

SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|--------------------------|-----------------------------|---------------------------|
| Seattle Public Utilities | Spencer Huang/5-0025 | Aaron Blumenthal/3-2656 |

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low income customers for solid waste services; and amending Sections 21.40.050, 21.40.060, 21.40.070, 21.40.080, 21.40.085, and 21.76.040 of the Seattle Municipal Code.

Summary and background of the Legislation: The ordinance would adjust Seattle Public Utilities’ solid waste rates for residential and commercial customers for the period from April 1, 2020 to March 31, 2023. The ordinance proposes the following adjustments to most solid waste rates on April 1st of each year: 3.0% in 2020, 2.9% in 2021, and 2.9% in 2022. Rate adjustments were last approved in 2016 for 2017, 2018 and 2019. The proposed increased rates would fund operating expenses during the rate period, the completion of the South Recycling Center project, and account for uncertainty in the recycling market. The proposed rate adjustments are in line with inflation expectations and comply with the average overall rate path target of 3.4% per year as established by the Seattle Public Utilities Strategic Business Plan.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes **X** No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes **X** No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
Several City departments incur solid waste costs. These costs will increase commensurate with the rate increases proposed in this legislation.

Is there financial cost or other impacts of *not* implementing the legislation?
The Solid Waste Fund would not fully recover the cost of its business operations and meet its financial policy targets.

X **This legislation adds, changes, or deletes revenues or reimbursements.**

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Dept | Revenue Source | 2019 Revenue | 2020 Estimated Revenue |
|-----------------------------|-------------|-----------------------|---------------------|-------------------------------|
| SOLID WASTE FUND - 45010 | SPU | Rates | \$0 | \$10,524,821 |
| TOTAL | | | \$0 | \$10,524,821 |

Is this change one-time or ongoing?

This legislation proposes an adjustment to solid waste rates for April 1, 2020 to March 31, 2023.

Revenue/Reimbursement Notes:

This legislation will generate \$10.5 million in 2020 with a 3.0% rate increase on April 1, 2020. A 2.9% rate increase in 2021 will generate \$17.7 million (over 2019 rates) and a 2.9% rate increase in 2022 will generate \$25.2 million (over 2019 rates). The additional revenue is necessary to cover operating costs for the utility, including capital financing and regular inflation updates.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Several City departments incur solid waste costs, these costs will increase commensurate with the rate increases proposed in this legislation. Utility Tax payments to the general fund will increase.

b. Is a public hearing required for this legislation?

No

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

e. Does this legislation affect a piece of property?

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged

communities? What is the Language Access plan for any communications to the public?

This legislation includes increases to the Utility Discount Program that provide rate relief to low income customers.

- g. 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).**

None.

List attachments/exhibits below:

Summary Exhibit A – 2020-22 Solid Waste Rate Study