below:

2024 est.	2025 est.	2026 est.	2027 est.	2028 est.
\$177,663	\$182,993	\$188,482	\$194,137	\$199,961

The projections assume a 4% increase in 2024 and 3% for years 2025 – 2028 and rely on the City of Seattle Office of Economic and Revenue's Consumer Price Index (CPI) percentage increase forecasts for Seattle as of January 31, 2024.

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

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

n/a

Please describe any financial costs or other impacts of *not* implementing the legislation.

n/a

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The legislation helps to fulfill certain obligations of the City of Seattle and secure ongoing benefits under the 1984 High Ross Treaty between the US and Canada and an associated Agreement between the City of Seattle and the province of British Columbia. Seattle City Light pays into the fund, as described in the background presented above, and provides staff support to the Commission as needed.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

No

c. 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.**

The Skagit Environmental Endowment Commission (SEEC) and Skagit Environmental Endowment Fund were established through the 1984 High Ross Treaty between the US and Canada and an associated Agreement between the City of Seattle and British Columbia. SEEC administers the Endowment Fund. The Endowment Fund is separate and not part of the City of Seattle's budget, but the Agreement requires that the SEEC budget be approved by Seattle.

The SEEC has five strategic priorities that have informed its budget. These priorities are outlined in the SEECs updated strategic plan and will help ensure the SEEC works diligently and is well-informed in decision-making processes as they fund diverse initiatives across a multi-jurisdictional landscape. These priorities also support the SEECs vision for the Upper Skagit transboundary watershed to be valued as ecologically and culturally unique, and to be conserved for the benefit of all.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

None completed.

- iii. What is the Language Access Plan for any communications to the public?**

Not necessary.

d. 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

- e. 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

5. CHECKLIST

Please click the appropriate box if any of these questions apply to this legislation.

- ☐ **Is a public hearing required?**
- ☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**
If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

6. ATTACHMENTS

List Summary Attachments (if any):