

Ship Canal Water Quality Project Loan Approval Request

City Council – Transportation & Utilities Committee
June 16, 2021

Ship Canal Water Quality Project

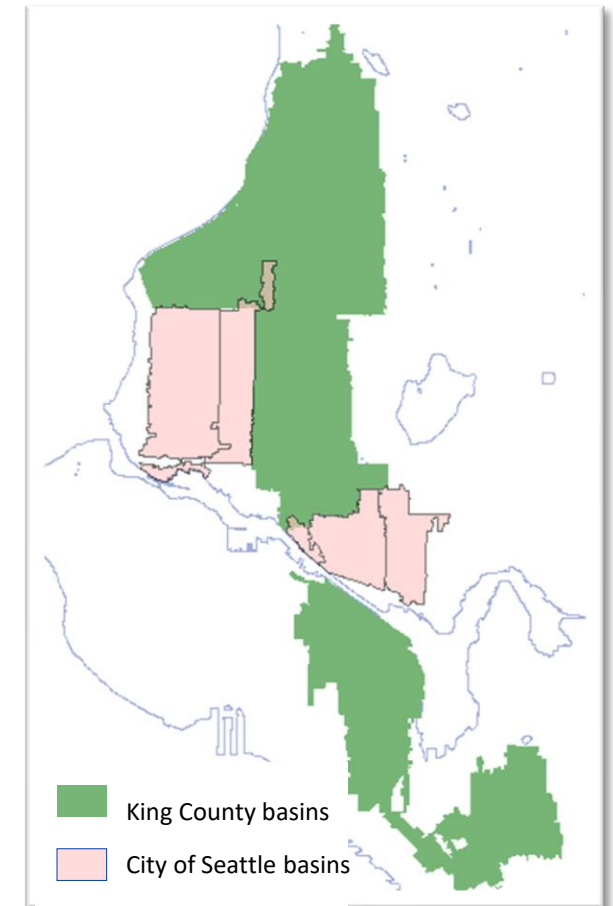
Part of regional efforts to protect people and waters from sewage and stormwater pollution.

Consent Decree

- With US Department of Justice, US Environmental Protection Agency, and WA Department of Ecology
- Less than 1 combined sewer overflow per outfall per year on a 20-year moving average

Joint Project: King County & City of Seattle

- 6 Outfalls: 2 KC, 4 Seattle
- Joint Project Agreement: City of Seattle (65%), King County (35%) on \$570M budget





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Ship Canal Water Quality Project



Ballard Site

East Ballard Site

Fremont Site

Queen Anne Site

Wallingford Site

 Underground storage tunnel

 Project elements

 Neighborhood boundary



Clean Water State Revolving Fund (CWSRF) Loan

Loan being voted on today:

- \$66 million dollar loan for costs associated with Storage Tunnel construction
- Saves ratepayers approximately \$12 million in borrowing costs compared to conventional bond financing
- Loan Interest rate 1.2% over 20 years



Loans for Ship Canal Water Quality Project

Type	Fiscal Year	Loan Amount	Status/Comment
CWSRF	2019	\$25M	Executed
EPA WIFIA	N/A	\$192M	Executed
CWSRF	2021	\$66M	Requesting approval today
CWSRF	2022	\$28M	Awarded but not negotiated yet

Total Loans: ~\$311M 80% of SPU project costs

Total savings compared with traditional municipal bonds ~ \$84M

EPA WIFIA = Environmental Protection Agency Water Infrastructure Finance and Innovation Act





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